Revisiting Soft Power 2019 Rankings

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Executive Summary

The notion of soft power in international relations reflects the ability of a country to assert its influence on the global stage without exercising coercion. Quantifying soft power remains a formidable challenge despite the proliferation of academic and policy literature published in the last three decades. The Nanyang Centre for Emerging Markets (CEM) addresses that challenge by constructing a soft power index and applying it to the world's Emerging Markets (EMs). These countries play an increasingly significant role in our global economy. This report compares the soft power EMs have vis-à-vis one another, relative to the soft power wielded by more advanced economies.

This report relies on a conceptual framework developed by the Nanyang CEM, which combines 21 different variables capturing four distinct characteristics of a country's soft power including (a) image and branding, (b) attraction and influence, (c) diplomacy and outreach and finally (d) integrity and value system. Our findings reveal that those EMs that achieved rapid economic growth dedicated significant attention to developing their soft power capabilities, and are fast catching up with the advanced economies.

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1. Revisiting Soft Power

The notion of soft power in international relations is not new. The term means the ability of a political entity to pursue its interests on the global stage without exercising coercion. A country that successfully exercises its soft power meets its foreign policy objectives using “soft” tools such as cultural power or political diplomacy. The alternative is the use of “hard” tools such as military force or raw economic force such as sanctions.

Political scientist Joseph Nye coined the concept of soft power in 1990, explaining that rather than ordering others to do what is wanted, it involves getting the other party to want to do it.¹ While scholars offer varying interpretations of soft power, Nye’s (2004:11) model identified three sources of soft power: “...the soft power of a country rests on primarily three resources: its culture (in places where it is attractive to others), its political values (when it lives up to them at home and abroad), and its foreign policies (when they are seen as legitimate and having moral authority).”

Over nearly three decades, a proliferation of both academic and policy literature explored a range of manifestations of soft power in the world, and the resulting impacts on geopolitical issues. These included efforts to understand how soft power works, and how to operationalize and measure it.²

1 Nye, Joseph S. “Soft Power.” *Foreign Policy*, no. 80, 1990, pp. 153–171. JSTOR, www.jstor.org/stable/1148580.

2 See for example, Singh and Macdonald (2017).

At the risk of simplification, a scan of the burgeoning academic literature on soft power yields two broad yet inconclusive perspectives. The first views soft power through the prism of the focused cultural influence wielded by a country to stamp its authority in global affairs. The second views the phenomenon more broadly, equating the soft power held by a country with its ability to flex its muscles without the explicit use of military force. This can entail cultural influence and/or economic might.³ As several scholars note, it is important to recognize that Nye's own discussion allows for the possibility of expanding the dimensions of soft power to include even "hard power" resources.⁴ Despite the apparent lack of consensus on a precise definition of what constitutes soft power, the concept continues to elicit interest in both the academic and policy literatures.⁵

Why should we care about soft power in today's world? The current world order is under threat. Global uncertainties abound, as emerging geopolitical shifts become increasingly unsettling. Momentous shifts in power and values have the potential to reshape the world order in the coming years. These include the global resurgence in nationalist sentiments in Europe and beyond, the "America First" platform spearheaded by the US, the impending fears of 'Brexit' and its larger ramifications for the European Union, the in-

tensifying trade spat between major economic powers such as the US and China, China's own advancement of the Belt and Road Initiative (BRI), and Asia's push for their own mega regional trade deal in the form of the Regional Comprehensive Partnership Agreement (RCEP). As geopolitical and economic power seeks a new balance, there is an implicit recognition that aspiring countries, especially influential emerging markets, could use their soft power as a tool to not only advance their agenda but in some cases to step up and lead from the front.

Given this background, this report presents a soft power index for the world's Emerging Markets (EMs), which have assumed a significant role in the global economy. In doing so, the report attempts to understand how much soft power EMs have vis-à-vis one another and how does that pattern compare to that of the more industrial economies. The country coverage uses the same sample analyzed in our companion 2019 Emerging Markets (EM) report.⁶ For additional perspective and comparison, the G7 countries of Canada, France, Germany, Italy, Japan, the United Kingdom (UK), and the United States (US) are included in the rankings.

⁶ Gopalan and Park (2019)

³ See Vuving (2009) for a theoretical discussion on the definition of soft power; and also an argument on why soft power must not be conflated with the resources for soft power. v

⁴ See the detailed literature review in Yun (2009).

⁵ See for instance the burgeoning literature on soft power that is cited in Yun (2009).

2. Soft Power Rankings 2019: What is New?

This report relies on a comprehensive and updated Soft Power Index (SPI). This new tool is based on a conceptual framework that builds on our previous two reports.⁷ The conceptual framework integrates 21 different variables, capturing four distinct dimensions of a country's soft power status.

⁷ For the previous two related reports, see Borroz et al. (2017) and Ernst and Young (2012).

Figure 1 summarizes the four dimensions that constitute soft power:

- (i) Image and Branding
- (ii) Attraction and Influence
- (iii) Diplomacy and Outreach
- (iv) Integrity and Value System

We selected the 21 variables capturing these four dimensions based on their strong grounding in the related soft power literature, and consistent data availability.⁸ The definition of soft power has evolved over time, and its measurement demands operationalization of the abstract and latent concepts that lie at the heart of the notion of soft power. However, one of the fundamental design principles in this project was to reduce the “noise” in the construction of such an index, by refraining from basing an index on arbitrary subjective measures. This principle guided our choices of representative indicators as well as the weights associated with the dimensions that constitute the SPI.

Dimension 1: Image and Branding

A country derives soft power from its image as perceived by others. For this dimension, the integral aspects of soft power are the image that a country projects in the global stage, and the ongoing efforts it takes to manage this aspect of its brand.

Figure 1: Conceptual Framework: Defining Soft Power

⁸ For instance, see the literature discussion in Trunkos (2013).

The Image and Branding process for any country can extend across a range of widely differing realms. The brand image links the country to success in one or more of these realms, through its media presence. For instance, a highly successful and visible citizen with an influential voice on the global stage, such as Bill Gates or Mohandas K Gandhi, may provide this link. A country might be the headquarters of a sought-after firm that established its global presence in the energy field, such as Reliance Industries; or serve as a global hub for international air travel, such as Singapore. A country can also stand out on the cultural spectrum, by hosting a number of Michelin-Starred restaurants, through its movie industry, by showing its prowess in its outstanding sports performances, or by developing highly ranked world-class educational and research institutions. A common thread links all these seemingly different indicators -- the image of itself a country manages to project through global media. The pattern of the indicators described above provides a holistic snapshot of the popularity of a country, which in turn determines this dimension of its soft power status.

Dimension 2: Attraction and Influence

The degree of attraction a country enjoys relative to the rest of the world, and the influence derived from this, provide the basis for the second dimension of the SPI.

The variables comprising this dimension reflect the potential dependency of the rest of the world on the resources of the country, as well as the country's own ability to influence global affairs. These measures of interdependency are dynamic: for example, some countries from the 'global South' (including China and India), once in need of development assistance from advanced economies, are now donors, signalling their ability and desire to influence decisions in the development financing arena. Similarly, the presence of think tanks in a country arms a country's ability to produce intellectual capital that could in turn assist its accumulation of soft power. Attraction to international students or the interest of large numbers of workers and professionals to migrate to a country contribute to soft power too. Finally, the strides a country makes in terms of its digital transformation -- enabling the creation of an eco-system that enables and promotes development -- enhances its global attraction.

Dimension 3: Diplomacy and Outreach

The third dimension of the SPI focuses on diplomacy and outreach. Both are widely accepted aspects of soft power in the international relations literature.

Political and cultural diplomacy are essential ingredients of the notion of soft power, and any index that represents soft power must include variables that capture a country's political and cultural engagement with the rest of the world. This dimension comprises variables such as the visa-free access that a country's passport provides its citizens, the number of embassies and consulates abroad, the number of tourist arrivals as well as the number of world heritage sites in a country, which can be a driving force for cultural tourism in the country.

Dimension 4: Integrity and Value System

The final dimension in our framework captures the soft power of a country that flows from its integrity and value system. The variables representing this dimension reflect the character of a country in a holistic manner. This dimension acts as a mirror, reflecting how much respect a country can derive from the rest of the world. One of the essential ingredients for integrity concerns institution-building in the country. Four variables fall under the rubric of integrity and value system: 1. the extent of de jure and de facto political freedom; the prevalence and regard for rule of law; 2. the vibrancy of a democratic setting in a country as reflected by the extent of voter turnout; 3. the overall safety, happiness and subjective well-being of the citizens; and 4. active concern for the environment as reflected in the environment performance index.

The appendix summarizes the details of the data sources for the variables used in the construction of SPI. In terms of methodological details, to ensure consistency, this report follows the methodology and robustness measures outlined in the 2019 EM report.

Figure 2: A Global Scan

3. 2019 Soft Power Rankings

Figure 2 is a snapshot of the 2019 soft power rankings that include the 95 EMs and the G7 countries. The darkest shades of blue represent the highest rankings in our 2019 SPI and the lightest those ranked the lowest. Unsurprisingly, G7 countries emerge as frontrunners in terms of wielding a high degree of soft power, well over and above all 95 EMs across the world. The US leads the world in terms of its aggregate soft power scores, and stands far above the rest of the industrial economies. The G7 economies dominate the global soft power scene, with the US followed by Germany, France, United Kingdom (UK), Italy, Canada and Japan. The question of whether EMs have the potential to compete

with the advanced world in terms of soft power is far more interesting.

3.1. Emerging Markets and Soft Power

China stands out in the rankings outside the G7. It leads all EMs and possesses significant soft power comparable to that of the G7. Further, Figure 2 reveals another important relationship. Outside of the G7, the majority of the top-10 EMs (ranked 8 to 18) led by China were also the very same economies that found themselves at the top of the EM pyramid, either as advanced EMs or accelerating EMs (see Gopalan and Park, 2019 for more details).

In Figure 3, we see more systematic support for the observed close correlations between countries on top of the EM pyramid and their corresponding scores in SPI. Broadly speaking, we observe that the better performing EMs generally do well in terms of soft power, and vice versa. This strong result provides evidence that EMs pay attention to various dimensions of soft power.

er. It hardly seems necessary for fast-growing EMs, focused on developing capabilities such as financial development or macroeconomic performance, to invest scarce resources in developing their soft power capabilities. However, in an increasingly fractious world torn by geopolitical differences, moving up on the soft power scale may well be a matter of strategic importance.

While the broad correlations may suggest that EMs in general do care about soft power, considering the diverse nature of the geopolitical landscape across the world, one could expect significant regional differences in the performance of the EMs in terms of SPI. Figure 4 provides an illustration of this variability in the performances of EMs within each region. Interestingly, the box plots show some notable heterogeneity both within and between regions. Within each region, we can see the top ranked EMs labelled at the top end and the worst performing EMs at the bottom.

Figure 3: EMs and Soft Power

Figure 4: Regional Variations in Soft Power

At first glance, we find the most significant within-region differences in terms of the best and worst performers are in Asia and Sub-Saharan Africa, while the measures for countries in other regions are far less divergent. The variances in soft power rankings within Asia are quite stark, with China outnumbering the rest as the best performing EM in Asia, topping the soft power rankings across not only all Asian EMs but also the remainder included in the analysis. Similar to the 2019 EM rankings, Afghanistan emerges as the worst performer in Asia ranked no 94 (out of 95 EMs), a position rivalled only by South Sudan in last place. Furthermore, we see Russia topping the soft power rankings within the Europe and Central Asia (ECA) region, Brazil and Mexico within the Latin America and Caribbean (LAC) region, South Africa leading the pack within the SSA region, and Tunisia taking the top spot within the Middle East and North Africa (MENA) region.

3.2. Understanding the Dimensions of Soft Power

We next turn to understanding the dimensions of soft power by examining broad trends in the performance of countries across the dimensions of the SPI. We start by examining the full sample that includes the G7, to illustrate differences in terms of scores and the gaps between the G7 countries and EMs. Table 1 maps the performance of the top-10 economies in the overall 2019 soft power rankings across the four dimensions. A green dot next to a dimension shows that the respective economy's performance in that dimension is above average (considering all 102 economies) while the red dot (for China) shows it scores below average on a specific dimension: Integrity and Value System.

Several crucial insights emerge from this decomposition. First, we observe that the score differences across dimensions are quite narrow within

the G7 cluster. For instance, while the US ranks highly in image and branding, Germany and Canada do better in their performance in integrity and value system, while France has the highest score in diplomacy and outreach compared to the others. Even though the US does not set the frontier score across all dimensions, its consistent performance across the board translated into gaining the top spot in the SPI. However, countries cannot take their respective positions (within the G7 cluster) for granted -- even small changes in the dimension scores could alter the order at the top of the rankings in future years.

Taking a closer look at the Top-10 overall, we can also see that China, Brazil and Mexico break into the elite group with China leading the rest of the EMs. However, interestingly, while all the top-10 countries appear to have scores that fall above average in all dimensions, the sole exception to this trend is China. The only red dot that we see in this top-half of the table is for China for its performance in integrity and value system -- largely driven by its mediocre performance in variables such as the freedom and environmental performance indices.

Country	SPI Rank	Image and Branding	Attraction and Influence	Diplomacy and Outreach	Integrity and Value System
United States	1	● 0.94839	● 0.73739	● 0.66727	● 0.81676
Germany	2	● 0.32631	● 0.55416	● 0.74426	● 0.91281
France	3	● 0.32371	● 0.37638	● 0.95050	● 0.80044
United Kingdom	4	● 0.40142	● 0.49706	● 0.61067	● 0.88058
Italy	5	● 0.20539	● 0.40014	● 0.85698	● 0.78947
Canada	6	● 0.29308	● 0.35759	● 0.46200	● 0.91022
Japan	7	● 0.22480	● 0.39282	● 0.53250	● 0.78559
China	8	● 0.12158	● 0.62749	● 0.57225	● 0.42281
Brazil	9	● 0.03719	● 0.39943	● 0.44658	● 0.68586
Mexico	10	● 0.07000	● 0.35021	● 0.56659	● 0.58182

Table 1: Overall 2019 SPI Rankings – The Top-10 Performers

As countries do not acquire soft power overnight, the rankings reflect a degree of consistency over the years. Consequently, we can expect some persistence in the global rankings held by these Top-10 economies. To verify that, we re-compute the SPI for the year 2015 to track the evolution of soft power rankings for the same set of global Top-10 countries, as shown in Figure 5.

Figure 5 shows the movements in soft power rankings from 2015 to 2019. All countries in the Top-10 positions in 2019 placed among the Top-10 in 2015 as well. With the exception of two pairs of countries trading places -- France and Germany, and Mexico and Brazil -- the order of the top ten countries remain the same. While

France experienced a fall in its scores in three of the four dimensions of SPI, with the largest decrease observed in image and branding, Mexico experienced a drop in all four dimensions, with the largest decrease in integrity and value system, which contributed to trading places with Brazil.

To gain a broader perspective, we can compare the dimension scores of EMs to those of their peers. To understand where they stand vis-à-vis each other, we exclude G7 countries from the rankings and compare the performance of the remaining 95 EMs. Table 2 shows the rankings of the EMs falling in the top quarter, after excluding the G7.⁹

⁹ Note that the mean of the EM sample has been re-calculated after excluding G7.

Figure 5: Tracking Soft Power Movements from 2015 to 2019

Country	SPI Rank	Image and Branding	Attraction and Influence	Diplomacy and Outreach	Integrity and Value System
China	1	● 0.122	● 0.627	● 0.572	● 0.423
Brazil	2	● 0.037	● 0.399	● 0.447	● 0.686
Mexico	3	● 0.070	● 0.350	● 0.567	● 0.582
Malaysia	4	● 0.000	● 0.414	● 0.372	● 0.691
Argentina	5	● 0.017	● 0.401	● 0.326	● 0.698
Peru	6	● 0.100	● 0.347	● 0.292	● 0.642
Russian Federation	7	● 0.106	● 0.349	● 0.449	● 0.469
Costa Rica	8	● 0.000	● 0.381	● 0.233	● 0.747
Romania	9	● 0.001	● 0.272	● 0.387	● 0.654
Turkey	10	● 0.028	● 0.307	● 0.432	● 0.518
Bulgaria	11	● 0.002	● 0.276	● 0.337	● 0.635
South Africa	12	● 0.047	● 0.384	● 0.265	● 0.555
Thailand	13	● 0.067	● 0.363	● 0.267	● 0.467
Ecuador	14	● 0.004	● 0.352	● 0.178	● 0.624
Serbia	15	● 0.000	● 0.315	● 0.231	● 0.589
Colombia	16	● 0.003	● 0.346	● 0.245	● 0.535
Kazakhstan	17	● 0.005	● 0.397	● 0.171	● 0.549
India	18	● 0.039	● 0.282	● 0.341	● 0.455
Paraguay	19	● 0.000	● 0.336	● 0.214	● 0.567
Moldova	20	● 0.000	● 0.354	● 0.168	● 0.583
Albania	21	● 0.001	● 0.357	● 0.191	● 0.536
Tunisia	22	● 0.000	● 0.317	● 0.163	● 0.604
Georgia	23	● 0.000	● 0.348	● 0.192	● 0.544
Botswana	24	● 0.000	● 0.318	● 0.147	● 0.617
Indonesia	25	● 0.003	● 0.302	● 0.207	● 0.553

Table 2: Top-25 EMs in 2019 SPI Rankings

The table shows several noteworthy trends. One striking pattern we observe from decomposition is that 15 of the top-25 EMs fare below average when it comes to image and branding. This may become an area of policy focus for these EMs to improve their standings in the SPI rankings in forthcoming years. On the flip side, it also shows the tremendous achievement by the other EMs

who have indeed fared better than the average performer in this dimension. Interestingly, the BRICS economies of Brazil, Russia, India, China and South Africa are all above average performers in this dimension. India ranks the lowest among the BRICS economies (and stands 18th out of 95 EMs overall) but still it manages to find itself above the average when it comes to its performance in image and branding.

Second, both China and India performed below average in integrity and value system. While its abysmal performance in political freedom contributes to China's below-average score, sub-par performance in managing the environment resulted in India's sub-par performance on this dimension. For either Asian giant to show leadership in the global stage and gain greater global acceptance, the respective policymakers must fix their lackluster performances along this dimension.

Third, more than half of the top-25 EMs hail from the Latin America and Caribbean (LAC) region, while the next best representation comes from European and Central Asian (ECA) countries. The vibrant Asian region has only five EMs ascending to the top quarter. Apart from China, which leads the pack, the only other advanced EM to find a place in the top-end of the quarter is Malaysia (ranked 4th overall), while promising EM Thailand rank no.13, and India and Indonesia at stand no.18 and no.25 respectively.

Although the EM narrative has moved beyond BRICS economies, in terms of soft power status, the BRICS still retain important positions. All the BRICS economies find their place in the upper quartile of the 2019 SPI rankings. In fact, with the sole exception of India which ranks 18th, China, Brazil, and Russia rank 1st, 2nd and 7th respectively, while South Africa is just outside the top-10 at the 12th position.

Figure 6: BRICS: What is Driving Their Soft Power Status?

Figure 6 compares the scores in each of the four dimensions across the BRICS countries to illustrate their individual strengths and weaknesses. As Figure 6 highlights, all BRICS countries appear to do worse on image and branding relative to their own performance in the other three dimensions. Despite the fact all these countries are above average performers in this dimension, their relative scores are quite low, indicating enormous scope for potential. For instance, none of these countries appear to do well in indicators such as “Most Admired Companies.”

However, both China and India are below-average performers in integrity and value system (as noted earlier), and clearly lag the performance of countries like Brazil and South Africa. The generally high overall scores of all EMs in this dimension make it imperative for laggards to pay

closer attention to improving their metrics in this dimensions or risk falling behind in the coming years. Further, we can also see that attraction and influence as well as diplomacy and outreach are the two dimensions where both Russia and China have done extremely well relative to their scores in other dimensions.

Are the EMs consistent performers like the G7 over the years? Figure 7 shows a comparison of the rankings of the top-10 EMs outside of the G7 between 2015 and 2019. The story broadly holds. With the exception of Romania, all the other countries that have emerged as the top-10 performers outside of the G7 in 2019 also appear to have done well in 2015. China led the EMs in terms of its soft power status in 2015 and continued to hold this position in 2019. Argentina and Costa Rica are two other EMs from the LAC region that retained their positions.

However, there are some notable shifts. First, the most significant improvement comes from Romania, moving from 14th position in 2015 to 9th, the jump of five places largely coming from its improvement in integrity and value system scores. Next, Malaysia and Peru significantly improved their scores as well and registered a move up their rankings by three positions each. While Malaysia's upward mobility from 7th to 4th resulted mainly from its improved performance in integrity and value system, Peru moved from 9th to 6th driven by its improvements in diplomacy and outreach. On the flip side, Russia and Turkey experienced notable declines in their

rankings within the Top-10 category. Russia's lackluster performance in the image and branding dimension resulted in a drop from 4th to 7th position from 2015 to 2019, while Turkey's drop from 6th to 10th resulted from deterioration in its scores on the integrity and value system dimension.

Moving on to the bottom quarter of the EMs, Table 3 summarizes the relative performance across the four dimensions. Unsurprisingly, and without exception, all the EMs that fall in the bottom quarter appear to be below-average performers across all dimensions.

Figure 7: Evolution of Top-10 EM Soft Power Rankings (2015 to 2019)

	SPI Rank	Image and Branding	Attraction and Influence	Diplomacy and Outreach	Integrity and Value System
Tanzania	71	● 0.00000	● 0.17216	● 0.12219	● 0.41058
Togo	72	● 0.00000	● 0.24371	● 0.06660	● 0.37556
Madagascar	73	● 0.00005	● 0.22610	● 0.07474	● 0.37983
Guinea	74	● 0.00000	● 0.22641	● 0.09844	● 0.35456
Nigeria	75	● 0.00000	● 0.17906	● 0.10020	● 0.39905
Pakistan	76	● 0.00333	● 0.18730	● 0.11699	● 0.36827
Lao PDR	77	● 0.00000	● 0.23920	● 0.06617	● 0.36316
Mozambique	78	● 0.00000	● 0.18458	● 0.07798	● 0.39991
Libya	79	● 0.00000	● 0.26496	● 0.10392	● 0.28742
Angola	80	● 0.00000	● 0.27520	● 0.06789	● 0.30848
Mali	81	● 0.00012	● 0.20950	● 0.09331	● 0.33956
Niger	82	● 0.00000	● 0.18136	● 0.07662	● 0.38248
Myanmar	83	● 0.00000	● 0.19512	● 0.05547	● 0.38427
Cameroon	84	● 0.00000	● 0.22518	● 0.07694	● 0.33263
Congo, Rep.	85	● 0.00000	● 0.27102	● 0.05431	● 0.27846
Chad	86	● 0.00000	● 0.22598	● 0.06575	● 0.30933
Bangladesh	87	● 0.00283	● 0.09082	● 0.10524	● 0.39316
Sudan	88	● 0.00000	● 0.23198	● 0.06733	● 0.26081
Burundi	89	● 0.00000	● 0.24383	● 0.04166	● 0.23185
Iraq	90	● 0.00333	● 0.16075	● 0.06826	● 0.26340
Haiti	91	● 0.00000	● 0.21336	● 0.07227	● 0.16510
Central African Republic	92	● 0.00000	● 0.20243	● 0.07515	● 0.12080
Congo, Dem. Rep.	93	● 0.00000	● 0.15653	● 0.06783	● 0.17387
Afghanistan	94	● 0.00000	● 0.12494	● 0.03300	● 0.21146
South Sudan	95	● 0.00000	● 0.17709	● 0.03205	● 0.02635

Table 3: Bottom-25 EMs in 2019 SPI Rankings

However, when we factor in the scores, we can see that despite being below average, all the counties seem to score quite highly in integrity and value system relative to their corresponding scores in the other dimensions. Further, with a very few exceptions, a substantive majority of countries falling under this category come from the SSA and MENA regions.

4. What Else Matters for Soft Power?

To this point, a simple conceptual framework operationalizing the notion of soft power across its four dimensions was the basis for data gathering and analysis. While these variables provide a fair representation of soft power for countries, the idea of soft power does not exist in a vacuum. Other socio-economic factors, such as a country's economic development or its scale in terms of its population, might play a role. While the computation of the SPI does not explicitly include these factors, we can verify whether the SPI correlates with such variables to gain a sense of the other factors that matter to a country's soft power.

Figure 8 shows the correlation between the SPI score of the full sample of countries including the G7 and their respective levels of economic development as proxied by GDP per capita. As one might expect (and consistent with the findings of the previous reports), soft power appears to correlate closely with a country's level of economic development. Although indicators that reflect a country's economic might are technically not "soft" in nature, it is obvious that such factors will influence the value of other variables included in the computation of the SPI such as immigration, media exports, or attracting and developing the best individuals or firms.

Figure 8: Do Levels of Economic Development Matter for Soft Power?

Does scale matter? Countries with larger populations might provide ecosystems to build human capital and supportive institutions that enable them to excel. However, as Figure 9 points out, there is little association between population and soft power. While the relationship between scale and soft power might hold for very large countries, several advanced countries in the world (notably some in the G7) are much smaller than China or India, yet among the leaders in soft power. Even if we exclude the G7 countries (with the exception of China), several EMs with smaller populations than India fare better in SPI. This clearly suggests that the size of the population is less important than the quality of human capital and robust institutions that provide the environment that enables a country to thrive in the different dimensions that make up soft power.

Beyond population and levels of economic development, how robust is the link between soft power and robust hard infrastructure at home? Several variables in the computation of SPI such as media exports, influential firms, immigration, quality of universities, or heritage sites implicitly assume the existence of sound infrastructure and connectivity. Indeed, as infrastructure and connectivity is one of the crucial determinants of EM rankings, does it play any role in determining an EM's soft power ranking? We show the correlation between the SPI score of EMs and their corresponding score in infrastructure and connectivity in Figure 10. Quite unsurprisingly, there is a very strong and robust correlation between a country's infrastructure and connectivity and its soft power rankings as shown in Figure 10 reiterating the importance of hard infrastructure to soft power of an EM.

Figure 9: Does Size Matter for Soft Power?

Finally, considering the important role of cultural diplomacy in the formulation and deployment of soft power, we examine de facto “cultural globalization” as a potential factor in the accumulation and use of soft power. Data on de facto cultural globalization, derived from the KOF globalization index, is broadly defined to include indicators such as trade in cultural goods, personal services, number of Macdonald’s restaurants and IKEA stores in a country. Figure 11 shows the relationship between a country’s KOF cultural globalization index and its soft power score. The resulting correlations are indicative of meaningful relationships between greater degrees of cultural globalization and possession of soft power. However, this relationship is less obvious when comparing countries within the same income group, and the correlation appears to hold better across the entire range.

Figure 10: To What Extent Does Infrastructure Affect Soft Power?

Figure 11: Cultural Globalization and Soft Power

5. Conclusion

The unsettling shifts in the contemporary global order pave the way for unpredictable global shocks. The Emerging Markets (EMs) of the world play a major role in this transition, regardless of whether or not the outcomes of such uncertainties are desirable. Although the US still leads in terms of aggregate soft power, and the G7 economies dominate the soft power scene globally, the rapid entry of China into the global top-10 reveals this Asian powerhouse as a force to reckon with.

Our 2019 soft power rankings show a close correspondence between the economic performance of EMs and their soft power status. Defying the conventional stereotype that today's vibrant EMs focus mainly on their economic or financial development, this report reveals that EMs dedicate significant attention to developing their soft power capabilities. While our findings apply to many EMs, members of the BRICS

group emerge as major players in the soft power game. In short, we find that EMs know soft power matters, and some are rapidly catching industrial countries.

One important implication of our rankings is that EMs need to pay more attention to maintaining high levels of integrity and adherence to a code of values, paying attention to political freedoms and being responsible players in taking care of the environment. For countries with clear objectives to contribute to a multipolar world order, close attention to these aspects is an obvious policy choice.

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Annex A1: Conceptual Framework for Soft Power Index

Dimension 1: Image and Branding

1. TIME's 100 Most Influential People
2. Exports of Audio-Visual Services (Value)
3. Most Admired Companies
4. Olympic Medals
5. Michelin Starred Restaurants
6. University Rankings

Dimension 2: Attraction and Influence

7. Overseas Development Assistance (Reverse indicator)
8. Think-Tank Presence (Number)
9. International Students (Number)
10. Immigration
11. Digital Adoption/Transformation Index

Dimension 3: Diplomacy and Outreach

12. Visa Freedom – Visa Restrictions Index
13. Number of Embassies/Consulates Abroad
14. Tourist Arrivals (Volume)
15. Number of UNESCO World Heritage Sites

Dimension 4: Integrity and Value System

16. Freedom Index
17. Happiness Index
18. Safety Index (World's Safest Countries Index)
19. Voter Turnout
20. Rule of Law
21. Environmental Performance Index

Annex A2: Data Sources and Definitions

Variable	Definitions	Source
Dimension 1: Image and Branding		
TIME's 100 Most Influential People	Based on TIME's list of 100 Most Influential People, 2018	TIME
Exports of Audio-Visual Services (Value)	Exports of Audiovisual and related services (US\$ million), 2016/2017	ITIP Services Portal, WTO
Most Admired Companies	Most Admired Companies, 2018	Fortune Magazine
Olympic Medals	2018 Winter Olympics	Olympics
World's Best 50 Restaurants	World's Best 50 Restaurants	William Reed Best Media - https://www.william-reed.com/Brands-and-markets/Hospitality/The-World-s-50-Best-Restaurants/The-World-s-50-Best-Restaurants
University Rankings	University Rank 1-200, (index scores), 2018	Times Higher Education - https://www.timeshigher-education.com/world-university-rankings/2018/world-ranking#!/page/0/length/25/sort_by/rank/sort_order/asc/cols/stats

Dimension 2: Attraction and Influence		
Overseas Development Assistance (Reverse indicator – higher the ODA received, lower the influence on global stage)	Net Official Development Assistance (in US\$ Thousands), 2017 [reverse]	The World Bank - https://data.worldbank.org/indicator/DT.ODA.ODAT.CD?view=chart
Think-Tank Presence (Number)	Top Think Tanks Worldwide, 2018	TTCSP Global Go To Think Tank Index Reports - https://repository.upenn.edu/think_tanks/
International Students (Number)	Students who have crossed a national or territorial border for the purpose of education and are now enrolled outside their country of origin.	UNESCO
Immigration	Immigration measures the total number of foreign-born immigrants residing in a country. The greater the number of immigrants residing in a country, the greater that country's soft power	The World Bank
Digital Adoption/Transformation Index	Digital Adoption Index, 2016	The World Bank
Dimension 3: Diplomacy and Outreach		
The World Bank, WTO	Total no. country with visa-free access (number), 2018	Henley Passport index 2018
Number of Embassies/Consulates Abroad	Total no. of embassies and consulates abroad (number), 2019	embassypages.com (EmbassyPages.com was last updated 7 September 2019)

Tourist Arrivals (Volume/Value)	International inbound tourists (overnight visitors) are the number of tourists who travel to a country other than that in which they have their usual residence, but outside their usual environment, for a period not exceeding 12 months and whose main purpose in visiting is other than an activity remunerated from within the country visited (per 1000 visitors), 2017	The World Bank, WTO
Number of UNESCO World Heritage Sites	Number of UNESCO World Heritage Sites, data up till 2018	UNESCO Statistics, https://whc.unesco.org/en/syndication
Dimension 4: Integrity and Value System		
Freedom Index	Freedom Index (0-14) = PR score (1-7) + CL score (1-7), Index (2018) [reverse]	Freedom House
Happiness Index	Happiness Index, 2018	https://worldhappiness.report/ed/2018/
Safety Index	World's Safest Countries Index 2019 (score) [reverse]	Global Finance Magazine https://www.gfmag.com/global-data/non-economic-data/worlds-safest-countries-2019
Rule of Law	The World Bank	https://databank.worldbank.org/source/worldwide-governance-indicators#
Environmental Performance Index	Socioeconomic Data and Applications Center (SEDAC)	https://sedac.ciesin.columbia.edu/data/collection/epi/sets/browse

Annex A3: 2019 Soft Power Rankings for 95 EMs and the G7 Economies

Country	Soft Power Ranking
United States	1
Germany	2
France	3
United Kingdom	4
Italy	5
Canada	6
Japan	7
China	8
Brazil	9
Mexico	10
Malaysia	11
Argentina	12
Peru	13
Russian Federation	14
Costa Rica	15
Romania	16
Turkey	17
Bulgaria	18
South Africa	19
Thailand	20
Ecuador	21
Serbia	22
Colombia	23
Kazakhstan	24
India	25
Paraguay	26
Moldova	27
Albania	28
Tunisia	29
Georgia	30
Botswana	31
Indonesia	32
Belarus	33
Mongolia	34
Bolivia	35
Ukraine	36
Guatemala	37
Sri Lanka	38
Dominican Re-public	39
Namibia	40
Ghana	41
Jamaica	42
Philippines	43

Country	Soft Power Ranking
El Salvador	44
Bosnia and Herze-govina	45
Nicaragua	46
Morocco	47
Azerbaijan	48
Armenia	49
Iran, Islamic Rep.	50
Honduras	51
Senegal	52
Papua New Guinea	53
Egypt, Arab Rep.	54
Sierra Leone	55
Kyrgyz Republic	56
Kenya	57
Jordan	58
Vietnam	59
Lebanon	60
Zambia	61
Rwanda	62
Uzbekistan	63
Benin	64
Algeria	65
Malawi	66
Tajikistan	67
Gabon	68
Mauritania	69
Nepal	70
Lesotho	71
Cambodia	72
Cote d'Ivoire	73
Uganda	74
Zimbabwe	75
Burkina Faso	76
Gambia, The	77
Tanzania	78
Togo	79
Madagascar	80
Guinea	81
Nigeria	82
Pakistan	83
Lao PDR	84
Mozambique	85
Libya	86

Country	Soft Power Ranking
Angola	87
Mali	88
Niger	89
Myanmar	90
Cameroon	91
Congo, Rep.	92
Chad	93
Bangladesh	94
Sudan	95
Burundi	96
Iraq	97
Haiti	98
Central African Republic	99
Congo, Dem. Rep.	100
Afghanistan	101
South Sudan	102

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Yonsei University

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School of Government

Faculty of Business Administration
University of Economics, Prague

Corvinus Business School
Corvinus University of Budapest

Lagos Business School
Pan-Atlantic University

College of Business Administration
Kuwait University

School of Business
American University in Cairo

Strathmore Business School
Strathmore University

Jesus College
University of Cambridge

AMERICAS

Center for Emerging Markets
Northeastern University

Florida International University

Universidad EAFIT

ESAN Graduate School of Business

Technológico De Monterrey

IAE Business School
Universidad Austral

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