

The Sage Helps the Celestial Empire: The Confucius Institute as an Instrument of China's Soft Power in Greater East Asia

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This article considers the main features of the network of Confucius Institutes (CIs) and Confucius classrooms (CCs) as an instrument of China's soft power policy in Greater East Asia. The first part examines linkages between the soft power policy and the evolution of the existing system of international relations. It notes the importance of soft power in preventing an erosion of state sovereignty and considers the model of spreading soft power as well as China's official approach. The second part of the article considers the main principles and features of the CI/CC system and the major points of its development. It analyzes the influence of the CI headquarters on their development and function. The third part examines the main CI/CC functions including education and other soft power ways to promote China. The fourth part considers the network's existing finance mechanisms. The fifth part analyzes the main methods used by CIs and CCs and the reasons for their successful effectiveness. The sixth part examines the spread of the network in Greater East Asia and the United States, including challenges and successes. In conclusion, the author summarizes the results of this analysis and offers recommendations to promote similar soft power mechanisms for Russia.

Key words: China, Greater East Asia, soft power, culture, education, Chinese language, Communist Party of China, Confucius Institutes, Confucius Classrooms, Hanban

Soft Power and Evolution of the International Relations System

One of the most specific features of modern human development is constantly growing interdependence, which defines nearly all aspects of every person and society as a whole. Meanwhile, interdependence rises not only in different separate states but also in the international system as a whole. It includes states as key actors, transnational corporations, associations based on common religious views, ethnic origins, political or economic convictions, and even eminent persons.

The widespread use of information technologies (IT) such as television, mobile phones, the internet and social networks have created unprecedented opportunities for the integration of different groups living in different countries and regions. There is a necessary condition for such integration in addition to the technical component: namely, a common language and values as a basis for dialogue. The development of IT has increased the domino effect of the galloping spread of dissatisfaction and destabilizing actions in societies that face serious internal social problems, as reflected in the Arab Spring in the 2010s. Such social disintegration and the dissolution of states have their origins in the same principles that contribute to human integration: the development of technologies facilitates the joining together of human beings in

different places who share common values and aims related to a common language as a basis of communication, and often an element of self-determination.

The value dimension and the factor of language as a unified communicative platform are thus increasingly important in modern circumstances. The Westphalian principle of excluding values from international relations no longer works. Values are becoming determinants in world politics. At the same time, the importance of a state's hard power and military-political power decreases. The objects and subjects of hard power are states, which still remain the main actors in international relations, but they are gradually losing their capacities to control the dynamic of transborder communications and suffering the erosion of sovereignty.

The notion of the sovereignty itself is also changing. American political scientist Stephen Krasner [1999] identifies four main types of state sovereignty:

1. domestic sovereignty: the effective organization of authority within the territory of a given state;
2. interdependence sovereignty: the ability of a state to regulate movements across its own borders;
3. international legal sovereignty: the fact of recognition of an entity as a state, established by states;

Westphalian sovereignty: the exclusion of external authority structures from the decision-making processes of a state.

Most modern states have challenges with interdependence sovereignty and Westphalian sovereignty. With regard to interdependence sovereignty, challenges are connected with the growing transborder movements of people, goods, finance and information, and the formation of non-national groups based on any principle. Westphalian sovereignty, in its turn, is experiencing destabilization due to the changing world order: the world is watching the sunset of the unipolar world and the establishment of a new multilateral system of international relations, in which non-governmental actors are increasingly active participants.

Consequently, states urgently need a remedy that will let them stay effective in the future and remain the primary and most powerful players on the international scene with growing influence on other actors, without becoming empty "institutional shells." This remedy is soft power, which has three basic components: the attractiveness of the values of a state, the attractiveness of its culture and the effectiveness of non-military instruments of external policy [Nye, 2014]. The object of soft power is not a state, but its people and society. Eventually, soft power can influence the functioning of the state as an institution. It is very convenient for a state to exude soft power, because there is no direct interference with the object state, its institutes or its mechanisms.

The foundation of soft power is built on confidence, attractiveness of the state producing the soft power and its model of development [Nye, 2012]. One of the most important aspects, especially valuable for new emerging centres of power such as China or Russia, is the ability to affect other states' preferences in such way that they start to want the same thing, without forcing them to change [Nye, 2014]. One can speak about creating an adequate, correct image of the country with soft power, if not about creating conditions for the effective perception of its policy.

The challenge of remaining effective and powerful has become especially urgent for Russia in recent years. Influenced by the deliberate distortion of information by interested actors, the international community has a negative image of Russia. This image constrains Russia's external political and economic resources, thanks to its inadequate soft power with respect to foreign, particularly western, states. The negative image is connected not only with Russia's relatively ineffective soft power, but also with a rather high level of sluggishness in the objects

of soft power (which tend to have little sluggishness) amid much “information noise” and few alternative sources of information, because society trusts historically trustworthy sources. The exception is a rather small active part of society that seeks comprehensive data including the political and economic actions of foreign states as well as the grounds and the substantiation of those actions. Moreover, stereotypes based on negative images of the state and its political and economic systems play an important role in limiting soft power.

There are thus limitations to Russia’s ability to realize its objective national interests. China is facing the same problem, as another new international centre of power. In order to increase its soft power, China has created its own mechanism in the form of the global network of Confucius Institutes (CIs) and Confucius Classes (CCs), which are educational institutions that have their origins in secondary school.¹

These mechanisms of China’s soft power in recent years are the subject of research of many foreign and Russian scholars. The challenges of CI/CC development have been examined in works of S. Breslin, J. Kurlantzick, A. Garcia-Herrero, D. Brautigam, Mingjiang Li, Pang Zhongying, Yan Xuetong and many others. In Russia, they were considered by O. Borokh and A.V. Lomanov, D.V. Mosyakov, E.V. Solov’eva, A.N. Grevtsova and S.V. Mikhnevich. In Russia the analysis has basically been made under the framework of research into China’s soft power mechanisms and trends, with the CI/CC system as a key but not central element of its soft power policy. This article focuses on China’s efforts to develop its CI/CC network and the network’s role in spreading China’s soft power. In a sense, this is a new stage in Russian research on the CI/CC system.

This article examines the main principles and mechanisms of the CI/CC network’s functioning and its spread in Greater East Asia – the core macro-region for China’s external policy, which “compresses” North-East Asia, South-East Asia, South Asia and Central Asia into a single interdependent macro-regional security complex under the influence of globalization, regionalization and integration.

The main strategy of the CI/CC network is to maximize China’s soft power and its cultural influence abroad and to extend China’s presence in target countries, to encourage a positive perception of China’s policy and image in the international community and foreign societies. In addition, the goals include popularizing China’s global image and counteracting competitors in the sphere of soft power at the state level and in the Chinese diaspora that does not support China’s authority.

China’s authorities long ago understood the necessity to reform the country’s image and create conditions for positive international perception thanks to the radical increase in China’s status in world politics, as long ago as December 1978 with the “Reform and Opening Up” policy launched after the third plenum of the 11th convocation of the Central Committee of the Communist Party of China (CCCPC). Nevertheless up to the early 2000s, they paid little attention to the task, instead focusing on the necessary conditions for sustainable progressive development. China has succeeded in this sphere. By 2014 China’s economy had become the second largest in the world.

The effectiveness of China’s development model created the economic foundation for spreading soft power, because in most cases the first impulse to create a positive perception of soft power is the interest in the economic success of the state and its growing prosperity. The next step is the spread of such interest, which is caused by economic factors. The object of soft power wants to define the endemic features of its development model in the subject state. The roots generally lie in national culture, displayed by the political and economic system and the social order. The object state becomes more interested in different aspects of the subject

¹ See Confucius Institutes Online at <http://www.chinesecio.com>.

state. They also examine different forms of transferring that experience. Other mechanisms can spread soft power that originates in culture, but in such a case the subject state may not have experienced great economic success, which limits its resources. Moreover, this approach is normal when the soft power source is not a state, but is exuded by institutions or individuals, such as the Catholic church or the Pope.

The spread of soft power could be represented as follows:

1. The economic success of the subject state attracts the society of the object state.
2. In the object-states there appear request to learn the development model of the subject state that has its origin in a culture.
3. The spread of different aspects of the subject state's culture increase the amount of information available about it in the object state.
4. The perception of the subject state's image improves in the object state.
5. Positive conditions for maximizing the subject state's soft power appear.

One of the main ways to improve the understanding of a culture is the study of its language.

The popularization of the subject state's language can be a marker of efficacy of the soft power policy: if there is an interest in that state, the number of people learning its language constantly grows. In the case of China, it has been seriously successful: today more than 50 million people around the globe are studying Chinese [Moore, 2011].

At the same time, the subject state needs to moderate the spread of the language in order to avoid and prevent possible harm to its national interest. For example, with regard to the CI/CC system, only standard simplified characters are used in Chinese-language teaching materials and books. Simplified characters appeared in China after 1958, after the educational reform had ended. Several thousand frequently used characters were changed as a result of the reform, which was intended to increase literacy through easing the study of language. At the same time, the Chinese diaspora abroad commonly uses traditional characters. As a result, there is a gap between the Chinese language based on simplified characters and taught within China and the Chinese language based on traditional characters used by the Chinese diaspora. Consequently, people who have learned one system of Chinese have difficulties understanding of the other version. The spread of simplified characters is thus one way of decreasing the influence of alternative Chinese centres of power.

China sees soft power not only as one of the most effective instruments to realize its international strategy, but also as a necessary attribute of the sustainable progressive development of the state [Mikhnevich, 2014]. The importance of the concept for China is clearly demonstrated by the fixation of soft power in official ideological concepts and documents [Intelros, 2007b; CCCPC, 2011; People's Daily Online, 2012]. Moreover, the goal of increasing China's culture soft power potential was announced at the 17th Congress of the Communist Party of China (CPC) in 2007. At that congress, the policy directions of soft power were set: it was included in the section dedicated to culture, but not China's external policy [Intelros, 2007a]. From this point on, "culture-centricity" became the main official dimension of China's soft power.

The further development of the soft power concept was the confirmation at the sixth plenum of CCCPC of the 17th Convocation in October 2011 of the complex strategy of the "powerful cultural state," based on the development and realization of China's soft power in opposition to hostile powers' implementation of a westernization policy, their strategic plans on dispersal of the state and long-term plans to expand into the important spheres of ideology and culture [Mikhnevich, 2014].

The plenum's decisions noted the necessity of implementing a strategy of taking Chinese culture global, constantly increasing the international influence of Chinese culture and displaying to the world China's new face of reform and opening up and the Chinese people's enterprising spirit [CCCPC, 2011]. They included the goal of enhancing the international

community's knowledge and understanding of China's basic national conditions, values, development path and domestic and foreign policies, building a world-class news media, and using innovative methods to publicize internationally ways to strengthen the right of free expression [CCCPC, 2011]. These efforts can help China influence international discourse and shape the main trends.

The creation of positive conditions for China's external policy in Greater East Asia is especially important, because China cannot make its global ambitions real without an amicable or neutral regional environment. China's aspirations for becoming a new global centre of power will raise more and more concerns not only of its closest neighbours but also the actual global leader – the United States. Those neighbours can resort to different hostile actions to try to limit China's growing influence and capacities. Such politics can include building tensions on China's borders and spreading anti-China attitude in Greater East Asian countries, as in actions that generate traditional and non-traditional security problems.

Traditional security is closely connected to solving a wide range of traditional security problems, i.e., security threats, challenges and risks of conventional character. These problems emanate from actions of the actors of the same type as the problems of traditional, state-centred security, namely security based on sovereignty, national unity and territorial integrity. The objectives of non-traditional security are to solve and prevent non-traditional security problems, which also can be divided into two groups: those that pose an armed threat (non-traditional security issues involving arms) and those that do not pose an armed threat (non-traditional security issues with no arms).

Non-traditional security issues with armed components include terrorism, manufacturing and trafficking drugs, the slave trade, piracy, transnational crime and separatism. In other words, they are security issues that originate from the actions of non-state actors, sometimes involving weapons, and are not directly connected with a breakdown of sovereignty. Nevertheless, such factors can damage the capacity of official authorities to maintain sovereignty. Managing such problems is frequently connected with the use of military power.

Non-traditional security issues without armed components refer to economic issues, financial issues, energy, ecological security, mass migration, the spread of infectious diseases, and so on. They may not require the use of military power. They could originate in the actions of non-state actors or have no connections to any particular actor. They can also, to a lesser degree, influence the implementation of state sovereignty but can definitely threaten states and regions as well.

The threat to China's interests also emanates from the actions of other state and non-state actors including terrorist organizations. China considers it very important to allay the traditionally concerned countries in its region that now fear its sudden rise. And the key way to overcome these challenges is soft power.

The of the CI/CC Network

CIs are non-profit educational institutions based on the concept of institutions of higher learning and are joint ventures established by the Chinese party and foreign partners. CIs can also be established in cooperation with other non-profit organizations, for example foreign cultural centres. CCs can also be established. Both CIs and CCs function under regulations set by the Chinese National Office for Teaching Chinese as a Foreign Language (Hanban), which also serves as the CI headquarters.²

² See Confucius Institute Headquarters (Hanban) at <http://www.hanban.org>.

Hanban is affiliated with the Ministry of Education and consists of 19 divisions: General Affairs, Human Resources, Accounting and Auditing, Finance, Development and Planning, Policy and Research, Asian and African Confucius Institutes, American and Oceanian Confucius Institutes, European Confucius Institutes, Teachers, Volunteer Affairs, Teaching Materials, Testing, Scholarships, Cultural Affairs, Sinology and China Studies, Public Relations, International Exchanges and the Logistics [Hanban, 2014b].

Among other things Hanban organizes the HSK (*Hanyu shuiping kaoshi*) examination (Chinese proficiency test) and tests for the certification of Chinese language teachers. By 2010 more than 750,000 people had passed the HSK examination [Liu, 2011]. Today, the number exceeds 1 million. Moreover, Hanban is responsible for the biggest scholarship programs (most under the framework of CI activities), Chinese Bridge language-proficiency competitions and different teacher training programs all over the world. More information about the activities of Hanban will be given below.

Hanban is a non-profit organization with the independent status of a corporation [Hanban, 2014f]. Financing is allocated as special expenses in the budget of the Ministry of Education. Headquarters owns the CI/CC name, logo and brand. In addition to providing guidelines to the CI/CC system worldwide, it audits and exerts control over the functioning of CIs and CCs and sets the strategy for the network's development, etc. The headquarters is located in Beijing.

CI headquarters is governed by the Office of the Chinese Language Council International [Hanban, 2014b]. The council consists of a chair, vice chairs, executive council members and council members. Candidates for chair, several vice chairs and executive council members are recommended by the education administrative agency of the Chinese State Council and approved by the State Council. Among the 15 council members, 10 are the heads of the board of directors of CIs overseas. These 10 members of the First Council are appointed by headquarters, while members of other councils are elected or rotated according to the CI's date of establishment. The other five council members must be representatives of Chinese partner institutions, appointed directly by headquarters. The term of service is two years. Members can pursue reappointment for one term. During their tenure, they receive no payment from headquarters. The council also appoints the chief executive and deputy chief executives. The chief executive, who is also an executive council member, is the legal representative of headquarters. This post is currently held by Xu Lin, China's deputy minister of education.

Liu Yandong, a member of the CCCPC's Politburo, is the head of the council. She also occupies the post of the second-ranked vice-premier of the State Council, where she is the curator of education, science, culture, physical culture and sport [CRI Online, 2013]. There are 12 state ministries and commissions represented in the council: General Office of the State Council, Ministry of Education, Ministry of Finance, Overseas Chinese Affairs Office of the State Council, Ministry of Foreign Affairs, State Development and Reform Commission, Ministry of Commerce, Ministry of Culture, State Administration of Radio Film and Television (China Radio International), State Press and Publications Administration, State Council Information Office and the State Language Committee.³

The duties of the council include formulating and amending the constitution and by-laws of the CIs, examining and approving the development strategies and plans of global CIs, examining and approving annual reports and working plans of the headquarters, and discussing issues of significance concerning CI development [Hanban, 2014f]. It meets once a year, called by the chair. The chair may call for provisional council meetings or executive council member meetings as needed.

³ See Chinese Language Council International North America Office at <http://www.hanban.ca/hanban.php?lang=en> (accessed 17 August 2014).

Under the leadership of the council, headquarters carries out its own daily operations. The duties include [Hanban, 2014f]:

- formulating development plans, criteria for establishing CIs and assessment standards;
- examining and approving applications for new CIs;
- examining and approving the implementation of annual projects, annual budgetary items and final financial accounts of individual CIs;
- providing guidelines and assessing CI activities, supervising operations and managing quality assurance;
- providing support and teaching resources to individual CIs;
- selecting and appointing directors and faculties from the Chinese side for individual CIs and training administrative personnel and instructors;
- organizing annual CI conferences; and
- constituting regulations and institutions to manage the Chinese funds.

To improve its functioning, headquarters establishes special working committees that can provide consultative suggestions. Committee members are appointed by headquarters. Hanban frequently invites well-known Chinese and foreign leaders and visionaries to be senior consultants.

Headquarters also formulates and amends the constitution and by-laws that apply to every CI and CC all round the world. CIs abide by the laws and regulations of the countries in which they are located, respect local cultural and educational traditions and social customs, and do not contravene the laws and regulations of China.

CIs and CCs can be established in different ways and legal forms. There is some flexibility concerning agreements signed between parties. For example, many include a mandatory requirement to recognize the principle of a single China by the state in which the CI or CC is to be created, which means recognizing Taiwan as an integral part of China. However, when China created CIs or CCs in various western countries, in particular in the United States, this requirement was absent in agreements according to the foreign partners' demand.

Almost any corporate entity outside of China capable of facilitating language instruction, conducting educational and cultural exchange activities, and meeting the requirements for application as stated in the CI constitution and by-laws may apply to the headquarters for permission to establish a CI [Hanban, 2014f]. One mandatory requirement is that the name chosen to represent the CI in the local language connote the equivalent meaning to that of the head institute in Chinese.

An application to establish a CI must satisfactorily demonstrate the following [Hanban, 2014c]:

- the applicant is a legally registered organization or corporation where it is located with resources to conduct teaching, educational and cultural exchanges, and public service;
- there is a local demand for learning the Chinese language and culture;
- the personnel, space, facilities and equipment required for language and culture instruction are available; and
- the required capital is in place, with a stable source of operating funds.
- The application package must include:
 - an application letter signed by the principal or president;
 - an introduction to the applicant site, its registration certificate, and the principal or president;
 - a floor plan and list of relevant equipment and facilities available;
 - a projection of market demand, managerial structure and operational plans;
 - a statement detailing the source, regulation and management of funds; and
 - other materials required by headquarters.

The application materials, including Chinese versions, are submitted to headquarters or to the education or culture office or section of the local Chinese embassy [Hanban, 2014c]. The applicant can choose to find a Chinese partner institute. Such cooperation is usually in the form of educational and cultural exchanges, training for teachers and organization, and different arrangements relating to the CI's main activities. The applicant can ask headquarters to recommend a Chinese partner institute if it is unable to find one [Hanban, 2014c]. Foreign partners thus have the opportunity to customize the process of the CI's establishment according to geographical, regional or economic, and reputational factors.

Headquarters assesses the application, which may include verification of the materials, debriefings and interviews, and on-site verification [Hanban, 2014c]. Upon approval, it issues a "Letter on the Approval of Setting Up a Confucius Institute" and both parties sign an "Agreement on the Joint Establishment of a Confucius Institute," thus conferring permission to establish the CI and the official Confucius Institute Plaque upon the applicant. To conclude the transaction, the applicant and its Chinese partner institute sign an "Implementation Agreement," thus fulfilling all the legal procedures to establish a CI. The process for establishing CCs is similar, with some differences [Hanban, 2014c].

A partner institution for a CC should be an educational institution recognized and accredited by its country's government with the necessary capacities and resources. There should be local demand for learning Chinese language and culture. Application materials are similar to applying for a CI, including a plan, but also include the requirements of a Chinese partner school. The CC will cooperate with its foreign partner in making operational plans, program budget and final accounts. In addition, it should dispatch Chinese teachers or volunteers to help the foreign partner in launching and running the CC.

In particular Chinese partner schools must demonstrate a wealth of experience in international exchange and suitable conditions for foreign visitors; the capacity to send qualified Chinese teachers or volunteers; and a location in municipality-level or prefecture-level cities.

Subsequent to approval from the corresponding education authority, the Chinese partner school applies to the provincial or municipal education department or committee for approval. That authority assesses the qualifications of the Chinese school, then collects the application materials of both Chinese and foreign partner institutions, and submits them to headquarters [Hanban, 2014c]. Headquarters assesses the application and asks for the permission of the local Chinese embassy, and then signs the "Agreement on the Joint Establishment of a Confucius Classroom" with the applicant. The rest of the procedures are the same as for CIs: the Chinese and foreign partner sign the "Implementation Agreement on the Joint Establishment of a Confucius Classroom."

These processes illustrate the exceptional importance of a state's participation in the functioning of CIs and CCs. At almost every step, Chinese authorities control the process on behalf of the headquarters. Official authorities have a wide range of instruments and mechanisms to regulate the process of establishing and operating CIs and CCs. On the one hand, this arrangement helps eliminate or limit any harm to Chinese interests and the country's image regarding CIs and CCs, if the fixed standards and requirements are not met.

But, on the other hand, close ties between the CI/CC system and the Chinese state and, more importantly, the CPC's limits on the system's flexibility and adaptability to the market raise concerns in the local society where CIs and CCs are to be established. This situation is especially acute with regard to western countries where such interference by a state that promotes foreign values and is ruled by a party that secures its power in illegitimate and undemocratic ways in educational processes is unacceptable. In such states there are many concerns connected with the functioning of CIs and CCs, their complex engagement in the activities of schools and universities, and their presence on campuses that can influence the future elite.

In substance, the developed countries are afraid of the prospects of China's soft power spreading among social groups that will play key roles in their internal and external policies in the future. China considers it important to create CIs in the biggest, most prestigious and authoritative schools of higher education. Frequently, the initiative comes from the Chinese party that "stimulates" foreign partners using different means. As a result, it leads to difficulties in determining whether Chinese legislation or the local state's legislation should govern the CIs and CCs. Sometimes it results in the great social dissatisfaction with China's exterritorial politics concerning CIs and CCs, because other principles are fixed in official documents [Hanban, 2014f].

The features of the CI organizational structure are directly derived from its legal status [Hanban, 2014f]. An individual CI establishes a board of directors. A CI established as a joint venture between Chinese and overseas partners forms a board consisting of members from both sides. The total number of members and the component ratio of the directors are determined through consultation. The board is responsible for assessing and approving the CI's development plans, annual plans, annual reports, project implementation schemes, budget proposals and final financial accounts. It is also responsible for appointing and dismissing the CI's directors and deputy directors. Appointments and dismissals are recorded at headquarters. Appointments for joint-venture CIs are negotiated between the Chinese and overseas partners.

The director, under the leadership of the board, assumes the main responsibility for the CI's daily operation and administration. The director must have an in-depth comprehension of Chinese current national issues, a skillful command of the local language, suitable administrative experience, and a strong ability to promote public affiliation and market potential [Hanban, 2014i]. The director should have a bachelor's degree or above and experience in serving as a long-term employee of the institution in which the CI operates. Foreign directors should ideally communicate in Chinese in their daily lives. Chinese directors must have overseas working experience and be proficient in the languages of the countries where the CIs are located.

The duties and responsibilities of the director are as follows [Hanban, 2014i]:

- abiding by the CI constitution and by-laws;
- having a practical understanding of the capital management regulations of the institution in which CI operates and the regulations for administering CI headquarters funds;
- drafting the development strategy; executing plans for annual projects, efficacy reports, budget proposals and final financial accounts, etc.;
- drafting regulations for CI personnel and financial management; taking charge of personnel and financial management;
- establishing, sustaining and maintaining archives of relevant agreements, board minutes, annual plans and reports, important letters, files of students and instructors, registration records of fixed assets and bills, publicity materials, pictures of activities, media coverage reports and stories, etc.;
- designing a variety of curriculum schemes, instituting general regulations for admission, and organizing assessment of teaching and teacher training programs;
- formulating market development schemes;
- organizing Chinese language and culture promotional activities;
- reporting to headquarters, submitting work briefings biannually, and reporting major events and their summaries as required by headquarters;
- carrying out research on local language policies and demand for Chinese language instruction;
- conducting exchanges and collaborations with local governments, schools, enterprises, organizations, media, etc.;

- attending CI conferences and submitting exchange materials upon request;
 - joining the board at the CI and calling for provisional board meetings when necessary;
- and
- understanding the operation and functions of different departments within headquarters, becoming familiar with headquarters resources and application procedures for books and teaching materials, instructors and volunteers, HSK test centres, Certificate for International Chinese Language Instructors test centres, scholarships, summer and winter camps, expert lecturing groups, exhibition and performing groups, etc.

The board of directors is one basic mechanism of headquarters' control over daily operations. As individuals in charge, the directors receive recommendations and guidelines from headquarters. Frequently, only they have access to such information, because it contains confidential data concerning "non-desirable and limited" aspects of the main CI activity, including human resources policy and the major targets and objectives of the network's development.

Instructors appointed by CI are required to have professional knowledge and teaching competence. In addition, there are different secret and open limits for providing employment, such as whether the individual participates in or is connected with an organization that is illegal in China such as the Falun Gong [Hanban, 2014f].

An individual CI, in an allotted time, draws up executable plans for annual projects and budget proposals, summarizing the implementation reports of annual projects and final financial accounts, and submits them to headquarters for examination and approval. Changes and dispositions made to the assets on the Chinese side are reported to headquarters. The CI also submits the working schedules and summaries of its annual projects for archiving purposes [Hanban, 2014f].

As CIs are not profit-making organizations, any income is used for teaching activities and improving teaching and service conditions. The accumulated income is used for the sustainable development of the CI system and may not be used for any other purpose [Ibid.].

All CIs enjoy the rights set forth in the agreement, constitution and by-laws; the right to use the name and logo of the CI; and the right of priority for obtaining teaching and cultural materials or resources provided by the headquarters.

All CIs are obliged to observe the measures and regulations set forth in the agreement, constitution and by-laws; to uphold and defend the reputation and image of the CI; and to accept supervision from and assessments made by headquarters [Ibid.].

Headquarters is responsible for assessing the individual CIs. It reserves the right to terminate agreements with those that violate the principles or objectives, or fail to meet its quality standards. Moreover, headquarters reserves the right to interpret the constitution and by-laws. It convenes a CI conference annually to provide the opportunity for institutes to exchange ideas and experiences, and to further study issues concerning the construction and development of the network [Ibid.].

The headquarters reserves the right to pursue legal action to affix responsibility and invoke punitive consequences on any party for any of the following:

- the establishment of a CI without permission or authorization;
- any activity conducted under the name of the CI without permission or authorization;
- any violation of the agreement, constitution or by-laws that causes a loss of capital or assets or damages or tarnishes the reputation of the CI.

The role of the headquarters is thus essential to the functioning of the CI/CC network and not only exerts strategic influence on its development, but also moderates operations. The interaction in the hierarchical system, with the headquarters at the top, occurs with open mechanisms (the forming of norms and rules, including organizational, reporting and financ-

ing principles) and confidential data shared among CI directors. That confidential information commonly contains particular targets and indicators of CI activity, including financial data.

This structure once again demonstrates the aspiration of China's authorities to control everything concerning CIs. Actors excluded from the headquarters and CI/CC system, such as embassies and trade representatives, have limited influence on the system. Their function is to provide CI/CC activities according to their jurisdiction. This relationship is connected to the distinctions among bodies in China's governmental system.

As mentioned, applications to establish CIs and CCs are submitted to headquarters through the local Chinese embassy [Hanban, 2014c]. At the first step, interactions with Chinese partners can be realized through the embassy. After the CI is established, embassy involvement is reduced to officials participating in different events such as exhibitions or open lessons organized by the CI.

For example, the wife of China's ambassador to Great Britain frequently visits CIs there to express their importance in popularizing China's image [Confucius Institute for Traditional Chinese Medicine, 2011]. China's embassies regularly organize meetings and receptions in which CI students participate. Embassy assistance in granting visas to CI students and winners of CI-organized competitions is also important. Apart from these functions, China's embassies play a small role in the CI/CC network.

Despite problems connected to the perception of CI/CC activity, China has succeeded in creating a wide network. The first CI was established in 2004 in Seoul. As of 5 October 2014, a total of 443 CIs were established in more than 120 countries, in addition to 648 CCs [Hanban, 2014a].

In 2013, the CI/CC network had 28,670 full-time and part-time teachers (an increase of 43% over 2012) [Hanban, 2013]. The number of personnel (directors, teachers and volunteers) sent abroad by China was 14,400 (an increase of 21% over 2012), including 5,800 directors and teachers and 5,660 volunteers. In 2013, CIs registered 850,000 students and trained 5,720 local Chinese language teachers, and headquarters organized more than 20,000 various cultural activities, including 5,364 cultural and academic lectures that attracted 9.2 million participants. Most activities were dedicated to the traditional culture of China, which raised great interest around the globe.

In terms of regional distribution, at 149 most CIs are in Europe, followed by the Americas (North and South) with 144, Asia with 95, Africa with 95 and Oceania with 17. In the case of CCs, in first place is America with 384, then Europe with 153, Asia with 52, Oceania with 49 and Africa with 10.

To achieve the strategic goals of CI/CC development, some tasks must be executed⁴:

- The global CI/CC network must include the maximum number of states in which China has national interests. This number includes most developed western countries, namely the United States, Germany, Great Britain, France, Italy and Japan, and less developed countries, including new centres of power (Russia, Brazil, India), states rich in natural sources (Angola, Kazakhstan, Venezuela) and China's neighbours (Tajikistan, Uzbekistan, Vietnam, etc.).
- The CI presence must be expanded in key institutions of higher learning in the target states that are the most authoritative and train national elites. Examples in the United States are Stanford University, University of Chicago, Massachusetts University of Technology; the American government and key corporations employ a great number of graduates from these universities.

⁴ See Confucius Institutes Online at <http://www.chinesecio.com>.

- Complex political, economic and cultural links with external partners using educational and cultural exchanges must be organized. Such links include long-term scholarships in China's institutions of higher learning and the engagement of graduates from target states in Chinese business activities operating in China or in the target states. This activity is also aimed at attracting the most effective foreign staff to support China's economy progressive development.
- Teachers must be trained according to the prescribed educational standards that conforms with China's national interests. This means "blurring" such embarrassing topics as Tibet, Taiwan, dissidence, Falun Gong, and the demonstration of China's successes and potential and the confirmation of the legitimacy of its ruling regime.
- Widespread stereotypes and superstitions about China, its culture and ruling regime should be overcome through cultural and educational activities to inform people in the target states about China and increase and improve their knowledge about China. This includes activities related to important events in Chinese history and traditional and modern culture, such as exhibitions organized under CI auspices.

This is not an exhaustive list of tasks, but it covers the main challenges that CIs activities can help resolve.

CI Functions

CIs seek to satisfy the demands of people from different countries and regions who learn the Chinese language in order to enhance their understanding of the culture, strengthen educational and cultural exchanges, engage in cooperation between China and other countries, deepen friendly relationships with other countries, promote multiculturalism and construct a harmonious world [Hanban, 2014f]. Adhering to the principles of mutual respect, friendly negotiations and mutual benefit, CIs develop and facilitate Chinese language teaching and promote educational and cultural exchanges and cooperation between China and other international communities. CI services are described below [Hanban, 2014f].

Chinese Language Teaching

To organize Chinese language teaching, CIs develop special programs that consider the best foreign experience and targets to develop students' deep theoretical and practical knowledge and understanding the China's current situation. They introduce a complex educational approach that combines the consideration of a wide range of topics with teaching techniques including remote teaching and multimedia. The use of teaching materials developed by headquarters steeply increases students' chances of passing the HSK and receiving access to various grants and scholarships provided by headquarters to the best CI students.

Training Instructors and Providing Teaching Resources

Instructor training is organized by CIs and through CI scholarships in China. Headquarters and CIs have five major instructor-training programs with different requirements for applicants and participants. People who are not Chinese language teachers but have such a willingness can participate [CIS, 2010]. Scholarships recipients frequently do not have to pay fees and receive an allowance of CNY 1,000 to 2,000 [Hanban, 2014d].

CIs donate a wide range of teaching materials to organizations not included in the CI system, from children's literature for beginners to complex courses for intermediate and advanced students. CIs increase their influence on Chinese language teaching through teaching materials that have been prepared in consideration of China's interests. CIs produce teaching materials in

45 languages to satisfy the demand for studying Chinese all around the globe [Hanban, 2014j]. CIs provide teaching materials through the official website.

Holding HSK Examinations and Teaching Certification

The HSK examination is spreading around the world for at least two reasons.

First, passing the examination results in a document that certifies the level of the holder's ability to speak Chinese, which is important for Chinese and foreign companies that conduct business with or in China.

Second, this certification is required for studying in Chinese institutions of higher learning, the educational level of which is constantly growing. According to the Times Higher Education-QS, in 2013–14 the best Chinese universities – Beijing University and Qinghua University – were ranked 45th and 50th respectively [Times Higher Education, 2014]. In 400 of the best institutions of higher education in the world, there are 10 Chinese universities and only one Russian university (Moscow State University). Several years ago Chinese universities were absent in such rankings.

CI teacher certification grants the status recognized in China and the right to teach Chinese language all around the world.

Informing about China's Education and Culture

The CI function of providing information about Chinese culture and education is closely related to language teaching and additional opportunities for CI students. CIs offer information on applying to Chinese schools and universities, preparing application materials and so on. They also offer information for tourists who want to visit China, terms of trip, visas and such like. They also facilitate connections (关系 – *guanxi*) with China's business community and governmental bodies that participate in CI activities. Although CIs are not responsible for providing business assistance, they commonly have useful information and can give unofficial consultations. They can, for example, provide information about China's state governmental bodies and organs and about the nature of interacting with them.

Conducting Language and Cultural Exchanges

In 2012, there were 328,300 students studying in China (an increase of 32,000 over 2011) [Zhang, 2013]. The state authorities plans to reach 500,000 foreign students in China's higher education institutions by 2020 [Mikhnevich, 2014]. CIs are the key channel for students' mobility, especially concerning invitations to the best students. Most who go to study in China through CI studies do so through various granting programs. These students do not pay for their studies and receive monthly allowances at the rate of CNY 1,200–2,000, depending on their level of education. Among all the students who study in China, about 10% receive grants [Mikhnevich, 2014]. CIs organize short-term and long-term scholarships.

Hanban also has another mechanism for educational and cultural exchanges – the Chinese Bridge proficiency competitions (汉语桥 – *hanyuqiao*).⁵ Winners receive valuable prizes, including grants to study in China. The competition are held at two levels: national and international. National competitions are organized by CIs, and winners are frequently CI students. The final competition is held in Beijing and is broadcast widely. In 2013 more than 70,000 students from 103 countries competed, and 14,917 education officials, university presidents, school principals, teachers and students from 89 countries were invited to China for a visit or to attend Chinese Bridge summer/winter camps [Hanban, 2013].

⁵ See "Chinese Bridge" Chinese Proficiency Competition a: <http://bridge.chinese.cn>.

Chinese student and teacher delegations regularly visit CI partner universities where they receive short-term and long-term scholarships. In 2013 CI also dispatched 13 Chinese student arts delegations to 50 CIs and their local areas in 16 countries across five continents, where they gave 122 lectures, performance and exhibition tours, attended by more than 150,000 people [Hanban, 2014b].

Financing Confucius Institutes

Although CIs are not profit-making organizations, they nonetheless must be cost-effective. Chinese authorities do not want to finance CIs in markets with no demand for their services. That is why headquarters strives for the effective control over costs.

A newly established CI receives a set amount of funding for its initial operation provided by the Chinese Parties depending on the CI's location [Hanban, 2014f]. The amount can vary significantly. The biggest volume is received not by institutions in developing countries but by the greatest and most authoritative universities in developed countries. Another important factor is the skill of the authorities in organizing the talks. For example, Stanford University received more than \$4 million to establish a CI, while the University of Chicago received only \$200,000. The initial endowment is \$100,000–\$150,000, with the annual fees for about the same amount for the contracted period [Sahlins, 2013].

The price of studying at a CI is determined by the market. Good quality and a well-known brand allow CIs not to apply for the damping the price for services comparing with other language schools.⁶ Keeping staff salaries low (approximately \$1,500) also helps reduce costs and sustain adequate price levels [Zhe, 2012].

To enhance financial management and ensure the efficacy of CI activities, headquarters developed “Regulations for Administering the Chinese Funds for the Confucius Institutes” [Hanban, 2014k]. Funding is formulated according to the rules and stipulations of the Chinese government.

Headquarters is responsible for examining and approving CIs annual budgets and the financial summaries of their projects, as well as for administering the funds. Each CI establishes a dedicated account for its funding from headquarters, which are earmarked for specific purposes. Each CI's board of directors is responsible for its annual budget and financial summary and held accountable to headquarters [Hanban, 2014k].

The funds allocated to each CI can be used for the following purposes if approved by headquarters [Hanban, 2014k]:

- financing the initial operation of a newly established CI, including building repairs and equipment purchase;
- developing Chinese language courses;
- training language instructors and providing teaching resources;
- establishing local facilities for holding Chinese proficiency tests, e.g., HSK and teacher certification;
- providing information and consultations on Chinese education and culture;
- promoting Chinese and foreign language and culture exchanges;
- providing other services or organizing events as stipulated in the CI's agreement.

Each individual CI draws up a budget based on its projects for the coming fiscal year and submits it by the date specified by the headquarters. It must fill out the “Application Report for Annual Project Funds/Initial Operation Funds,” which should include the amount and source

⁶ See the Confucius Institute at the Russian State University for the Humanities at <http://www.confucius-institute.ru>.

of self-prepared funds, following a 1:1 ratio with the headquarters funds the CI is applying for. The budget for personnel expenses should not exceed 50% of the total project budget. The application report must be submitted, with the consent of the board of directors, to headquarters for examination and approval before September 15 for funding for the following year. Headquarters verifies the budget for the projects before the following March 15 and allocates funds in a gross sum or in installments before April 1, according to the applicant's progress in its project implementation [Hanban, 2014k].

The criteria for projects submitted by individual CIs include whether they fall within the support range of headquarters funds; whether the project-related data, submitted as required, are complete and in order; and whether the content is equitable and detailed. Other supporting materials can be included.

When applying for initial operating funds, a CI should, after signing the cooperation agreement, send headquarters its completed application report.

Headquarters provides a formal written reply to each initial budget application: when received before May 1, it verifies the application before June 1; when received before November 1, it verifies the application before December 1. This way funds can be allocated in time for initial operations. Headquarter funds for the budget, once appraised and ratified, are generally not amended with a supplementary budget, and any cash surplus is carried over to the next fiscal year. Headquarters is responsible for supervising the budget implementation of all CIs. Each CI arranges its budget expenditure according to its approved budget. It applies in advance for any significant changes (an amount accounting for more than 10% of the total budget) discovered in implementing its budget, and changes can be executed only after obtaining approval from headquarters. For CIs already in operation, headquarters may appropriate some of the funds before verifying the budget, to ensure normal operations [Hanban, 2014k].

Each CI must submit a report on its final financial summary by filling out the "Report of Final Financial Accounts for Annual Project Funds/Initial Operation Funds" by January 15 each year. The financial summary should be accurate in statistics and numbers, complete and intact in content, and punctually filed and reported to headquarters. Each CI prepares its budget and final financial summary and completes its budget expenditure under the specified classifications.

Headquarters reserves the right to conduct, when it deems necessary, inspections and assessments, including audits, appraisals and verification, of various budget implementations, final financial summaries and the efficient use of headquarters funds; it also reserves the right to demand further explanations regarding budgets and financial summaries. Inspections and assessments are conducted by experts or intermediary agents or institutions entrusted by headquarters. Headquarters reserves the right to take actions against any CI that violates the "Regulations for the Administration of Confucius Institute Headquarters Funds." Actions can include demanding the rectification of wrongdoings; stopping further examination, approval or appropriation of more funds; and demanding compensation for headquarters' financial loss. If and when a legal dispute occurs between headquarters and a CI in implementing the regulations for administering funds, all the partners involved must accept the jurisdiction of the Beijing court.

One interesting aspect of CIs is the books and teaching materials donated by headquarters. The value of such donations to a newly established CI for the first time shall not exceed CNY 150,000, available in one single order. For a newly set-up CC, the value for the first time cannot exceed CNY 50,000, available in a single order. During normal operations, in principle the annual donation is CNY 50,000 for a CI and CNY 25,000 for a CC [Hanban, 2014j].

According to 2013 data, the total expenditure for CIs worldwide was \$569 million, an increase of 43.7% over 2012, of which total foreign spending in cash payments, personnel expenses, facilities and utilities charges was \$291 million. The remaining \$278 million was spent on the

Chinese side [Hanban, 2014e]. The ratio of funds for annual projects raised by individual CIs and the Chinese Parties is generally 1:1. The funds provided by the Chinese Parties are managed on a per project basis [Hanban, 2014f].

Table 1 shows CI/CC financing in 2013 with a breakdown of individual activities .

Table 1. Confucius Institute/Classroom Expenditures by Headquarters

Number	Project names	Total 2013 (USD thousands)
1	Start-up funds for Confucius Institutes (Classrooms)	\$11,002
2	Operational funds for Confucius Institutes (Classrooms)	\$88,684
3	Model Confucius Institutes	\$15,352
4	Salaries of Chinese directors, teachers (and volunteers)	\$105,459
5	Trainings for directors, teachers and volunteers	\$5,516
6	Confucius Institute scholarships	\$33,829
7	Operational funds for Confucius Institute Online	\$7,984
8	Chinese and foreign expert lecture tours, teaching materials exhibition tours and student performance tours	\$2,067
9	Development and distribution of teaching materials	\$4,980
10	On-site supervision by Chinese and foreign experts	\$1,294
11	Bilingual versions of Confucius Institute	\$2,204
	Total	\$278,371

Source: Hanban [2013].

CI Operations

CIs operate using face-to-face attendance and remote activities, and make good use of modern technologies. They use different multimedia teaching facilities including computers and language laboratories and also involve sources provided on the official CI website.⁷

The official website is published in Chinese and six foreign languages: English, French, Korean, Japanese, Spanish and Russian. That said, the Russian translation is not very high quality, with a number of grammar and spelling errors. The site contains seven main practical educational sections and subsections: learning Chinese, experiencing culture, Chinese tests, e-library, developing teaching materials, teaching resources and the Chinese Bridge. Registration is required to access some of these sections.

However, much of the information is free and user-friendly. There is a unique feature in a “live class” subsection where users can participate in distance learning on various topics. This subsection also contains information on online classes, teachers and users. The large e-library of audio and video materials supports the teaching process. In 2013, the number of registered users increased to 1,050,000, with 454,000 new users that year [Hanban, 2014e]. This clearly demonstrates the efficacy and attractiveness of distance learning and other online features provided by CIs.

The headquarters site is also very functional. It contains information on headquarters’ and CI activities, news and statistics. All the forms, applications and reports for establishing CIs are

⁷ See Confucius Institutes Online at <http://www.chinesecio.com>.

available, facilitating the process because all the necessary information is conveniently accessible. Moreover, after it has been registered, a CI can get a wide range of material to increase its own efficacy and optimize its activities, including access to teaching materials and checking the status of book orders. A large section is dedicated to the questions about exchanges and cooperation [Hanban, 2014g].

“Great Wall Chinese” software is another interesting example of the use of modern information technology in teaching Chinese.⁸ This software provides a mixed learning system of multimedia courseware and face-to-face tutorials, with a management system to monitor a learner’s progress. Individualized learning plans are provided to meet the needs of anyone who wants to learn Chinese, any time and at any level in China or overseas. As a systematic Chinese curriculum, and divided into entry, primary, intermediate and advanced stages, the Great Wall Chinese includes comprehensive Chinese (main courses) and special Chinese, which include core courses (communicative mission), resource courses (language elements) and complementary courses (skills training). By integrating learning, administration, testing, resources and a virtual community, the system provides support and the services of learning, academic research and administration to all learners, tutors and Chinese teaching institutes.

The Great Wall Chinese has another interesting feature. Online courseware creates a flexible time schedule. Its voice recognition system helps with pronunciation. Classroom tutorials help meet individual needs. The Great Wall Chinese develops a whole product chain to provide solutions for various learning environments. A large platform available on the internet and with systematic Chinese teaching and learning resources, it is an application service provider, building virtual network institutes for academic administration, teaching and learning management. Using the intranet of each Chinese teaching institute, the Great Wall Chinese can set up a local network learning environment. The personal edition – “Essentials in Communication” – includes six DVDs and one CD, and is suitable for learning the Great Wall Chinese without access to the internet or a local network.

By organizing face-to-face teaching, CIs use not only regular classes, but also different summer and winter schools. They emphasize topics that impart the knowledge necessary for effective communications with native speakers. But they do not cover topics that are “not convenient” for China. As a result they distort perceptions of China among CI students, who create a “distilled” image of China. Frequently, when CI students face the reality of China they experience serious shocks and rejection and a negative attitude toward China that is an undesirable result of the spread of soft power. China’s grant and scholarship activities also produce ambiguous results. On the one hand programs such as government-sponsored training for teachers of Chinese nationality or foreign citizens help to meet global and local demand for Chinese language studies [Hanban, 2014h, I].

But on the other hand, due to the abovementioned reasons CIs cannot provide their students with objective knowledge of China that would weaken soft power rather than spread it. The evident presence of the Chinese state in CI functioning also has negative impacts. The chance for a scholarship to one of China’s good universities to improve language skills or to write a dissertation for free and receive an allowance sounds appealing, such as the post-graduate programs including doctorates, grants for participating in international conferences and financing for publication of research [Hanban, 2014d].

Similar programs for graduate studies also exist, such as the “Master of Teaching Chinese to Speakers of Other Languages” [CIS, 2014]. Nevertheless the “fixation” of participants in the sphere of China’s influence is not so evident because information on China provided by CI often has little in common with reality. And benefits of such programs frequently do not outweigh

⁸ See Great Wall Chinese at <http://www.greatwallchinese.cn>.

the dissatisfaction acquired from experience. But CI and headquarters activities nonetheless help spread China's soft power, which suggests there are positive results from the CI network development.

CI/CC in Greater East Asia

China has succeeded in creating the CI/CC network in nearly all the states of Greater East Asia: 76 CIs and 48 CCs have been established in 21 countries in the region (see Table 2). The first CI was established in North-East Asia in Seoul, Korea, in 2004, which demonstrates the special significance of the region in China's strategic targeting.

Table 2. Confucius Institutes and Classrooms in Great East Asia (as of 5 October 2014)

Region	Country	Number of Confucius Institutes/Classrooms	Date of Establishment
South Asia	India	2	2009
South Asia	Pakistan	2/1	2007
South Asia	Bangladesh	1/1	2006
South Asia	Bhutan	No	
South Asia	Nepal	No	2007
South Asia	Sri Lanka	1/1	2011
South Asia	Maldives	No	
Subtotal		7/5	2006
North-East Asia	Mongolia	No	2007
North-East Asia	South Korea	19/4	2004
North-East Asia	Japan	13/7	2005
North-East Asia	North Korea	No	
Subtotal		33/13	2004
South-East Asia	Brunei	No	
South-East Asia	Vietnam	No	
South-East Asia	Cambodia	1/3	2009
South-East Asia	Laos	1	2010
South-East Asia	Malaysia	1	2010
South-East Asia	Indonesia	6	2010
South-East Asia	Myanmar	/2	2008
South-East Asia	Singapore	½	2006
South-East Asia	Thailand	12/11	2006
South-East Asia	Philippines	3	2006
South-East Asia	East Timor	No	
Subtotal		25/18	2006
Central Asia	Kazakhstan	4	2007

Region	Country	Number of Confucius Institutes/Classrooms	Date of Establishment
Central Asia	Tajikistan	1	2009
Central Asia	Kyrgyzstan	3/12	2007
Central Asia	Uzbekistan	2*	2005
Central Asia	Afghanistan	1	2008
Central Asia	Turkmenistan	No	
Subtotal		11/12	2005
Total		76/48	2004

* On 9 September 2013 the agreement on the establishment of CI at Samarkand State Institute of Foreign Languages was signed. Watch: Confucius Institute at Samarkand State Institute of Foreign Languages. Available at: http://english.hanban.org/node_42189.htm (accessed 07 December 2013).

Table 2 demonstrates that most CIs are in North-East Asia, which has the longest presence of CIs. South Korean and Japanese societies have resisted the spread of Chinese soft power, because Chinese values and cultural components already exist in their cultures. For example, in the history of the relationship between China and Japan, there have been several tragic events that have hampered the development of comprehensive cooperation and partnership. Crimes committed by the Japanese army in China in World War II show the ambiguity and ambivalence in the Chinese-Japanese relationships. On the one hand the Japanese murdered millions of Chinese citizens. But on the other hand their efforts and love for Chinese culture helped to save many priceless masterpieces of Chinese art.

This ambiguity exists with regard to the CIs as well. Traditional admiration for Chinese culture encourages thousands of Japanese people to study the Chinese language and culture, which has led to 13 CIs and seven CCs in Japan. However, the Chinese state presence in CIs and CI requirement to fulfill CPC guidelines produce an alertness and negative attitude in Japanese society. The first two CIs in Japan were opened almost at the same time in 2005: at Ritsumeikan University in Kyoto (partnered with Beijing University) and J.F. Oberlin University in Tokyo (partnered with Tongji University in Shanghai) [Pan, 2006].⁹ Opening CIs in Japan was so important that the best Chinese universities were chosen. Activities connected with China's traditional culture and history are especially popular at these CIs, which are regularly visited by Chinese folklore groups and eminent Chinese scholars.

Despite difficulties in bilateral relations, the development of the CI network in Japan is stable, which is positive for improving each others' understanding of one another and forming a basis for dialogue. It is a symbol of positive interdependence. Nevertheless, the prospects for spreading China's soft power in Japan through CIs are limited. This is connected with traditional perceptions of on another China and by the very obvious links between CI activity and China's external policy.

CI functioning in Mongolia facilitates the access of Chinese business to the natural resources necessary for the progressive development of the Chinese economy. One CI at Mongolian National University and two CCs have been established [Hanban, 2014e]. The CI relies heavily on Chinese Bridge scholarships.

⁹ See Confucius Institute at Ritsumeikan at http://english.hanban.org/node_10753.htm and Confucius Institute at J.F. Oberlin University at http://english.hanban.org/node_10752.htm.

It is not surprising that no CI has been established in North Korea, East Timor or Brunei. In the case of North Korea, the reason is the closeness of the society even to China's "amicable" influence. China does not have significant interests in Brunei. The same situation exists with East Timor. In addition, China does not want to spoil its relationship with Indonesia, which is an important partner in South-East Asia, because East Timor separated from Indonesia at the beginning of the 2000s.

China's traditionally difficult relationship with Vietnam has prevented it from opening any CIs there, although China is very interested in spreading its soft power in Vietnam. A key factor is the two countries' traditional competition for subregional influence in Indochina. The countries have waged war against each other many times, with China commonly on the attack and Vietnam on the defence. The most recent war was in 1979, when China was defeated. This situation creates an impression of traditional assertiveness regarding China's political activities in Vietnam. China's bad luck with its hard power in Vietnam has frequently been compensated by soft power success: Vietnam also has a Confucian civilization and both states are ruled by communist parties. However, these similarities do not create a firm ground for the complex spread of China's soft power, because Vietnam has often suffered as a result of ambiguity and disloyalty.

There has been some improvement in recent years, thanks to close interaction between the countries through the Association of Southeast Asian Nations, with which China entered a strategic partnership more than 10 years ago [Nguyen, 2013]. Moreover, during Vietnam president Truong Tan Sang's official visit to China in June 2013, China and Vietnam signed agreements to develop cultural links. One clause was on the establishment of cultural centres in Beijing and Hanoi, targeted at deepening the bilateral partnership [Ibid.].

Nevertheless, China's soft power prospects in Vietnam are limited because Vietnam does not want to depend on China in cultural or economic ways. Such dependence would be perceived in Vietnam as risking losing its identity and forming conditions for China's military expansion. China's aggressive use of hard power has negatively affected its soft power. For example, from May to mid June in 2014 the Chinese deepwater drilling platform HYSY 981 drilled pilot wells in the South China Sea in territory claimed by Vietnam [Abuza, 2014]. Vietnam considered this action a violation of its sovereignty, which led to anti-Chinese riots [Strokan, 2014]. The situation was settled only after the platform was withdrawn from the disputed area [Tea, 2014].

Such ambivalence clearly does not help China improve its position in Vietnam and other South-East Asian countries. For example, in Malaysia only one CI has been established, and in Myanmar, a key regional partner, there is no functioning CI and only two CCs. Malaysia has a large Chinese diaspora and there is some concern about the possible formation of a "fifth column" – in Malaysia, there are 7 million ethnic Chinese who comprise 24% of the country's population [Chang, 2013]. In Myanmar, authorities lack the will to give China any more influence on the intellectual elites, as it is already significant. But to demonstrate its desire to strengthen links with China, Myanmar established two CCs.

The situation is similar in other parts of Greater East Asia. In India, where there are two CCs, there were lengthy discussions about establishing a CI. As a result, the first began operating only in 2009 at the Vellore Institute of Technology in Chennai, among the 10 best engineering colleges of India.¹⁰ Its partner is Zhengzhou University in Henan Province, which is famous not only for its high educational level and the number of educational programs but also for hav-

¹⁰ See India's best engineering colleges, 2013, at <http://indiatoday.intoday.in/bestcolleges/2013/ranks.jsp?ST=Engineering&LMT=7&Y=2013>.

ing one of the biggest campuses in China – 4,328,688 square metres [Lu, 2011]. The agreement to establish the CI had been signed in 2007 but did not lead to opening a CI right away, because of concerns in Indian society. The second CI was established in 2012 at Mumbai University, one of India's biggest institutions. It is partnered with Tianjin Polytechnic University, which is famous for its unique programs for students with hearing disabilities.

Nevertheless, despite the establishment of CIs in India, the potential of China's soft power based on CI activity is limited because of concerns about China's external policy, even in the sphere of education. India and China are competitive centres of power in Greater East Asia. Actions taken by one will thus raise concerns in the other. Moreover, India does not like active cooperation between China and Pakistan – the state with which India has the most difficult relations. China has established two CIs in Pakistan, to strengthen its influence there. That will result in the widening of the scientific and educational contacts between these countries.

In Central Asia there is an interesting and ambiguous situation with the development of CIs. Despite a serious cultural and economic partnership between China and Uzbekistan, one CI operates in Uzbekistan. It was established at Tashkent National University in May 2005.¹¹ Its Chinese partner is Lanzhou University in Gansu Province. In addition to the Chinese language classes, the CI offers students the opportunity to study Tai Chi, calligraphy, Chinese music and cinema. It organizes regular meetings with Chinese speakers and folklore groups. It provides assistance to Uzbek students going to Chinese universities. In 2013 there were approximately 1,600 students from Uzbekistan studying in China.

Although the CI in Uzbekistan was one of the first in Central Asia, cooperation between the two countries became less comprehensive because Uzbekistan authorities feared the growth of China's influence. However, an agreement to establish a CI at Samarkand State Institute of Foreign Languages was signed in 2013, partnered with Shanghai International Studies University. It will start operating in 2015. Indeed, despite declarations on both sides to extend cultural and educational cooperation, the CI situation in Uzbekistan is a real indication of the relationship. In Uzbekistan authorities are afraid of even more Chinese influence, which is already extensive in the country's economy. If Uzbekistan does not suffer a serious political crisis, opportunities for developing the CI network will be limited.

Four CIs operate in Kazakhstan. The first, named the "Chinese Centre," was established at Al-Farabi Kazakh National University in 2002.¹² It was a pilot project before CIs officially started being established around the world. However, the agreement to establish the CI was signed only in 2007, when CI had got actual name. More than 7,000 students have studied at this CI. Its Chinese partner is Lanzhou University in Gansu Province, one of the first Chinese universities, established in 1909. The CI at the Eurasian National University was, however, the first once in Kazakhstan.¹³ Its partner is Xi'an International Studies University in Shanxi Province. There is a CI at Karaganda State Technical University, partnered with Shihezi University in Xinjiang Province, and another at the Aktobe Regional State University, partnered with Xinjiang University of Finance and Economics. It is remarkable that CIs that were established later signed agreements with universities in Xinjiang, which is a border region. The CIs are important for sending China many Kazakh students, who frequently

¹¹ See Confucius Institute in Tashkent at http://english.hanban.org/confuciousinstitutes/node_10692.htm.

¹² See Confucius Institute of Kazakhstan Al-Farabi National University at http://english.hanban.org/confuciousinstitutes/node_10803.htm.

¹³ See Eurasian National University Confucius Institute at http://english.hanban.org/confuciousinstitutes/node_10804.htm.

continue their education at the CI partner universities. In 2013, there were more than 8,000 Kazakh students in China.

Kazakhstan and China also develop their cultural cooperation through CIs. The Chinese partner universities played an important role in organizing the Days of Kazakhstan Culture [Chinaxinjiang.cn, 2013]. A new step in spreading Chinese soft power in Kazakhstan was the visit of Chinese president Xi Jinping in 2013, when the countries had agreed to create new cultural centres on each others' territories and to extend educational and economic contacts [Russian.news.cn, 2013]. In recent years, China has succeeded in strengthening its soft power in Kazakhstan. This trend has its origins in wide-scale economic cooperation supported by cultural interaction. The prospects of Chinese soft power in Kazakhstan can thus be considered positive.

The analysis of CI development in Greater East Asia is incomplete without a consideration of CI activities in the United States – the actual global leader, a position that China wants to overtake. The United States engages in political activities in Greater East Asia targeted at deterring China. That means that the United States is an important part of the macro-region.

Some of features of CI operations have already been discussed above, in particular financing. But the fact remains the fact that the United States is the main strategic goal for the development of CIs and CCs. Even the scale of the network in the United States reflects this reality: there are 97 CCs and 384 CCs – i.e., a quarter of all established CIs and more than half of the CCs. These numbers clearly demonstrate China's readiness to spend enormous amounts to spread its soft power in the United States. In fact, China spreading its soft power on the territory of its major geopolitical rival can solve several problems [Kurlantzick, 2007]. First, it encourages positive perceptions of Chinese policy in a society that has great influence on the state authorities. Second, it reduces its cost of westernization, demonstrating the attractiveness of its development to other countries, which doubtlessly look at China projecting its capacities onto American territory. Third, the hard competition of the American market in educational services checks the viability of the Chinese soft power model. The United States and its best universities serve as billboards for CIs and China's soft power.

Certainly, China has to make an enormous effort and spend a lot of money to promote CIs in the United States. Its main challenges are the reluctance of U.S. society to be touched by what it sees as alien values spread by a totalitarian state and the evident unwillingness of CIs to react to issues that are sensitive for China. A part of American society is sincerely exasperated by China's actions. But in the end, such rhetoric raises the price of the dialogue with China to get more funds by creating CIs. China's readiness to pay extra to reach its goals has formed a powerful pro-Chinese lobby in Congress, second to the Jewish lobby. It is ready to support China's educational initiatives as well as proving there is a need to establish a comprehensive bilateral dialogue.

For China the spread of CIs in the United States, the country with the best institutions for higher learning in the world, offers new options for sending its own students to American universities and returning them home, for acquiring the priceless experience for improving its own educational system and for establishing communications with American business. In addition, the high degree of China's efforts to penetrate the United States speaks the fact that there are a great number of CCs that spread Chinese interest among the pupils – who do not yet have a fixed position in life or worldview.

It is difficult to predict the prospects for CIs in the United States that are connected not with the risks of closing them but with the risk of a negative reaction of American society and increased tension between the two countries.

Conclusion

In conclusion, the features of CI/CC organization and activities can be summed up as follows:

The CI/CC system is an effective mechanism for increasing China's cultural influence and popularizing its language. The activity of CIs and the activeness of Chinese state in popularizing Chinese language and culture have resulted in Chinese being included in the education systems in more than 40 countries [Russian.people.cn, 2013].

The CI/CC system combines a hierarchical governance structure and network approach that help control all the important processes and include as many people as possible. Moreover, flexibility in the legal forms for establishing CIs allows them to be created in almost every country.

The bilateral financing of the CI/CC system and operational financing in the form of project management also help increase the system's economic efficacy.

CIs and CCs are established at the best foreign universities, which attract the best students who, in future, will form the elites of their states and will like and admire China. As a result, China will gain new capacities for spreading its soft power. CI/CC activities have positive results from the cooperation of Chinese universities with their foreign counterparts.

CIs and CCs not only organize teaching Chinese language and culture in target countries, thus increasing the awareness of China among their citizens, but also attract the best students to continue their education in China.

CIs conduct the HSK examinations and tests for certifying Chinese language teachers and organize the preparations for these exams using specially developed methods.

The newest technologies for teaching, with high-quality websites containing teaching materials and information on establishing CIs and CCs also help to increase coverage.

The great advantage is the publishing and distribution of books and teaching materials in more than 40 languages, which satisfy demand for studying Chinese all around the world.

However, the following negative features of the CI/CC system can be found:

The evident hard links between the CI/CC system and the Chinese state leads to a reluctance among western societies, which perceive Chinese efforts to promote its values and model of behaviour in a negative way.

CIs and CCs are frequently used for the "penetration and anchorage" on the campuses of the best foreign universities. This is also perceived negatively in the target states, because China gets access to the best technologies for education, management and production and to the best brains. China uses different measures to attract this intellectual capital to China to learn and to work.

CIs and CCs conceal and gloss over issues that China considers untouchable, which draw attention in the target states and is understood as a violation of the right to free thought and freedom of speech. They also engage in propaganda against the ideas and values spread by alternative Chinese centres of power.

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