

Research on the Development Strategies of Confucius Institute for Expanding China's Foreign Trade

Qiao Yanni¹, Yao Jing² and Ki-Hyung Bae^{3,*}

¹ Sejong University Department of Economics; Ph.D student; joyice1015@naver.com

² Sejong University Department of Economics; Ph.D student; yaojingel1111@naver.com

³ Sejong University Department of Economics; professor; baekh@sejong.ac.kr

* Correspondence

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Abstract: *The purpose of this paper is to explore how the Confucius Institute Chinese international promotion could better promote the development of China's foreign trade, by analyzing the distribution of the Confucius Institute worldwide, based on the theory of language economics, using SWOT analysis to analyze the advantages and disadvantages of the internal environment, opportunities and challenges of the external environment of Chinese international promotion of Confucius Institute. The following findings were gathered: as a language teaching institution and information exchange platform, Confucius Institute has the ability to share trade information and increase trade opportunities; to improve cultural identity and reduce transaction costs; to promote cultural communication and integration, and drive the development of related industries. The internal disadvantages were mainly reflected in the mismatch between the global regional distribution structure of Confucius Institutes, and the economic and trade structure, such as, the asymmetry between language, culture output, and demand. In addition, the management mechanism was not perfect. External opportunities were mainly new opportunities brought by economic globalization, cultural diversity, and the development of the Belt and Road initiative. External challenges were mainly influenced by the China threat theory and the fierce cultural competition among countries. The corresponding countermeasures were put forward based on the advantages of the platform and grasping the external opportunities: improving the quality of operation and speeding up the localization process; respecting cultural differences and realizing cultural common learning; seeking multilateral cooperation and enhancing the capacity for independent development.*

Keywords: Confucius Institute; Language Economy; Foreign Trade; SWOT Analysis; Strategy

1. Introduction

With the frequent exchanges between China and other countries, the rapid development of China's economy has attracted the attention of the whole world. In order to develop friendly relations between China and other countries and enhance people's understanding of Chinese language and culture, the Chinese government set up Confucius Institutes to promote Chinese and spread Chinese culture. Confucius is the representative of Chinese traditional culture. The Confucius Institute named after Confucius is to uphold Confucius concept of "harmony is precious" and "harmony is different", and promote the exchange and integration of Chinese culture and other cultures in the world. Confucius Institute was first announced in 2004 under the aegis of Hanban (Confucius Institute Headquarters). By 2019, China had set up 550 Confucius

Institutes and 1,172 Confucius Classrooms in 162 countries and regions around the world, The number of registered students exceeded 2.3 million. If other institutions or individuals are included, the number of foreigners learning Chinese has reached 100 million [1].

Language is the basic medium of international trade and transnational economic communication. Trade and economic activity require a common language that can be used by both sides of the transaction. With the rapid development of China's economy and the continuous expansion of international trade, trade-related language issues are increasingly concerned. In recent years, the Chinese government has carried out a large number of activities to promote the Chinese language based on the Confucius Institute program, striving to increase the use of Chinese in countries other than traditional Chinese areas, so as to reduce the language cost of trade with these countries, and at the same time increase the recognition of Chinese culture among trading partners and create more trade opportunities.

This paper applies SWOT analysis method to analyze the impact of Confucius Institutes on the development of China's foreign trade. By analyzing the advantages and disadvantages of Confucius Institutes in promoting foreign trade of two or more countries, as well as the opportunities and challenges. And then, matching all kinds of factors to make an accurate induction and analysis, to put forward suggestions in order to seek the best development strategy for the Confucius Institute Chinese international promotion to better promote the development of China's foreign trade.

2. Literature Review

2.1 Research on the economic attributes of language

In 1965, Jacob Marschak of the United States clearly proposed that language has economic characteristics for the first time. He believed that language, as an indispensable tool in human economic activities, has the same economic characteristics as other resources, namely value, utility, cost and income [2]. But Jacob Marschak's research on the economic attribute of language is still in the exploratory stage, and few people have paid attention to the economic attribute of language after him. Until the 1990s, Swiss economist Francois Grin first explicitly put forward the concept of "language economics", he adopted the economic method, took language as a parameter, conducted in-depth research on the changes of economic value caused by the use of language under the rule of supply and demand, and focused to explore the inevitable connection between language and economy [3]. From then on, language economics, as an emerging integrated discipline, has been developed in Europe, especially as a common language in the world. Its economic benefits make the linguistic and economics have a strong interest in the economic attributes of language. Since then, language economics has become a hot subject in Europe and North America. The research on the economic attributes of language in China is later than that in other countries, and it is based on the theoretical basis of other countries.

2.2 Study on the influence of language culture on international trade

The use of common language can increase cultural identity, reduce the information cost, communication cost and translation cost of international trade, and promote the development of international trade [4]. Lohmann explained that language is an important identification, and people will be more inclined to choose to communicate with people who use the same language family or similar languages, because people of the same language family or similar languages may have similarities in many aspects, such as cultural or historical relations. The evolution of language and culture has a long history, which will promote the formation of a broad economic and political network between the two countries and become an important driving force for trade between the two countries [5]. Kristensen analyzed the impact of cultural differences on Danish exports through gravity model. The results showed that cultural differences affected Danish exports to central and Eastern European countries, and compared with larger economies, cultural differences had a more important impact on small economies [6]. Lien, Oh and Selmie used the trade gravity model to analyze the impact of Confucius Institutes on China's foreign trade. The study found that Confucius Institutes had an important positive impact on trade. Under the same conditions, the researchers expected that each additional Confucius Institute would

bring 6.1% - 34.4% growth in trade [7]. Xie Mengjun used the double difference model (DID) to empirically analyze the relationship between cultural export and commodity export, and identified Confucius Institutes did promote China's export to countries along the belt and Road, and cultural export represented by Confucius Institutes had an export growth effect [8].

2.3 Research on SWOT Analysis and Application

SWOT analysis tool was created by Albert S. Humphrey, a business management consultant of Stanford University Research Institute, in the research process of Fortune 500 enterprises from 1960s to 1970s [9]. Later, Kenneth R. Andrews of Harvard Business School improved and promoted this method [10]. It is defined as a tool for dealing with complex strategic situations, presenting and organizing information in a clear way for decision-making. SWOT analysis is to analyze the current situation of the enterprise and reveal its internal strengths, weaknesses and external opportunities and threats based on the changes in the operating environment of the enterprise itself, industry, region, country and the world under the current internal and external competitive environment [11]. SWOT can be regarded as a "status quo" analysis tool. However, it can also predict the future situation of the current situation and make corresponding development strategies and policies based on the analysis and prediction of the current situation [12]. SWOT analysis is also be regarded as an analysis tool of "future situation" [13]. At the same time, SWOT analysis, as a strategic planning tool, helps to construct all elements of the organizational strategic decision-making process. Since SWOT analysis is considered to be an effective and useful structural description for any situation [14], it has also been proved to be an effective means of teaching business practice management skills [15]. SWOT analysis was originally a trend analysis method applied for the development of enterprise strategy. At present, some scholars have taken SWOT theory as a research method and applied it in the related fields of international Chinese communication.

It is scientific and feasible to use SWOT analysis as the theoretical analysis method to study the current situation and development strategy of teaching, and it has not been widely used in the field of Chinese International Education in Confucius Institute. Moreover, no scholar has applied SWOT analysis method to study the impact of Confucius Institute's international Promotion of Chinese language on China's foreign trade development. This paper uses SWOT analysis to comprehensively analyze the strengths, weaknesses, opportunities and challenges of Confucius Institutes in promoting China's foreign trade development, in order to find out the best development strategy.

3. Research Methods

There are various frameworks and approaches used in the analysis of a company's strategic position. One of the most straightforward is the SWOT analysis, SWOT being an acronym for "strengths, weaknesses, opportunities and threats". The theory is closely related to the research object of various main internal advantages, disadvantages, external opportunities and threat factors, through comprehensive, accurate investigation and sort according to the form of matrix, with the idea of systematic analysis to match and integrate analysis, so as to further develop strategy according to the results of the analysis and action plan, etc.

Table 1. SWOT Analysis Strategy Matrix

		Internal Environment	
		Strengths	Weaknesses
External Environment	Opportunities	SO	WO
	Threats	ST	WT

The significance of SWOT analysis is that each independent factor will be systematically analyzed and matched with one another to form possible coping strategies. In Table1, SO Strategy is a strategy to give full play to internal advantages while taking external opportunities; ST Strategy is taking advantages while evading or relieving external threats and its consequences; WO Strategy is taking external opportunities to compensate for internal weaknesses; WT Strategy is eliminating internal weakness to better cope with external threats. An optimal (ideal) strategy should give full play to internal strengths, grasp external opportunities while at the same time eliminate internal weaknesses and evade or cope with external threats.

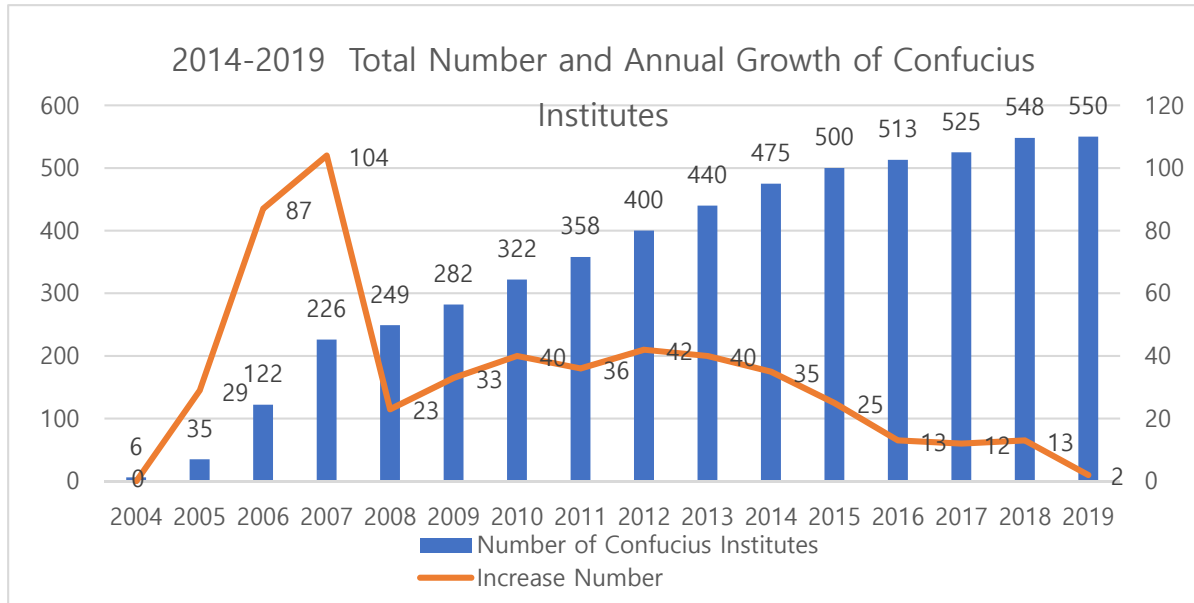


Figure 1. 2014-2019 Total Number and Annual Growth of Confucius Institutes

This paper summarizes the annual total and annual increase of Confucius Institutes from 2004 to 2019 based on the data from Confucius Institute Headquarters website. As shown in Figure 1: The number of Confucius Institutes grew most rapidly in 2006 and 2007, and the growth rate declined significantly after 2015. In 2006 and 2007, China's GDP maintained a double-digit growth rate of 12.7% and 14.2% respectively [16]. After that, the growth rate of GDP decreased, and the scale expansion of Confucius Institutes also decreased. The establishment of Confucius Institutes matches the overall economic development of China. Based on this, combined with SWOT analysis, we can better study whether the numerous Confucius Institutes set up in China match the needs of the country's overall foreign economic development and promote foreign trade.

4. Results

4.1 Strengths

4.1.1 Sharing trade information and increasing trade opportunities.

As a language teaching institution and information exchange platform, Confucius Institute serves as an important intermediary for business and trade communication between China and foreign countries, providing great convenience and good opportunities for China's foreign trade and direct investment, and playing a positive role in the development of sino-foreign trade. As an information exchange platform, Confucius Institute has a two-way nature, and it is a product driven by the needs of both sides. The development of Confucius Institute has changed from one-way demand of language education to two-way communication between China and foreign countries. It has social and cultural values shared by China and other countries. Trade partners can not only obtain information about the national conditions and business conditions of importing countries through

Confucius Institutes. Through the media of Confucius Institutes, importing countries can learn Chinese and Chinese culture knowledge, receive information related to China, gain rich psychological experience, and deepen the understanding and understanding of cultural values of both sides. At the same time, Confucius Institute, as an institution of spreading Chinese culture and information, provides a good learning platform for Chinese learners all over the world, and strengthens international exchanges and cooperation. This is not only conducive to the development of importing countries in the Chinese market, but also helps China "go out" and enter the international market, increasing trade opportunities for both sides, and ultimately promoting the growth of import and export trade between China and its partner countries.

4.1.2 Improving cultural identity and reducing transaction costs.

Language is an important tool for negotiation. If language is not available, trade cannot be carried out. Therefore, governments of all countries attach great importance to learning the language of their trading partners, and take different measures to promote their own language and promote trade and economic activities. With the rapid development of China's economy and the improvement of its international status, many foreign companies and institutions hope to carry out economic cooperation with China. Cultural differences (including language barriers) will hinder economic cooperation. Cultural differences are an important cost factor leading to the development of international trade. The greater the cultural difference between the two countries, the higher the cost of trade between the two countries. The establishment of the Confucius Institute provides an opportunity for those who are willing to understand China and want to learn Chinese and Chinese culture, which makes economic cooperation between China and foreign countries possible. The main purpose of learning Chinese and Chinese culture in foreign countries is to seize business opportunities in the wave of China's economic growth and create new value for their enterprises. By teaching Chinese and spreading Chinese culture, Confucius Institute can effectively reduce the influence of language and cultural heterogeneity. It can also reduce the cost of trade negotiations between the two countries and promote trade growth. In addition, as a platform for information exchange, Confucius Institute accelerates China's development of foreign markets and provides opportunities for foreign trade and direct investment [17].

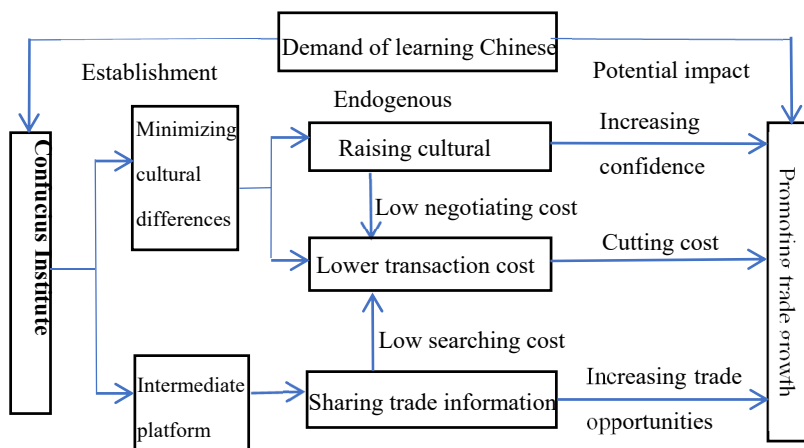


Figure 2. The relationship between the establishment of Confucius Institute and trade growth

4.1.3 Promoting cultural communication and integration to promote the development of related industries.

Cultural soft power is an important part of a country's international image. Consumers think that the national image will affect their purchasing behavior. A good international image of a country means a high degree of product credibility. The acceptance and recognition of the country's culture will lead to consumers'

special preference for the country's products. Confucius Institute is the concentrated expression of Chinese culture "going out". The rapid development of Confucius Institute shows that the recognition of Chinese culture in other countries (regions) is constantly improving, which to a certain extent increases the demand of foreigners for Chinese cultural products, promotes China's export trade, and thus drives the development of related cultural industries and produces more economic benefits. There is a close relationship between the development of Confucius Institute and bilateral trade. While other factors remain unchanged, a Confucius Institute can increase the bilateral trade volume by 6.1% - 34.4%. [18] For example, the activities of Chinese calligraphy and painting exhibition, concert, Chinese small product competition, Chinese cultural lecture, Chinese martial arts and crafts exhibition and production, and Chinese demonstration course held by Confucius Institute can actually stimulate the consumption of cultural and creative products by foreign consumers, and then guide the development of Chinese cultural and creative industry chain and promote the rapid and better development of China's economy. On the other hand, culture and tourism are often closely related, and their relationship is also becoming more and more close with the development of world economic integration. Confucius Institute has brought closer cultural distance between China and international tourists through language education and cultural promotion, reduced the cost of information acquisition for tourists to China, thus significantly increased the number of tourists to China.

4.2 Weaknesses

4.2.1 The regional distribution structure does not match the economic and trade structure.

Although the Confucius Institute has initially realized the global layout, the regional distribution still needs to be further adjusted and optimized. In terms of quantity, most of the existing Confucius Institutes are distributed in regions and countries with relatively high level of economic and social development, but there are also more in regions with relatively backward development and less economic and trade. The imbalance of regional distribution directly leads to the imbalance of resource distribution. In the long run, this layout lacks strategy and sustainability, does not meet the needs of China's economic and social development, and is not conducive to the promotion of world cultural exchanges. From the Report on China's foreign Trade situation for spring 2020, it can be seen that China's total trade volume in 2019 is US \$4.58 trillion. As shown in figure 3, China's total imports and exports with six major trading partners, including the European Union, ASEAN, the United States, Japan, Hong Kong and South Korea, accounted for 54.3% of China's total imports and exports in the same period. (excluding trade with Hong Kong, 48%). From a macro point of view, the establishment scale of Confucius Institute basically matches the scale of major trading partners. But from the micro point of view, the establishment of Confucius Institute does not match the proportion of total trade volume. For example, US trade accounts for 11.8% of China's total foreign trade, with still 48 Confucius Institutes (About 70 have been closed by 2019) accounting for more than 20%, which is too high; Japan's trade accounts for 6.9%, with Confucius Institutes accounting for 2.4%; South Korea's trade accounts for 6.2%, with Confucius Institutes accounting for 4.3%; China's total trade with Africa in 2019 is US \$206.83 billion, accounting for 4.3% of China's total trade, with Confucius Institutes accounting for 11.3%, which is based on economic perspective Considering that the proportion is seriously high, it does not match. In this sense, the layout of Confucius Institutes should be oriented to major trading partners, not countries with few trade relations, so that the development of Confucius institutes can achieve win-win and sustainability.

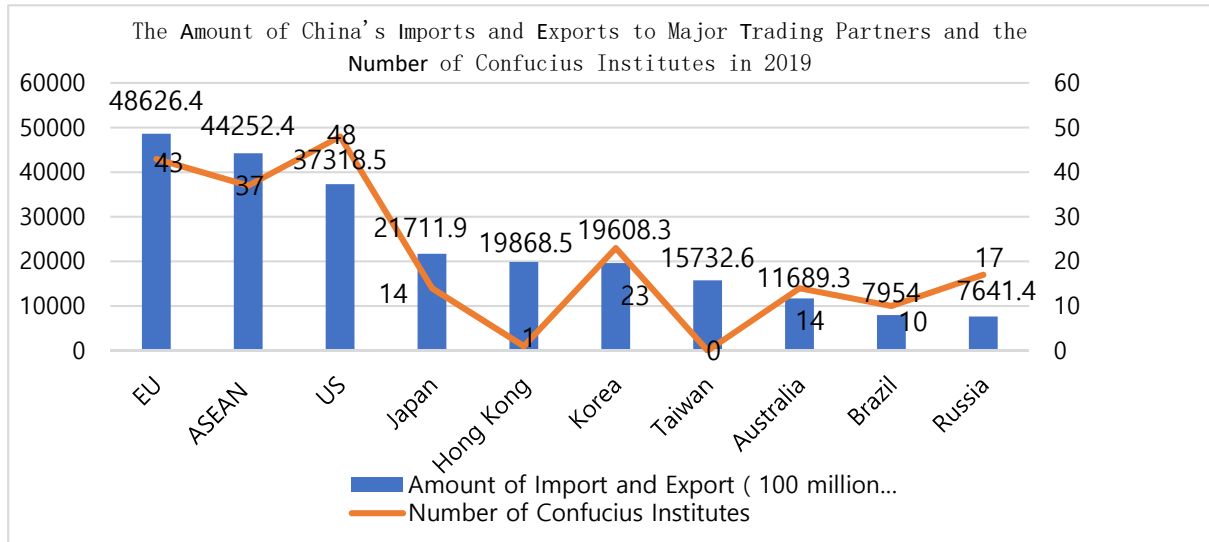


Figure 3. The Amount of China’s Imports and Exports to Major Trading Partners and The Number of Confucius institutes in 2019

4.2.2 The output of language and culture is asymmetric with the needs of local students.

In terms of teaching content and cultural activities, Confucius Institute is asymmetric with the needs of local students. On the one hand, the teaching activities carried out by Confucius Institutes in different countries and regions have serious homogeneity, which often leads to many problems between the homogeneity in content and the difference in culture, so that there is a big gap between the actual teaching effect and the ideal state. At present, the cultural activities held by Confucius Institutes around the world are mainly based on traditional culture. The cultural experiences of blue and white porcelain, Taijiquan and silk are similar and highly repetitive. For example, some folk scholars criticized Confucius Institute, "Confucius Institute is still in the stage of teaching Chinese and Taijiquan, which are also Chinese culture, but these are just ‘Shu’, not ‘Dao’. The essence of Confucius Institute is just an institution for teaching Chinese as a foreign language, which may be responsible for ‘promoting Chinese culture’, but it is far from being able to reach the height of "promoting Chinese cultural values" [19]. In this sense, Confucius Institute only focuses on the export of Chinese traditional culture, which is seriously out of line with the main trend of the times. On the other hand, due to the incompatibility of teaching materials, teaching contents and local culture, as well as the shortage of teachers, there is a deviation between supply and demand, which can not meet the actual needs of Confucius Institute teaching in different regions. Therefore, we must explore and study the characteristics and laws of Chinese learning and teaching in non-native language environment, innovate the localization methods of Chinese teaching, and enhance the pertinence and effectiveness of Chinese teaching. As a cultural export project promoted by the Chinese government, the cultural content exported by Confucius Institute to the outside world has become the most core proposition to determine the future fate of Confucius Institute.

4.2.3 The internal management mechanism of Confucius Institute is imperfect.

At present, the operation and management mechanism of Confucius Institute is not in place, which leads to many non-standard problems in the operation of Confucius Institute. First of all, the establishment of Confucius Institute is basically voluntary by foreign institutions, the threshold is low, the operation funds mainly come from the Chinese government, especially individual institutions may not have greater demand and sufficient conditions, the Chinese government will need to pay more, which will cause a waste of resources to

a certain extent, and the late management cost is too high, which is an uneconomic choice. Secondly, the imperfect evaluation feedback mechanism is also an important reason for the slow development of Confucius Institute. Due to the lack of timely evaluation and rectification, some colleges that do not have the strength or development potential have occupied a lot of resources and development space for a long time, which hinders the development of high-quality Confucius Institutes. In addition, because Confucius Institutes are generally jointly run by Chinese and foreign universities, the division of responsibilities and rights between the two sides is not clear, and there is no clear supervision system for Chinese and foreign staff. At the same time, the institutions set up by Confucius Institutes in various countries are basically empirical and patterned, and there is no complete monitoring and evaluation system to determine whether they are suitable for local teaching requirements and culture.

4.3 Opportunities

4.3.1 Economic globalization and cultural diversity provide opportunities for development.

Under the background of economic globalization, the volume of foreign trade between China and other countries in the world has further increased, which provides a good external environment for the global distribution of Confucius Institutes. Relevant data show that in the early stage of the implementation of the reform and opening up policy, China's export volume in 1978 was US \$9.75 billion, import volume was US \$10.89 billion, and the total import and export volume was US \$20.64 billion; China's foreign trade situation report in 2019 shows that China's export volume reached US \$2.5 trillion, import volume was US \$2.08 trillion, and the total import and export volume was US \$4.58 trillion, and the annual export, import, and export volume increased significantly a record high. As China's economic strength continues to strengthen and its international influence has improved significantly, the demand of countries in the world to understand and learn Chinese language and culture has also increased. Economic globalization has become the "booster" of language communication. At the same time, while absorbing the advantages of the world's advanced culture, all countries are also trying to maintain their own national cultural characteristics. Therefore, Confucius Institute should seize the development opportunity of globalization and diversification, not only adapt to the trend of economic globalization, but also maintain and carry forward its own language and cultural characteristics through a way of self-renewal, show the cultural pursuit of "harmony but difference" with an open and inclusive attitude, and realize mutual trust and mutual learning among cultures of different countries.

4.3.2 The "Belt and Road" development strategy provides opportunities for development.

"Silk Road Economic Belt" and "21st Century Maritime Silk Road", referred to as "Belt and Road". It is a transnational economic belt initiated and led by the Chinese government in 2013. The strategy of "Belt and Road" covers 65 countries, involving 4 billion 400 million people and 63% of the world population. The total economic volume is about 21 trillion US dollars, accounting for about 30% of the total global economic volume. [20] It is the emerging economic belt with the largest span and the widest coverage in the world. The implementation of the "Belt and Road" initiative provides a once-in-a-lifetime development opportunity for Confucius Institutes. The construction of "Belt and Road" is a grand system engineering, which involves many aspects, such as railway, highway, energy, information, industrial park and so on. Without a large number of professional talents, it is difficult to effectively promote the smooth implementation of "Belt and Road" construction. There are many development points between Confucius Institute and "Belt and Road" construction, which can provide language support for "Belt and Road", build a platform for humanistic exchange, and vigorously train the compound talents of "foreign language specialty". As one of the effective institutions for

the international communication of Chinese and Chinese culture, the Confucius Institute should seize the development opportunity period of promoting the construction of "Belt and Road" in an all-round way and take the talent demand of the implementation of the national strategy as the guide to promote the spread of Chinese language along the "Belt and Road" area.

4.4 Threats

4.4.1 Confucius Institute is influenced by China Threat Theory.

With the continuous development of world multi-polarization and economic globalization, countries around the world have formed a community of destiny. China always adheres to the road of peaceful development, adheres to an independent foreign policy of peace, and is committed to creating a good surrounding and international environment. However, with the rapid rise of China, the international community has affirmed and praised the "China model" and regarded China as a potential threat. The more China develops, the more it needs a stable regional environment and a peaceful international environment. At present, the complex international relations and regional security issues will have a direct or indirect impact on the spread of Chinese in the region to a certain extent. Because the establishment, development and operation of the Confucius Institute depend too much on the Chinese government, many countries over interpret the political nature of the Confucius Institute and regard it as a tool for external propaganda of the Chinese government's ideology. Some western countries attach political labels to Confucius Institute, or directly regard it as a platform for China to export cultural values, and regard it as a "soft threat" to China [19]. Views such as "cultural invasion" and "cultural threat" bring many unstable and uncertain factors, which make the Confucius Institute face a crisis of trust and seriously endanger its students. However, some Confucius Institutes have been closed.

4.4.2 The cultural competition among countries is becoming increasingly fierce.

Language is both soft power and hard power. Confucius Institute has an important positive function in the construction of China's national soft power, and it is an effective platform for the construction of China's national soft power. However, when conducting language and cultural communication, Confucius Institute also has to face competition from language and cultural communication institutions of other countries, such as French Alliance, Goethe Institute of Germany, British Cultural Association, Sejong School of South Korea, Dante Association of Italy, Cervantes Institute of Spain, etc. After decades or even hundreds of years of development, these institutions have formed their own relatively mature culture Operation mechanism and management mode, some even have deep brand influence. For example, the French Union was founded in 1883. After more than 130 years of development, it has become the largest foreign language and Culture Promotion Organization in the world, with 1,071 branches in 136 countries and regions around the world. Another example is the German Goethe Institute, which was founded in 1951 and now has 158 branches in 93 countries around the world. Although these foreign language and culture communication institutions have their own characteristics in specific operation and management, they all play a vital role in promoting their own language, promoting cultural exchanges and enhancing the country's soft power. Confucius Institute is still in the primary stage of development. On the one hand, it should absorb the advanced development experience of these foreign language and culture communication institutions, on the other hand, it should face the fierce competition and challenges from these institutions.

5. Findings and Discussion

Based on SWOT analysis, this paper concludes the internal strengths and weaknesses, external opportunities and threats of Confucius Institute in China's foreign trade development, and establishes SWOT matrix. This paper puts forward SO strategy, WO strategy, ST strategy and WT strategy to improve the current development status of Confucius Institute from multiple measures and angles, so as to give full play to the influence of Confucius Institute on China's foreign trade.

5.1 Based on the advantages of the platform and grasping the external opportunities.

As mentioned above, Confucius Institute has its own inherent advantages in foreign trade, such as sharing trade information, increasing trade opportunities, improving cultural identity, reducing transaction costs, promoting cultural communication and integration, and driving the development of related industries. Confucius Institute is not only Chinese language and cultural communication institutions, but also serves as China's cultural diplomacy and soft power projection [21], so it should complement and serve the country's global strategy. The "Belt and Road" initiative is an important measure for China to face the important strategic opportunity period in the 21st century. Historical experience shows that language communication does not spread through language itself. Language communication must seize the historical opportunity and act according to the situation. Confucius Institute should give full play to the role of comprehensive cultural exchange platform, take advantage of "Belt and Road". First of all, to provide language services to the enterprises which participated in the "Belt and Road" construction. For example, to provide language translation services for enterprises, to set up targeted language and culture courses, to improve the language ability of employees, and to provide information consulting services on the culture and policies of the host country (region), etc.; secondly, to give full play to the cultural diplomacy function of Confucius Institute, to actively carry out people to people exchanges, to carry forward the spirit of the Silk Road, and to effectively promote people to people communication, to create a harmonious society, and to create more opportunities for China's foreign trade. Thirdly, according to local conditions, taking the road of characteristic development, to form brand effect. The Confucius Institute should win the initiative in serving the national development strategy and realize the integration and development of Confucius Institute and "Belt and Road".

5.2 Improving the quality of operation and speeding up the localization process

Since the establishment of Confucius Institutes in 2004, the number of Confucius Institutes has grown rapidly and distributed in various countries in the world, and formed a considerable scale. But with the rapid progress, there are many negative effects. There are some problems, such as the mismatch between regional distribution structure and economic and trade structure, the asymmetry between language and cultural output and supply and demand structure, and the imperfection of management mechanism. Therefore, Confucius Institute should gradually change from the extension development based on quantity expansion to the connotation development based on quality improvement, so as to better promote the exchange between Chinese culture and world culture, expand the international influence of Chinese culture, give full play to the export trade growth effect of "going out" of culture, and promote the healthy development of China's export trade. Secondly, speeding up the "localization" process of Confucius Institute is the key to improve the teaching quality and realize the leap forward development of Confucius Institute. The localization of teachers requires that the first-line teachers engaged in Chinese teaching in Confucius Institute should be mainly taken on by the local people, and establish a multi-level team of local teachers who are proficient in Chinese, understand Chinese culture and have the ability to use Chinese for communication [22]. The localization of teaching materials

requires that the selection of materials should be combined with the local life, culture and concept, the amount of teaching materials should match the local educational system and hours, and the presentation of teaching materials should be suitable for the local economy, culture, national character and other characteristics, so as to form a teaching material and teaching resource system suitable for the needs of Chinese learners of different ages, occupations and levels. Sino- foreign cooperation is an effective way to localize Chinese textbooks [23]. Therefore, Confucius Institute should gather excellent teachers at home and abroad, give full play to the advantages of all parties, and compile localized Chinese teaching materials for different countries and objects, so as to promote the quality of Chinese teaching in Confucius Institute. With the rapid development of Internet and artificial intelligence information technology, human society is developing rapidly in the process of digitalization. Digital teaching of international Chinese will also become the mainstream of classroom teaching in the future. Teachers and students can use teaching materials on computers or other mobile devices. Finally, improve the management mechanism. Firstly, it is necessary to refine and optimize the qualification standards of Confucius Institute, strictly review the school running qualification and teaching ability, and reduce the later management cost. Secondly, establishing a set of scientific evaluation feedback mechanism, to speed up the construction and improvement of Confucius Institute evaluation index system, regularly assessing the teaching quality of Confucius Institute, and to make timely improvement according to the assessment results. Thirdly, through the introduction of competition and exit mechanism, those Confucius Institutes that do not meet the requirements of cross-cultural exchanges in the new era will withdraw from the international education market, to gather more resources to high-quality Confucius Institutes, and to build a high-quality Confucius Institute brand.

5.3 Respecting cultural differences and realizing cultural common learning.

The world is diverse, and the cultural customs are different all over the world. Confucius Institute is interpreted as the political intention of soft power in foreign countries. In order to eliminate all kinds of confusion, exclusion and suspicion, different cultures should respect differences on the premise of mutual understanding and realize cultural exchange and mutual learning. Before conducting cross-cultural teaching, Confucius Institute should first fully understand the local culture, understand the cultural needs of the audience, practice cultural self-confidence, draw excellent resources from traditional Chinese culture, strive to seek the cultural interchange between the two countries, form a good situation of two-way cultural flow and integration, so that traditional Chinese culture can transmit new values in the new era. Secondly, To analyze the actual situation of Confucius Institute in the cultural ecological chain of different countries, coordinate the symbiotic relationship with other languages and cultures, eliminate various subjective and objective obstacles in the process of localization and localization of Confucius Institute, and finally form a state of mutual benefit and sustainable development of Chinese and foreign cultures. On the basis of respecting cultural differences and diversity, Confucius Institute should give full play to the role of comprehensive cultural exchange platform, absorb other systems and cultures, and combine Chinese culture to form a unique and more suitable model for its own development, so as to promote Chinese excellent traditional culture to the world and create a good international atmosphere for China's development. Therefore, Confucius Institute should adopt an open and accepting attitude when facing external challenges.

5.4 Seeking multilateral cooperation and enhancing the capacity for independent development.

In order to make people in more countries accept Confucius Institutes, the government needs to change its leading role and provide sufficient space for the independent development of Confucius Institutes. In order to

change its dependence on the government, the Confucius Institute should first get rid of the excessive dependence on government funds, actively broaden the funding channels, encourage and attract Chinese and foreign enterprises, individuals and other social forces to participate in the development of the Confucius Institute, and finally realize the diversified funding channels. The influence and development potential of the Confucius Institute is a key factor for the investment of Chinese and foreign parties. Therefore, the independent development ability of Confucius Institute should be improved. For the established Confucius Institutes or universities with school running intention, they must strive to enhance their attraction by strengthening their own cross-cultural teaching ability. This can not only seek more funds and channel support for the Confucius Institute, but also promote the wide promotion of the Confucius Institute brand in the local area, expand the social influence of the Confucius Institute, and enhance the recognition, trust, reputation and status of the Confucius Institute in the local area. First of all, the Confucius Institute can choose local enterprises for cooperation, which is not only reflected in language and culture, but also involves modern science and technology, commerce and other fields, so as to achieve common profit. In order to ensure the effective cooperation and avoid risks and frictions, we should establish a good cooperation mechanism, improve the cooperation system between colleges and enterprises, and standardize the cooperation behavior. According to statistics, in 2016, Chinese and foreign enterprises and all walks of life donated more than US \$10 million to the Confucius Institute. Secondly, the Confucius Institute can participate in the internationalization process of Chinese enterprises, provide intellectual support for the localization development of Chinese enterprises overseas, make resources and capital, academic and business interactive exchanges, and become a local think tank for the internationalization of Chinese enterprises as well as an overseas R & D and talent training base. Thirdly, the Confucius Institute should also build a bridge for the cooperation between local enterprises and Chinese enterprises, and set up more diversified courses, such as business Chinese, tourism Chinese, international trade, Chinese translation, etc., to meet the market demand, for learners to choose independently, so as to form a benign relationship of supply and demand to achieve mutual benefit and win-win results. For example, the Confucius Institute of Ukraine provides language training for local employees of airlines; the Confucius Institute at Khon Kaen University provides Chinese training for high-speed rail projects to train local railway talents. Confucius Institute should expand its teaching staff and recruit more professional talents, so as to provide consulting and training for enterprises and promote long-term cooperation between Chinese enterprises and the region. At the same time, enterprises can also provide internship opportunities for students of Confucius Institute and employ them on a selective basis, which can improve the brand effect of Confucius Institute, attract more students to come to study, and finally achieve economic growth.

Based on the above analysis and discussion of the advantages and disadvantages of Confucius Institutes in China's foreign trade activities, as well as external opportunities and challenges, the matrix graph is obtained as shown in Table 2.

Table 2. SWOT analysis matrix for improving the development status of Confucius Institute

	<p style="text-align: center;">Strengths</p> <p>S1.Sharing trade information and increasing trade opportunities. S2.Improving cultural identity and reducing transaction costs. S3.promoting cultural communication and integration to promote the development of related industries</p>	<p style="text-align: center;">Weaknesses</p> <p>W1.The regional distribution structure does not match the economic and trade structure. W2.The output of language and culture is asymmetric with the needs of local students. W3.The internal management mechanism of Confucius Institute is imperfect.</p>
<p style="text-align: center;">Opportunities</p> <p>O1.Economic globalization and cultural diversity O2.The "Belt and Road" development strategy</p>	<p style="text-align: center;">SO</p> <p>SO1.based on the advantages of the platform and grasping the external opportunities</p>	<p style="text-align: center;">WO</p> <p>WO1.Improving the quality of operation and speeding up the localization process.</p>
<p style="text-align: center;">Threats</p> <p>T1.China Threat Theory T2.The fierce cultural competition among countries</p>	<p style="text-align: center;">ST</p> <p>ST1.Respecting cultural differences and realizing cultural common learning.</p>	<p style="text-align: center;">WT</p> <p>WT1. Seeking multilateral cooperation and enhancing the capacity for independent development.</p>

6. Conclusion

Based on the theory of language economics, this paper makes full use of the SWOT analysis method, combined with the current situation of Confucius Institutes in the world, analyzes and discusses the strengths and weaknesses of Confucius Institutes in China's foreign trade activities, as well as the external opportunities and treats, and finally puts forward the optimization strategies of Confucius Institutes. The corresponding countermeasures are put forward: based on the advantages of the platform and grasping the external opportunities; improving the quality of operation and speeding up the localization process; respecting cultural differences and realizing cultural common learning; seeking multilateral cooperation and enhancing the capacity for independent development.

Due to the author's limited theoretical knowledge and academic research ability, only using SWOT analysis method also has some limitations. Although it can systematically describe the current situation and future trend of internal and external environment, it can't make clear statistical quantification of the analysis content, and the conclusions may be insufficient. In the future, the author will continue to learn theoretical knowledge, put into more Chinese teaching practice, and continue to improve this paper while learning theoretical knowledge, practical experience and paying attention to the new international situation of Chinese education. Hope this research can provide reference and help for the transformation of Confucius Institute.

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