

What Determines China's Allocation of Confucius Institute: Educational, Political, or Economic Interest?

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Abstract

In recent years, an increasing number of scholars have devoted attention to China's expanded soft power. Among these scholars, many have examined China's establishment of Confucius Institutes around the world. However, despite the ample scholarship on this topic, a comprehensive theoretical and empirical analysis of the determinants of China's allocation of Confucius Institutes is missing in the existing research. This study fills this important gap. We argue that China's allocation of Confucius Institutes is driven by its educational, political, and economic interests altogether. In addition, we provide arguably the first large-N empirical assessment that includes all countries from 2004 to 2014. The findings demonstrate that educational, political, and economic interests coexist when China decides the allocation of Confucius Institutes.

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1 Introduction

The rise of China has attracted a great deal of scholarly attention in recent years. For example, in observing China's significantly expanded economic and military power, scholars have extensively debated whether a rising China poses a threat to international security (e.g., Gurtov and Hwang 1998; Rapkin and Thompson 2003; Christensen 2006; Fravel 2010; Xiang, Primiano and Huang 2015).¹ In addition, an increasing number of scholars have devoted attention to China's increased soft power (e.g., Ding 2008; Nye 2008; Paradise 2009; Yang 2009; Zhu 2010; Gilley 2011; Li and Worm 2011; Nye 2013). Among these scholars, many have examined China's establishment of Confucius Institutes around the world. The Chinese government has spent an enormous amount of resources on Confucius Institutes (e.g., 119 million USD in 2009),² and as a result China has managed to establish over 400 institutes in more than 100 countries between 2004 and 2014. However, despite the ample scholarship on this topic, a comprehensive theoretical and empirical analysis of the determinants of China's allocation of Confucius Institutes is missing in the existing research. This study fills this important gap. We discuss three important explanations of Confucius Institutes and provide arguably the first large-N empirical assessment.

We argue that China's allocation of Confucius Institutes is not determined by a single motive. Instead, it is driven by China's educational, political, and economic interests altogether. The educational goal, which is to teach the Chinese language and culture, is explicitly

¹Xiang, Primiano and Huang (2015) conduct a survey of journal articles that investigate China's militarized conflict and categorize these articles by their propositions on China's rise. Furthermore, they provide a large-N empirical analysis of how China's increased economic and military power affects China's involvement in militarized conflict.

²See http://www.hanban.org/report/pdf/2009_final.pdf.

stated in the mission of Confucius Institutes, and it has been endorsed by a number of academic writings. In addition, China has strategically used Confucius Institutes as a means to generate political influence. For example, many argue that Confucius Institutes try to promote the Chinese government's position on issues such as Taiwan, Tibet, and Xinjiang. Finally, China's economic interest, in particular in trade and FDI, also plays an important role. It is demonstrated that Confucius Institutes can facilitate trade and FDI by reducing transaction costs.

To empirically assess these three proposed hypotheses, this study employs a cross-sectional and time-series analysis that includes all countries from 2004 to 2014. We find that when a host country has a larger population size, which suggests a higher demand for learning the Chinese language and culture, it is likely to have more Confucius Institutes. If a country shares a higher degree of preference similarity with China in the UN General Assembly, it will be less likely to own a Confucius Institute. Finally, a country that trades more with China is likely to have a larger number of Confucius Institutes. In short, our empirical analysis demonstrates that educational, political, and economic interests altogether drive China's establishment of Confucius Institutes around the world.

The rest of this study proceeds in four sections. First, we propose and discuss three important arguments of Confucius Institutes. Next, this study presents research design for the empirical analysis. The empirical results are shown in section four. Finally, we provide a concluding remark.

2 Explanations of Confucius Institute

In this section, we argue that China's allocation of Confucius Institutes is driven by China's educational, political, and economic interests altogether.

2.1 Educational Institute

The first determinant of China's allocation of Confucius Institutes is the proposed educational goal. Confucius Institute is initiated in 2004 with the stated goal to meet the increasing worldwide demand for learning Chinese language and culture. For example, in its official statements, Hanban (i.e., Confucius Institute Headquarters) is "committed to providing Chinese language and cultural teaching resources and services worldwide, it goes all out in meeting the demands of foreign Chinese learners and contributing to the development of multiculturalism and the building of a harmonious world."³

This stated educational goal has been supported by a number of scholars. Gao (2011) endorses Hanban's official statement, and argues that Confucius Institute is the first step to improving the Chinese learning environment. Although the rise of China has generated a sharply increased demand for learning Chinese ("Mandarin Fever"), its learning environment is still weak. By offering a number of training programs on Chinese language and culture, Confucius Institute is expected to strengthen the competitiveness of the Chinese language as a foreign language. Yang and Hsiao (2012) clarify some misunderstanding about the function of Confucius Institutes, pointing out that Confucius Institutes do not study and disseminate Confucianism. Instead, "the objectives of these institutes are ... providing Chinese language teaching projects" (p. 10). Gil (2015) conducts interviews and a survey of Confucius Institute staff, teachers, and students, and shows that Confucius Institutes play an important role in teaching the Chinese language. As a result, he concludes that "without this widespread interest in the Chinese language, it is unlikely that the CI project would have reached its current dimensions" (p. 213).

³http://english.hanban.org/node_7719.htm.

2.2 Political Influence

Compared to the educational role, political influence is more frequently cited by the media and academia as the motive for the Chinese government to set up Confucius Institutes. One argument examines the connections between Hanban/Confucius Institute and the Chinese government. Hanban, the abbreviation for the Chinese National Office for Teaching Chinese as a Foreign Language, was established in 1987 and is officially affiliated with the Ministry of Education. However, the Chinese Language Council International, which is the decision-making bodies for Hanban, is comprised of members from twelve state ministries and commissions.⁴ In addition, Shambaugh (2007) and Paradise (2009) indicate that Chinese ambassadors and consulates play an important role in providing information and serving as a mediator during selecting host universities for Confucius Institutes. Therefore, it is clear that the Chinese government has extensively involved in the decision-making process of Confucius Institutes.

Another argument accuses Confucius Institutes for violating academic freedom. It is pointed out that Confucius Institutes try to promote the Chinese government's position on issues such as Taiwan, Tibet and Xinjiang. For example, a professor at University of Oregon indicates that Hanban has requested schools to accept the One-China policy as the condition

⁴They include the General Office of the State Council, the Ministry of Education, the Ministry of Finance, the Overseas Chinese Affairs Office of the State Council, the Ministry of Foreign Affairs, the State Development and Reform Commission, the Ministry of Commerce, the Ministry of Culture, the State Administration of Radio Film and Television (China Radio International), the State Press and Publications Administration, the State Council Information Office, and the State Language Work Committee. See <http://www.hanban.ca/hanban.php?lang=en>.

to receive funding and has refused to fund any public debate on topics “sensitive” to China.⁵ In response to this violation of academic freedom, University of Chicago and Pennsylvania State University closed their Confucius Institutes in 2014. One of the leading professors at University of Chicago considers hosting a Confucius Institute as accepting “the political and propaganda efforts of a foreign government in a way that contradicts the values of free inquiry and human welfare to which they are otherwise committed.”⁶

Finally, many scholars regard Confucius Institutes as a means to promote China’s soft power and political agenda (e.g., Cho and Jeong 2008; Mingjiang 2008; Paradise 2009; Blanchard and Lu 2012; Lynch 2013; Gil 2015). Cho and Jeong (2008), for example, argue that establishing Confucius Institutes is the prime example that “China has been systematically and comprehensively developing its public diplomacy” (p. 471). Paradise (2009) proposes that the Confucius Institute project is “a type of impression management, an effort by China to craft a positive image of itself in a world fraught with danger” (p. 662). By examining the relationship between the number of Confucius Institutes and a host country’s public opinion toward China, Kluver (2014) suggests that countries with a higher percentage of population suspicious of China are likely to have more Confucius Institutes.

⁵See <http://www.asiasentinel.com/society/confucius-on-the-campus/>. Similarly, some professors at Columbia University express their concerns regarding Hanban’s censorship. See <http://columbiaspectator.com/2011/11/11/china-funded-institute-tests-columbias-commitment-academic-integrity>.

⁶See <http://www.thenation.com/article/china-u/>.

2.3 Economic Interest

In addition to educational and political motivations, economic interest is another important determinant of China's allocation of Confucius Institutes. Economic growth is arguably the most important issue for the Chinese government, and Confucius Institutes can facilitate China's economic growth. Kluver (2014) argues that Confucius Institutes are more likely to be located in countries where China has a significant economic interest, such as Nigeria, Indonesia, and the United States. His explanation is that Confucius Institutes will facilitate trade between China and the host countries by "creating a class of individuals who could serve as intermediaries in developing trade ties" (p. 204).

Lien, Oh and Selmier (2012) and Kim et al. (2015) further explore this argument by proposing that Confucius Institutes reduce transaction costs. Lien, Oh and Selmier (2012) argue that Confucius Institutes "promote trade and FDI by enhancing language and cultural familiarity of host countries toward China (and vice versa), which lowers transaction costs associated with these activities. In addition, CIs often serve as a platform for information exchange, thus facilitating market access and trade and FDI opportunities" (p. 148). Using gravity models, their large-N data analysis demonstrates that Confucius Institutes increase outward trade and FDI flows from China to developing countries. Similarly, Kim et al. (2015) propose that the use of common language reduces transaction costs and thereby increases FDI. They show that host countries adjust domestic language programs to attract investment, and find a strong positive relationship between countries with Confucius Institutes and Chinese FDI. In conclusion, we argue that since Confucius Institutes increase trade and FDI between China and host countries, it is expected that China will allocate more Confucius Institutes to countries in which China has a strong economic interest.

3 Research Design

To empirically investigate the determinants of China's allocation of Confucius Institutes, this study employs a cross-sectional and time-series analysis. More specifically, it examines all dyad-years that include China as one member from 2004 to 2014.

3.1 Dependent Variable

The dependent variable is the cumulative count of Confucius Institutes in each country and year. This data information is obtained from Hanban's official websites.⁷ Since each Confucius Institute has an agreement date and a running date and these two dates are not necessarily in the same year, we code the dependent variable in two different ways: one based on agreement dates and the other based on running dates.⁸ For example, Sapporo University, a university in Japan, signed its agreement to set up a Confucius Institute in

⁷The information on Worldwide Confucius Institutes is shown in both Chinese (http://www.hanban.edu.cn/confuciousinstitutes/node_10961.htm) and English (http://english.hanban.org/node_10971.htm). We compare the Chinese version and the English version, and find some discrepancies between these two versions for a few cases. For instance, the English version mistakenly places a Confucius Institute at North South University, a university in India, as one for Japan.

⁸However, in a small number of cases information is provided for only one of these two dates. If only a running date is provided (e.g., Waseda University in Japan), we code the agreement date and the running date from the same year. On the other hand, when only an agreement date is available, we treat the running date as missing. The reason is that these agreement dates are usually close to 2014 and it is likely these Confucius Institutes have not started operating.

2006 and began operating it in 2007. In this case, this Confucius Institute is counted for Japan starting from the year of 2006 based on the agreement date measure but from the year of 2007 based on the running date measure.

[Figure 1 about here.]

There is a great deal of variation in the number of Confucius Institutes across countries and years. To show this, we first present the distribution of Confucius Institutes across countries in Figure 1. In this figure, the horizontal line indicates the number of Confucius Institutes, and the vertical axis denotes the number of countries within each category. For example, it shows that by the end of the year 2014, eighty countries still do not have any signed agreement with China to set up Confucius Institute. On the other hand, one country (i.e., the U.S.) owns ninety-six Confucius Institutes. In general, a large disparity exists among countries in the number of Confucius Institutes. Put differently, Figure 1 suggests that China allocates Confucius Institutes unequally across countries. Table 1 provides more detailed information on the number of Confucius Institutes in each country.

[Table 1 about here.]

In Figure 2, we aggregate Confucius Institutes by year and display the time trend for the total number of Confucius Institutes in the world. As it is clearly demonstrated from the figure, the total number of Confucius Institutes in the world has been increasing at a fast pace. For example, based on agreement dates, while there are only five Confucius Institutes in its inception year 2004, this number becomes one hundred within only two years. Many scholars have analyzed China's significantly increased economic power and military power since the 1990s to study China's rise (e.g., Xiang, Primiano and Huang 2015). The demonstrated time trend for Confucius Institutes suggests that it is also important to examine China's expanded soft power.

[Figure 2 about here.]

3.2 Independent Variables

To empirically test whether China’s allocation of Confucius Institutes is determined by the proposed educational, political, and economic interests, we need to find appropriate variables to measure them. This study chooses *Population*, *UN Voting Similarity*, and *Trade* to examine these three hypotheses respectively. First, we use a host country’s population to investigate if the proposed educational goal is supported by the data. The argument here is rather straightforward. If meeting the worldwide demand for learning Chinese language and culture is indeed an important goal of Confucius Institutes, it is expected that China will establish more Confucius Institutes in countries with a larger population size. This population variable is obtained from the World Development Indicators, and it is measured in millions.

We employ UN Voting Similarity to examine the political influence hypothesis. The argument is that if China’s true intent is to use Confucius Institutes to promote political propaganda in host countries, it is expected that a larger number of Confucius Institutes will be seen in countries that show more political dissimilarity. Put differently, it is rational for China to invest more resources in countries where more changes are demanded. UN Voting Similarity is an appropriate variable for this purpose, since it measures preference similarity between China and another country on a wide range of important issues such as nuclear security, Middle East stability, human rights, and economic sanctions. The values of this variable vary from -1 to 1 , where -1 indicates that China and another country hold completely different positions when they vote on these issues in the UN General Assembly, and 1 denotes that these two countries share identical preferences. This variable is obtained from Voeten (2013). Although public opinion data can also be employed to measure preference

similarity between China and another country, it is not available for all world countries and all years from 2004 to 2014.

As indicated by the argument on economic interest, trade is of significant importance to China's economy. As the second-largest economy in the world, China had a total trade volume of 4.301 trillion USD in 2014 and trade surplus accounted for nearly 40 percent of China's GDP.⁹ As a result, we use trade to test the economic interest hypothesis that China will allocate more Confucius Institutes to countries in which China has a strong economic interest.¹⁰ This trade variable is calculated as a ratio of bilateral trade between China and another country over China's GDP, which evaluates the importance of a bilateral trade in terms of China's GDP. The trade data is obtained from the Bilateral Trade dataset (version 3.0)¹¹ as well as the IMF Direction of Trade Statistics.¹² Since existing research has used several different measures of trade, we construct three more trade measures to test the economic interest hypothesis.¹³

⁹Trade data is retrieved from the WTO trade statistics at <http://stat.wto.org/StatisticalProgram/WSDBStatProgramHome.aspx?Language=E/>.

¹⁰Although FDI is also important for China's economy, it is not as significant as trade. In addition, complete FDI data is not available for all countries and years.

¹¹Barbieri, Keshk and Pollins 2009; Barbieri and Keshk 2012.

¹²This source is used for the trade data after 2009, and it can be accessed at <http://www.esds.ac.uk/international/doipages/imfdots.asp>.

¹³In the second measure, we replace China's GDP by China's total trade in the denominator. The third and the fourth measures are computed as the following:

$$\sqrt{\frac{\text{dyadic trade}}{\text{GDP, China}} \times \frac{\text{dyadic trade}}{\text{GDP, other state}}} \text{ and } \sqrt{\frac{\text{dyadic trade}}{\text{total trade, China}} \times \frac{\text{dyadic trade}}{\text{total trade, other state}}}.$$

3.3 Control Variables

In addition, this study includes several control variables, including *Distance*, *Contiguity*, *GDP*, *GDP per capita*, *Sinic civilization*, and *Lagged Confucius Institute*. Distance and Contiguity are geographical measures of host countries. It is expected that when China and another country are far away in geographical distance, it will be more costly for transportation of resources and communication. As a result, China’s neighbors and countries with shorter distances to China are likely to have more Confucius Institutes. Distance is calculated as the distance between Beijing, China and the other country’s capital, with its data downloaded from the Expected Utility Generation and Data Management Program (Bennett and Stam 2000). Contiguity is a dummy variable, which is equal to 1 when China and the other country share a land border or are contiguous across up to 400 miles by water, and 0 otherwise. We obtain this data from Stinnett et al. (2002). GDP and GDP per capita capture host countries’ economic sizes and economic development levels. Both variables are measured in constant 2005 USD,¹⁴ and their data is downloaded from the World Development Indicators. Sinic civilization is used to indicate “the common culture of China and the Chinese communities in Southeast Asia and elsewhere outside of China as well as the related cultures of Vietnam and Korea” (Huntington, 1997, p. 45). This variable is coded 1 for Mongolia, North Korea, South Korea, and Vietnam, and 0 for other countries. We employ this variable because these countries are already familiar with the Chinese language and culture and therefore are less likely to have demand for Confucius Institutes. Finally, since our dependent variable is calculated as a cumulative count of Confucius Institutes, this study includes *lagged Confucius Institute* to control for the number of Confucius Institutes from the previous year. To reduce the potential endogeneity problem, all independent variables and control variables are lagged by one year.

¹⁴GDP is measured in millions USD.

4 Empirical Results

In this section, we present our empirical results to show what determines China's allocation of Confucius Institutes. The regression analysis is based on a negative binomial regression, which is usually employed for a count dependent variable. Our main regression results are presented in Table 2. In the table, we show results for two models, one based on running dates and the other based on agreement dates.

[Table 2 about here.]

As clearly demonstrated from both models in Table 2, all of the three hypotheses are strongly supported by the data. When a host country has a larger population size, which indicates a higher demand for Confucius Institutes, it is likely to have more Confucius Institutes. The coefficient for population is positive and statistically significant. If a country shares a higher degree of preference similarity with China in the UN General Assembly, it will be less likely to own a Confucius Institute. The coefficient for UN voting similarity is negative and statistically significant. Put differently, China tends to establish more Confucius Institutes in countries that possess different preferences than China. Finally, a country that trades more with China is likely to have a larger number of Confucius Institutes, as suggested by its positive and statistically significant coefficient.

These findings provide arguably the first systematic evidence to show that educational, political, and economic interests coexist when China decides the allocation of Confucius Institutes. Put differently, any claim that the allocation of Confucius Institutes is driven by a single motive is rejected by our data analysis. For example, while political influence is certainly a prominent determinant of Confucius Institutes, accepting this view does not automatically rule out teaching the Chinese language and culture to be an important determinant. The advantage of our analysis is that we have simultaneously controlled for many

possible determinants based on a multivariate regression analysis.

The findings of the control variables in Table 2 are to a large extent consistent with our theoretical expectations. China is likely to establish more Confucius Institutes in its neighboring countries. However, after controlling for the effect of neighbors, distance fails to show any statistically significant effect on the dependent variable. GDP per capita, which measures a country's economic development level, shows that China tends to establish more Confucius Institutes in developed countries. This result makes intuitive sense since developed countries have a higher university enrollment as well as better infrastructure, which are important elements for establishing and operating Confucius Institutes. The GDP variable suggests that a larger economic size is likely to reduce the number Confucius Institutes. However, we do not have a straightforward explanation for this result. Sinic civilization shows the expected negative effect on the dependent variable. Holding the other variables at constant, Mongolia, North Korea, South Korea, and Vietnam are likely to own less Confucius Institutes. Finally, as expected, the lagged dependent variable shows a positive and statistically significant coefficient.

As previously mentioned, we construct additional trade measures to test how trade affects the number of Confucius Institutes. In our original trade measure used in Table 2 (i.e., Trade, %China's GDP), the importance of a bilateral trade is evaluated by China in terms of its GDP. It also makes sense to use China's total trade instead to assess the importance of a trading relationship (i.e., Trade, %China's trade). In addition, it is possible that a bilateral trading relationship is also assessed by host countries when they decide whether to set up a Confucius Institute (i.e., Trade, %both states' GDP and Trade, %both states' trade). For all these reasons, we rerun our regression model based on running dates in Table 2, using three more trade measures. The results are presented in Table 3. As clearly demonstrated, all four trade measures show a positive and statistically significant effect on the dependent

variable. These findings suggest that our earlier conclusion that trade increases the number of Confucius Institutes is robust across different measures of trade. Furthermore, the results of population and UN voting similarity remain the same. Overall, our empirical analysis presented in Table 2 and Table 3 demonstrates that educational, political, and economic interests altogether drive China's establishment of Confucius Institutes around the world.

[Table 3 about here.]

5 Conclusion

In this study, we propose a theoretical argument and an empirical test of the determinants of China's allocation of Confucius Institutes around the world. Contrary to the existing research that usually focuses on a single motive, this study proposes that educational, political, and economic interests coexist when China decides the allocation of Confucius Institutes. Empirically, we show that when a host country has a larger population size, it is likely to have more Confucius Institutes. If a country shares a higher degree of preference similarity with China in the UN General Assembly, it will be less likely to own a Confucius Institute. Finally, a country that trades more with China is likely to have a larger number of Confucius Institutes. These findings provide arguably the first systematic evidence to explain how Confucius Institutes are distributed around the world.

Figure 1: Number of Confucius Institutes in Each Country, Based on Agreement Date

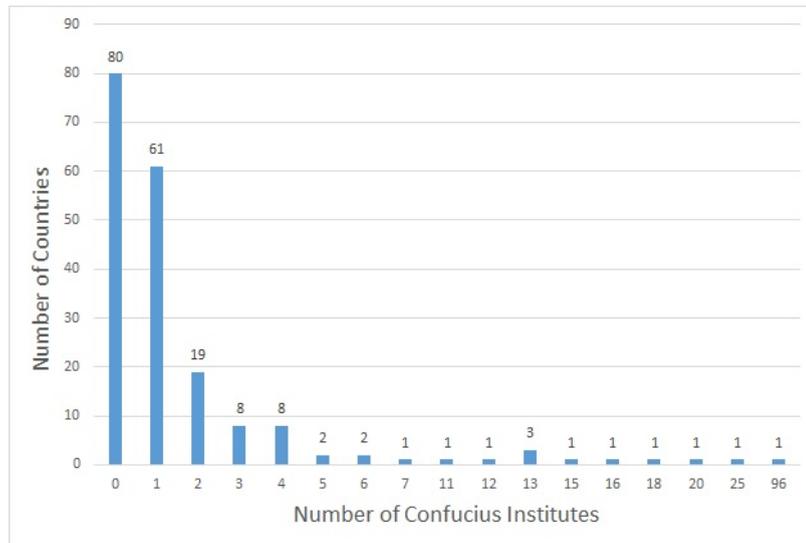


Figure 2: Number of Confucius Institutes by Year

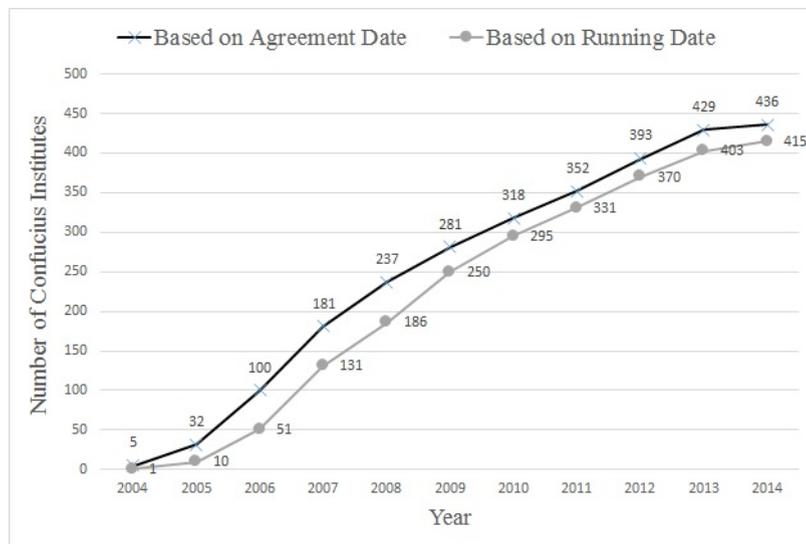


Table 1: Rank of Countries by Number of Confucius Institutes

United States	96	Tanzania	2	Namibia	1	Kosovo	0
United Kingdom	25	United Arab Emirates	2	Nepal	1	Kuwait	0
Korea, Rep.	20	Uzbekistan	2	Norway	1	Lesotho	0
Russian Federation	18	Afghanistan	1	Rwanda	1	Libya	0
France	16	Albania	1	Senegal	1	Liechtenstein	0
Germany	15	Armenia	1	Sierra Leone	1	Luxembourg	0
Australia	13	Azerbaijan	1	Singapore	1	Maldives	0
Canada	13	Bahamas, The	1	Slovak Republic	1	Mali	0
Japan	13	Bahrain	1	Slovenia	1	Marshall Islands	0
Thailand	12	Bangladesh	1	Sri Lanka	1	Mauritania	0
Italy	11	Benin	1	Sudan	1	Mauritius	0
Brazil	7	Bolivia	1	Tajikistan	1	Micronesia, Fed. Sts.	0
Indonesia	6	Botswana	1	Togo	1	Monaco	0
Spain	6	Burundi	1	Trinidad and Tobago	1	Myanmar	0
Mexico	5	Cambodia	1	Zambia	1	Nauru	0
Ukraine	5	Cameroon	1	Zimbabwe	1	Nicaragua	0
Belgium	4	Congo, Dem. Rep.	1	Algeria	0	Niger	0
Hungary	4	Costa Rica	1	Andorra	0	Oman	0
Kazakhstan	4	Croatia	1	Angola	0	Palau	0
Peru	4	Cuba	1	Antigua and Barbuda	0	Panama	0
Poland	4	Cyprus	1	Barbados	0	Papua New Guinea	0
Romania	4	Czech Republic	1	Belize	0	Paraguay	0
South Africa	4	Ecuador	1	Bhutan	0	Qatar	0
Sweden	4	Eritrea	1	Bosnia and Herzegovina	0	Samoa	0
Belarus	3	Estonia	1	Brunei Darussalam	0	San Marino	0
Colombia	3	Fiji	1	Burkina Faso	0	Sao Tome and Principe	0
Denmark	3	Finland	1	Cabo Verde	0	Saudi Arabia	0
Kenya	3	Georgia	1	Central African Republic	0	Seychelles	0
Kyrgyz Republic	3	Ghana	1	Chad	0	Solomon Islands	0
New Zealand	3	Greece	1	Comoros	0	Somalia	0
Philippines	3	Guyana	1	Congo, Rep.	0	South Sudan	0
Turkey	3	Iceland	1	Cote d'Ivoire	0	St. Kitts and Nevis	0
Argentina	2	Iran, Islamic Rep.	1	Djibouti	0	St. Lucia	0
Austria	2	Jamaica	1	Dominica	0	St. Vincent and the Grenadines	0
Bulgaria	2	Lao PDR	1	Dominican Republic	0	Suriname	0
Chile	2	Latvia	1	El Salvador	0	Swaziland	0
Egypt	2	Lebanon	1	Equatorial Guinea	0	Syria	0
Ethiopia	2	Liberia	1	Gabon	0	Timor-Leste	0
India	2	Lithuania	1	Gambia, The	0	Tonga	0
Ireland	2	Macedonia, FYR	1	Grenada	0	Tunisia	0
Israel	2	Madagascar	1	Guatemala	0	Turkmenistan	0
Jordan	2	Malawi	1	Guinea	0	Tuvalu	0
Morocco	2	Malaysia	1	Guinea-Bissau	0	Uganda	0
Netherlands	2	Malta	1	Haiti	0	Uruguay	0
Nigeria	2	Moldova	1	Honduras	0	Vanuatu	0
Pakistan	2	Mongolia	1	Iraq	0	Venezuela, RB	0
Portugal	2	Montenegro	1	Kiribati	0	Vietnam	0
Switzerland	2	Mozambique	1	Korea, Dem. Rep.	0	Yemen, Rep.	0

Table 2: Determinants of China's Allocation of Confucius Institute

	Based on Running Date	Based on Agreement Date
	(1)	(2)
Population	.002*** (.0004)	.002*** (.0005)
UN voting similarity	-1.169*** (.183)	-1.049*** (.172)
Trade, %China's GDP	28.273*** (6.784)	25.079*** (6.358)
Distance	-.00002 (.00002)	-.00003 (.00002)
Contiguity	.416** (.164)	.345** (.152)
GDP	-3.73e-07*** (8.30e-08)	-3.36e-07*** (7.76e-08)
GDP per capita	6.67e-06** (2.95e-06)	6.24e-06** (2.83e-06)
Sinic civilization	-.909*** (.351)	-.900*** (.329)
Lagged Confucius Institute	.252*** (.015)	.233*** (.014)
Number of observations	1,849	1,849

Notes:

Standard errors are in parentheses. * $p < .10$, ** $p < .05$, *** $p < .01$.

Table 3: Determinants of China's Allocation of Confucius Institute, with Different Measures of Trade

	(1)	(2)	(3)	(4)
Population	.002*** (.0004)	.002*** (.0004)	.001*** (.0004)	.001*** (.0004)
UN voting similarity	-1.149*** (.182)	-1.169*** (.183)	-1.570*** (.191)	-1.464*** (.182)
Trade, %China's trade	18.662*** (4.582)			
Trade, %China's GDP		28.273*** (6.784)		
Trade, %both states' trade			20.338*** (2.418)	
Trade, %both states' GDP				26.210*** (2.758)
Distance	-.00002 (.00002)	-.00002 (.00002)	-.00002 (.00002)	2.36e-06 (.00002)
Contiguity	.420** (.164)	.416** (.164)	.293* (.163)	.427*** (.160)
GDP	-3.87e-07*** (8.70e-08)	-3.73e-07*** (8.30e-08)	-3.33e-07*** (4.65e-08)	-1.75e-07*** (3.82e-08)
GDP per capita	7.06e-06** (2.95e-06)	6.67e-06** (2.95e-06)	2.79e-06 (3.01e-06)	4.26e-06 (2.90e-06)
Sinic civilization	-.912*** (.350)	-.909*** (.351)	-1.476*** (.351)	-1.405*** (.329)
Lagged Confucius Institute	.262*** (.015)	.252*** (.015)	.208*** (.014)	.198*** (.015)
Number of observations	1,849	1,849	1,757	1,849

Notes:

Standard errors are in parentheses. * $p < .10$, ** $p < .05$, *** $p < .01$.

Trade, %China's trade = dyadic trade / total trade, China

Trade, %China's GDP = dyadic trade / GDP, China

Trade, %both states' trade = $\sqrt{\frac{\text{dyadic trade}}{\text{total trade, China}} \times \frac{\text{dyadic trade}}{\text{total trade, other state}}}$

Trade, %both states' GDP = $\sqrt{\frac{\text{dyadic trade}}{\text{GDP, China}} \times \frac{\text{dyadic trade}}{\text{GDP, other state}}}$

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