











A '3P' Soft Power Model:

An Agile Approach to Diplomatic Strategy

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Melodena Stephens

Professor of Innovation Management, Mohammed Bin Rashid School of Government, Dubai, UAE.

Sreejith Balasubramanian

Senior Lecturer & Chair of Research Committee, Middlesex University, Dubai, UAE.

Nicolas Papadopoulos

Chancellor's Professor of Marketing and International Business, Sprott School of Business, Carleton University, Ottawa, Canada.

Leila Hamzaoui-Essoussi

Associate Professor
Telfer School of Management, University of Ottawa, Canada.

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Abstract

Soft power is the ability to shape the preferences of others through appeal and attraction rather than coerce using hard power. Today, most countries are embracing the notion of soft power. Managing soft power resources at the disposal of governments and deploying them effectively is critical for an agile government to build an attractive country image, and thereby enhancing their competitiveness in today's dynamic and competitive global landscape. This includes but not limited to promoting their country's products and services globally, attract foreign investors, and promoting international tourism. In this study, we develop and validate a novel '3P' soft power model, using the perceptions about a country's 'products', 'places', and 'people'. Using 167 usable responses obtained from a structured country-wide survey in the UAE, the 3P model developed from the literature was tested for reliability, validity, and model-fitness. While Cronbach's alpha values confirmed the reliability of first-order constructs (products, place and people), the second-order confirmatory factor analysis (CFA) established the convergent and discriminant validity of the constructs, and operationalization of '3P Soft Power' as a higher (second)-order model. The results have implications for governments and researchers in promoting soft power by leveraging its products, places and people. A robust higher-order factor model for soft power using 3P's has not been developed previously and constitutes the novelty of this study.

Keywords: soft power, agile government, country image, 3P model, confirmatory factor analysis, product, place, people, statecraft,

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1.0 Introduction

On the global stage, countries compete against each other for attention and attraction in the same manner as commercial brands fight for market dominance (Fan, 2008). Countries have to develop tools and strategies that will make themselves superior to in global competition. The most important of these tools are the country's soft powers and the country's brand. Today, most countries are embracing the notion of soft power for attention, attraction, and persuasion. The term soft power was first coined by Nye (1990) as a co-optive power to shape the preferences of others through appeal and attraction in contrast to hard or coercive power. Managing soft power resources at the disposal of governments and deploying them effectively is critical for an agile government to build an attractive country image, and thereby enhancing their competitiveness in today's dynamic and competitive global landscape. For instance, The UK government announced a £700 million Soft Power Fund (The art of soft power, 2014). In 2017, the UAE launched its Soft Power Strategy to increase the country's global reputation abroad by highlighting its identity, heritage, culture, and contributions of the UAE to the world (UAE government.ae, 2019).

Nye's three pillars of soft power include political values, culture, and foreign policy (Nye, 1990). Since then, there has been a lot of discussion and debate as to what soft power is and how it should be defined (Fan, 2008). For example, a country's foreign policy itself is not a separate form of soft power but the mere manifestation of its hard power. No matter how attractive the style of a country's foreign policies it cannot be separated from its substance which is an integral part of hard power (Fan, 2008). Some scholars have extended the scope of soft power to include nation branding or building an 'attractive country image' (Günek, 2018). A more recent study to rank countries on soft power has considered over 75 metrics across six sub-indices of objective data (government, digital, culture, enterprise, engagement, and education) and seven categories of polling data (cuisine, tech-products, friendliness, culture, luxury goods, foreign policy, and liveability) that impact on perceptions of a country, and subsequently its soft power (The Soft Power 30, 2019).

Soft power is a diplomatic strategy that evolves as other nations reveal their strategy on a global chessboard. HH Shaikh Mansour Bin Zayed Al Nahyan, Deputy Prime Minister of the UAE and Minister of Presidential Affairs said, "The UAE's Soft Power Strategy is a comprehensive framework for all sectors in the country. The responsibility of the UAE's reputation is also the responsibility of any person and group in the UAE", highlighting the fact that soft power rests on more than mere government efforts (Gulf News, 2017). A country must be able to tell its "own story" and this needs to also begin at home as public diplomacy begins with two objectives as reiterated by Mr. Zhou Hanmin Vice Director of Shanghai World Expo Executive Committee and a standing committee member of the National Committee of the Chinese People's Political Consultative Conference: "One is to let more people know us. The other is to let people like us "(Hang 2004 as cited in Wang 2008). In fact, in the Chinese approach to the issue of image, there is a differentiation between the internal neixin (heart) and external Mianzi (face) that is aligned with asking "who are we" (internal) and then "Who are you?" (external). Considering a cohesive society and preserved identity is a core of pillar of the UAE Vision 2021. This study looks at the UAE's perception of UAE's influence in the international arena. In this study, we take a depoliticized view of soft power using the perceptions about a country's 'products', 'places', and 'people' and aims to develop and validate a novel '3P' soft power model. This study will add to a greater understanding of instruments of statecraft (Wilson III, 2008).

The specific research objectives of this study are:

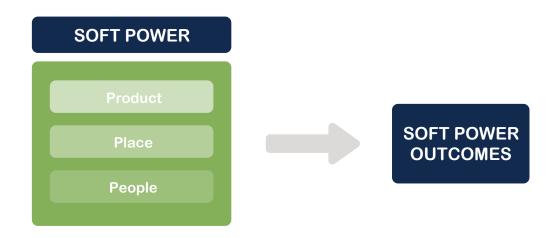
- i. Using existing literature, develop the key measures to capture the soft power associated with 'products', 'places', and 'people'
- ii. To test, validate, and operationalize a 3P soft power model

The remainder of the paper is structured as follows. The review of existing literature to develop the key measures to capture the soft power associated with 'products', 'places', and 'people' is discussed in the next section. The methodology used to develop and test the '3P soft power model' is detailed in section three. The analysis and findings of this study are presented in section four, followed by a discussion of the findings in section five. We conclude in section six with the implications of the study, along with limitations and suggestions for future research.

2.0 Literature Review: Soft Power

Soft power is defined as a diplomatic strategy used by a country to influence and persuade other countries and their representatives to do what is aligned to their national interests (for similar concepts see Fan 2008; Nye 1990, Saner & Yiu, 2003). Soft power leads to influence in the diplomatic arena affecting the perceptions of places, products, and people (see Exhibit 1).

Exhibit 1: Soft Power

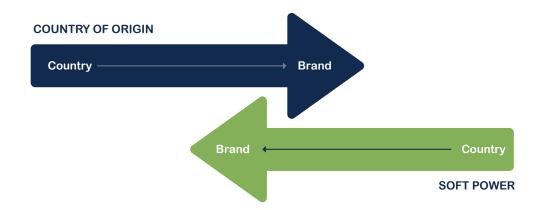


Source: Authors

2.1 Soft Power and Product Perception

There are few studies directly linking soft power and product perceptions. In international business literature, the country of origin (COO) concept, is defined as the place (often a country) a product is associated with (Thakor and Kohli, 1996). Soft power can be inferred to be reverse country of origin (see Exhibit 2). The associated beliefs and perceptions of the country spillover to the products and brands associated with the country (Diamantopoulos et al. 2011; Godey et al. 2012; Samiee, 1994; Srikatanyoo and Gnoth, 2002).

Exhibit 2: Country of Origin and Soft Power (Brand) Construct



Source: Authors

Reverse country of origin would be by default the impact of the product images on the country image (see for example, Lopez, Gotsi and Andriopoulos, 2011; Oh & Ramaprasad, 2003; White, 2012). The attitudes and beliefs about the products would influence the attitudes of customers to buy other products from the country (see for example, Kang and Yang 2010; Magnusson et al. 2014). In the global competitive market, soft power-products would lead to more acceptance of its products and services, affecting buying behavior and attitudes towards the country's products. (Fan, 2008; Ruel, Wolters & van der Kaap, 2013).

The critical measures identified from the literature on soft power perceptions of products and services include technology, innovation, quality, reliability, reputation, and efficiency (The Soft Power 30, 2018; 2019). For example, The Dubai government's 3D printing strategy (which aims to exploit 3D printing technology for the service of humanity) is striving to make Dubai the world's 3D printing hub (Dubai Future Foundation, 2019). Similarly, Germany has grown into a major European tech and digital hub, which may get a further boost depending on how Brexit in the UK plays out (The Soft Power 30, 2019).

Also, the capacity for product innovation is critical for enhancing the product-related soft power. For example, South Korea has won the race to become the first country to launch 5G beating China and US (Reuters, 2019), while Governments can leverage product innovation to enhance their global image; Swiss Touch is a powerful public diplomacy campaign driven by Switzerland's embassy to promote Swiss innovation and creativity to America (The Soft Power 30, 2018).

Superior product quality is integral for developing product soft power. For example, Germany remains widely respected for the high quality of its advanced manufacturing goods, engineering prowess, and continues to be a global leader in high end automotive and machinery industries (The Soft Power 30, 2019). Similarly, Japanese products are known for its reliability, which facilitates the attractiveness of Japanese products in the global space (Nikkei Asian Review, 2015). Japan also ranked number one in the most efficient countries in train transport services (Statista, 2019).

Countries can leverage these positive soft-power product perceptions to boost the country's exports, develop international collaborations with global firms, attract investments from foreign governments and foreign firms etc.

2.2 Soft Power and Place Perceptions

Several aspects of place perceptions are linked to soft power. Culture is strongly connected to place and is a source of soft power (Fan, 2008; The Soft Power 30, 2018). When a country's culture promotes universal values that other nations can readily identify with, it makes them naturally attractive to others (The Soft Power 30, 2018). For example, China has opened several Confucius Institutes worldwide to promote the Chinese language and culture (Fan, 2018). The European Union declared the need for soft-power strategies that place culture at the very heart of international relations (The art of soft power, 2014).

Similarly, tradition of a place is strongly linked to soft power. For example, the traditional Royal Wedding of Prince Harry to Meghan Markle was watched by nearly two billion people around the world, and holds great significance for Britain's global brand, projecting the importance of keeping tradition alive. Safety linked to place is also associated with soft power. For example, safety of a place is important for attracting international travelers, foreign workforce, and foreign investments. For example, the importance of place-safety is evident from the Sri Lanka's Ministry of Foreign Affairs efforts to assure the global community that Sri Lanka was safe to visit after the aftermath of the Easter bombings, for resuscitating the tourism industry (The Soft Power 30, 2019). Similarly, violence against women and children in India have detracted expatriates, tourists, businesspeople, and other visitors (The Soft Power 30, 2019).

The relevance of poverty remains as stubborn as ever in the soft power arena. Elimination of poverty, corruption and unequal wealth distribution is a priority of government worldwide as it will have an impact on the country image, impacting foreign investments (The Soft Power 30, 2018; 2019). Infrastructure, both physical and digital are contributors of soft power associated with place. For example, China's One Belt, One Road infrastructure program have enhanced China's soft power globally, attracting international participation, collaboration and investments. Similarly, South Korea, known for its state of-the-art digital infrastructure, which has attracted top IT and tech companies (The Soft Power 30, 2018).

2.3 Soft Power and People Perceptions

People, the citizens of the country are integral for developing the soft power of a country. Friendliness of people can create a positive image of a country leading to soft power (The Soft Power 30, 2018; 2019). For instance, one of the objectives of UAE soft power strategy is to be a tolerant country that welcomes all people from across the world (government. ae, 2019). This include citizen's hospitality towards foreign tourists, residents, investors, and business visitors. According to Expat Insider Survey (2019), Portugal tops the list when it comes to the friendliness of the local population towards foreign residents, while Austrians was found to be "uninterested in making new friends", while local residents in Switzerland emerged to be "closed and uneasy". These perceptions will have an impact on tourism, attracting global talents, international students, investments among others.

Competency of the local population (having the necessary ability, knowledge, or skill) is an integral aspect of soft power which can contribute to growth, development and competitiveness. Governments worldwide are taking initiatives to improve the competency of their citizens. According to the Human Capital Report (2017), Northern European countries (Norway, Finland and Switzerland) lead the way when it comes to making the most of the skills of their people, and giving them the best educational opportunities. This is critical for attracting foreign firms and investors.

Ethical behavior of local population is important measure of people-soft power. According to the 2016 Global Business Ethics Survey by the Ethics & Compliance Initiative, the most ethical countries to do business in based on universal ethical principles such as fairness and honesty are Japan, Spain and Germany. Some of the prolific unethical practices evident in other countries including Russia, India and Brazil are bribery and fraud, and lying to employees, customers, vendors or the public and abusive behavior (Global

Business Ethics Survey, 2016). Ethical behavior is critical for fostering international collaboration, research partnerships, and foreign investments among others.

Finally, the spirited entrepreneurial attitude of local population towards the fast changing world are exactly the characteristics required for competitiveness in the world economy, and therefore, enhances the soft power of the country (BFPG, 2019). This include psychological freedom, intelligence and capacity for hard work (BFPG, 2019).

3.0 Methodology

A survey-based research approach was used for this study as it allows the measurement of specific characteristics of soft power, namely, product, place and people. The underlying measures identified from the literature were organized in the form of a survey questionnaire. A 5-point Likert scale was used with 1 as the lowest rating and 5 as the highest rating. UAE was selected to study 3P soft power perceptions, and the survey was conducted in the UAE in English language. In terms of sampling approach, a convenience sampling was used. With regards to survey administration, a paper-based survey was used. A total of 167 usable responses were obtained for the analysis. 165 were Emirati nationals. Data from the completed surveys were subsequently transferred to MS Excel and then to SPSS and AMOS for analysis.

4.0 Analysis and findings

4.1: Construct reliability

The Cronbach's α co-efficient was employed to determine the reliability of the constructs. The results (Exhibit 3) shows that the Cronbach's alpha reliability value of all the three constructs was above 0.85, much above the benchmark value of 0.70 (Nunnally and Bernstein 1994) indicating that strong construct reliability.

Exhibit 3 – Construct Reliability

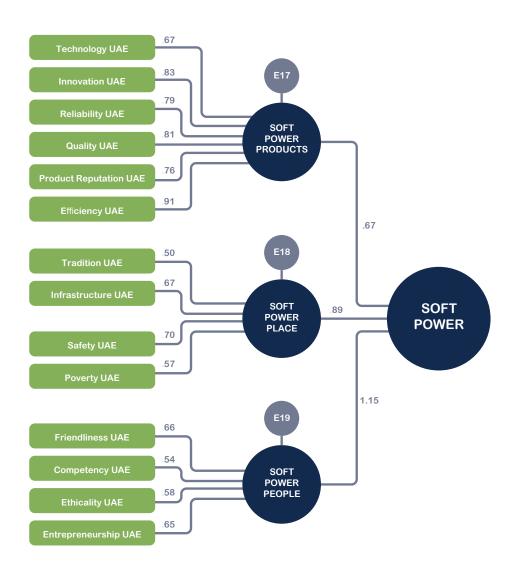
Construct	Number of items	Cronbach's alpha value
Product - Soft Power	6	0.87
Place - Soft Power	5	0.73
People – Soft Power	4	0.74

4.2: Confirmatory factor analysis (CFA):

The second-order confirmatory factor analysis was executed using AMOS. Numerous fit indices were used to analyze the model fitness. All the fit indices values satisfied the criteria of model fitness recommended by Hu and Bentler (1999): The Chi-square/degrees of freedom statistic (CMIN/DF) was 164.4/83=1.98; CFI=0.93; NFI=0.87; IFI=0.93; and RMSEA=0.07) were all meeting the threshold recommended by Hu and Bentler (1999) and, therefore, demonstrate an adequate fit between measurement model and the data.

Exhibit 4 shows the first and second-order confirmatory factor loadings. Usually, a higher factor loading (>0.5) and corresponding critical ratio above 1.96 shows evidence of construct validity.

Exhibit 4- The Second-Order 3P Soft Power Model



As seen in the figure, all the measurement items loaded to their respective first-order constructs (factor loadings >0.50) with the exception of culture in the place perception construct, which was therefore removed from the analysis. This is surprising as heritage is an important part of the Emirati culture. From a population point of view, in UAE expats are 85% of the population and represent over 200 nationalities. More important, there are not many ancient cultural symbols (the country is identifying them and restoring them), and there are various articulations of Emirati culture, which is diluted by the regional culture (see Stephens Balakrishnan, Al Nahyan, Panz and Kotsi). Further, all the three first-order constructs, namely soft power products, soft power place, and soft power people, loaded (factor loadings >0.5) significantly to the second-order construct confirming the operationalization of the second-order '3P Soft Power Model'.

5.0 Policy Discussions

The study provides a depoliticized view of soft power. First, the study was able to identify the critical measures of soft power comprising of three key dimensions, namely, people, product and place. The first-order results suggest that, with the exception of culture, all the individual measures considered in the study emerged to be important in predicting the soft power associated with place, product, and people. This in itself is a significant contribution given that construct development is at the core of theory building (Venkatraman, 1989). Future researchers could use the validated soft power constructs for people, place and product in their investigation.

The second-order results suggest that all three soft power aspects considered in this study, people, product and places are significant predictors of soft power of a country. In the UAE though, soft power of people emerged to be the strongest contributor of soft power of the country. This is not surprising given that 80% of UAE population comprises of expats from over 200 countries, who have played a pivotal role in transforming UAE from a nomadic country to a modern country. Also, a relatively low score for soft power products is not surprising given that UAE still depends largely on imports for their product needs, and any products developed or manufactured in the UAE are not perceived as high as other countries such as US or Germany. Further, a relatively high score for soft power place is also expected as UAE is known for high safety, very low levels of poverty, hospitality, and free zones encouraging entrepreneurships. The recommendation of UAE government based on results is that their focus should be mainly on improving product soft power.

We expect some intrinsic differences in the results if the model if it is tested for other countries such as Germany, which is known of superior products, and therefore, the contribution to country soft power is expected to higher from product based soft power. Future researchers could test this assumption as well as the overall validity of the model in different contexts. Overall, we believe the proposed 3P model is an excellent basis for governments to first recognize their strength, whether it is product, place or people soft power they possess, and work on improving the dimensions which is lacking. For instance, in the case of UAE, product soft power is lacking.

For an agile government, a diplomatic strategy may need to be modified based on the context within which it operates. Here it is obvious there are opportunities to use the simple scale to get a pulse of various target groups and work towards building soft power. More importantly if soft power strategies begin at home, citizens, residents and businesses become key actors to bring on board.

The study has some limitations. The data on 3P soft power perceptions on UAE was collected from the UAE itself, although it would have been better to see what people in other countries view UAE's soft power, and if it differs from the perceptions of their own local population, warrants future investigation. More research on other countries is required to further validate/refine the 3P model. Further, some relevant measures of soft power for product, place or people could have been missed in this study. Despite the limitations, we believe the application of the proposed 3P model can significantly contribute towards understanding and improving the soft power of a country. Moreover, to the best of our knowledge, this is the first comprehensive attempt to develop a measurement model for soft power and therefore contributes towards the theoretical development of the field.

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Author(s) and Citations

This Report was Authored by:

Melodena Stephens

Professor of Innovation Management, Mohammed Bin Rashid School of Government, Dubai, UAE.

Sreejith Balasubramanian

Senior Lecturer & Chair of Research Committee, Middlesex University, Dubai, UAE.

Nicolas Papadopoulos

Chancellor's Professor of Marketing and International Business, Sprott School of Business, Carleton University, Ottawa, Canada.

Leila Hamzaoui-Essoussi

Associate Professor
Telfer School of Management, University of Ottawa, Canada.

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