1. Chinese and other perspectives on football

Football inspires passion and people, involves merchandise and money, supports ideology and identity, fosters corruption and community, enhances profile and professionalism and generates sponsorship and symbolism. If managed well, it can create the foundation for social, cultural and commercial progress. We have also witnessed a trend for economic considerations to play an increasingly central role in sport organizations (Coakley, 2009). Numerous scholars have heralded football – the most popular sport in the world, regardless of how ‘popularity’ is measured (Casper & Menefee, 2010; Houston & Wilson, 2010) – as having significant sway in the context of public diplomacy, enough to influence the reputation of entire countries (Cowan & Arsenault, 2008; Gilboa, 2010; Chen & Wang, 2011). Football has since become a dynamic global industry that has developed particularly strongly in recent decades, thanks primarily to the growth of live broadcasting and the associated commercialization of media rights, especially in competitions such as the Federation Internationale de Football Association (FIFA) World Cup, the Union of European Football Associations (UEFA) Champions League and the English Premier League (EPL). Present-day football organizations are therefore under pressure to find new markets and opportunities in an increasingly globalized commercial environment (Chadwick & Beech, 2004; Beech & Chadwick, 2013; Söderman & Dolles, 2013; Walters & Hamil, 2013; Zhang & Pitts, 2018; Chadwick et al., 2019).

Today football is one of the most powerful forces in global culture. It is a fast-growing industry because it encompasses pretty much everything from the off-pitch hardware and materials to the on-pitch performances and entertainment. However, whether football is growing in terms of both amateur participation (limited data available) and club revenues remains unclear.

This book is about President Xi’s influence on China’s chances of winning the World Cup before 2050. The book is divided into six
chapters, each broadly reflecting research conducted over the period 2015–2021. Chapter 1 gives some background to the development of football and gives a feel for Chinese football and how it relates to football in Europe and Japan. The chapter goes on to take a closer look at Chinese interests inside and outside China and outlines the research questions. In Chapter 2 a framework is applied to the main actors in football, the functioning of these actors is considered, and a table of football industry drivers is derived. Chapter 3 considers the role of governance, monetary flows and financial strategies. In Chapter 4 it is asked whether the state or the private sector is better at managing quality in football, and the Four Field Theory is introduced as a more structured approach for change. Chapter 4 also outlines 12 steps in this qualitative analysis. Chapter 5 draws on a survey of 100 Chinese and European experts to inform the analysis, which is more qualitative and complementary. Chapter 5 is dedicated to an analysis of proxies for Europe and China to help us see how football might evolve. In this book, a proxy describes the correlation between figures and facts in two different strategies, here labelled Copy Europe and Go it Alone. Chapter 6 presents some conclusions and outlines some practical and theoretical implications.

Analysis of the entire European football system is beyond the scope of this book. However, given that the EPL is second only to the National Football League in terms of revenue, and based on the success of the Champions League in Europe, it can be argued that, overall, football is best known and most advanced in Europe, although some may disagree, citing the advanced state of the game in Latin America. Nevertheless, for this study, it is assumed that any nation interested in developing its game – including China – sees success in football as being anchored primarily in Europe.

1.1 THE UK

Football in Europe was first established in elite public schools in the UK around the early 1800s. There were many reasons why football succeeded in the UK, but the game certainly contributed to the training of leaders that Britain wanted for its trading ambitions overseas. The Football Association was formed in 1863 as the governing body. The game in its form at that time then spread rapidly throughout the UK first and then globally, thanks in part to contemporary British merchant shipping crew.
1.2 EUROPEAN CLUB ORGANIZATION

Although things are changing, one striking difference between club organization in Europe and in China is the basis upon which many European clubs are founded; namely idealistic, amateur and often voluntary networks, that is ‘democratic’ in a sense. There are probably business people and business networks involved in top Chinese clubs, but by and large the Chinese appear to have bypassed the entire base of European football, focusing instead on solely commercial models (Berning & Maderer, 2020). For example, in Scandinavian welfare states, many football clubs are founded on consumer or producer associations. An association based on a movement cannot be bought or sold; the owners are the members who are rooted in the sport. Such associations have traditions that develop from the bottom up, so change is heterogeneous and organic, and no such associations can be managed from the top (for more on this topic, see Gammelsaeter et al., 2011; Chadwick & Sullivan, 2019). Voluntarism – the principle of relying on action for no pay – is commonplace in sports and tourism in these types of clubs. Mutual ownership is a long-standing and successful model of ownership within European professional football. There was little initial understanding of mutuality as a form of ownership in British football until it emerged over the past decade, albeit confined to the lower leagues. Most commentators agree that mutual ownership facilitates buy-in and inclusion of a wider cross-section of stakeholders (Ward et al., 2012). Many Chinese executives have approached German clubs to learn from them, just like the Japanese did about 20–30 years ago. But, since many German clubs are owned by associations, they are not for sale. Some French and most British clubs, which are based primarily on shareholding and ownership, can be acquired. In contrast, football clubs with Chinese owners are private.

1.2.1 ‘Typical’ European Management Style

Drawing on the work by Audas at al. (2002) and Hughes et al. (2010), all of whom offer longitudinal analysis on managerial change in the English football league from the early 1970s to the early 2000s, team managers are generally distinct from club managers in Europe and, in the UK in particular, the sacking of managers (sometimes called coaches) is a common first step to try and improve the performance of teams on
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a losing streak. Throughout Europe, competition between clubs is strong and the so-called ‘sack race’ refers to the effect of managerial change in the English football league. But what separates this practice from, say, African or American management practice? Given that there is no ‘typical’ European management style, a ‘typical’ European management style can be seen as a conceptual assumption.

Regardless of how football spread around the world, however, two linked key factors have influenced its development in recent years: taxes and professionalization. The Chinese entrepreneurial values in media exposure often lead to a government focus on finding reasons to share the revenues of the football industry. The taxman takes interest whenever money starts appearing in an industry, and this goes hand in hand with football’s transition from amateur status – including the Olympic movement – to professional status. This is relevant because China is starting from a position with a huge voluntary and amateur base, so for this reason China wants to develop its own rules and regulations.

1.3 JAPAN

Prior to the 1990s, even the top flight of football in Japan was amateur. Football was less popular than both baseball and sumo wrestling, and match attendances were low. It is perhaps unsurprising that the men’s national team did not make much impact on international tournaments, besides winning the bronze medal at the 1968 Summer Olympics in Mexico City (Dolles & Söderman, 2013). So, although football had, technically, already been played in Japan for more than a century, it was not self-sustaining. Japan’s Football Association at the time, the Japan Soccer League (JSL), knew that things had to change. The JSL started thinking how best to create a professional league, one that would be successful and sustainable and that one day would become the best in Asia. And so the idea of the J-League began to materialize in the late 1980s, despite attracting little national and practically no international attention. The first match kicked off on 15 May 1993 in front of a crowd of more than 59,000 at Tokyo’s National Stadium. The J-League got off to a good start, but the aim was always to be both successful and sustainable, and so to achieve these and other goals the J-League conceived a 100-year vision. During the 1980s and 1990s football grew significantly, and over the same period many countries became market economies as international trade likewise increased around the world (North, 2005). In line with the rest of the world, Japan’s trade and industry expanded a lot
during this period, what Jansson (2020) refers to as the ‘second wave’. Finally, in 2020 (July) Japan was ranked 28 and China was ranked 76 in FIFA’s world men’s ranking table (FIFA, 2020).

1.3.1 Sporting Culture

The incorporation of the J-League in 1991 and the opening match on 15 May 1993 were intended to change sporting culture in Japan. Foreign ideas about the ways in which football should be governed, structured, played and consumed were gradually institutionalized within Japanese sports during this process (Dolles & Söderman, 2013: 703). McDonald et al. (2001) state in their analysis that the J-League adapted practices to fit with Japanese cultural and social patterns; Light and Yasaki (2002) highlight the J-League as an outstanding success, attracting crowds that could not have been foreseen for football in Japan. Moreover, the J-League is thought to have contributed directly to Japan’s subsequent successes at the World Cup: the men’s team has made it to the finals on six occasions – the first in 1998 and the most recent in 2018 – and is the first ever Asian team to beat a side from South America (Colombia) in the group stages.

A new decade, new technology, three coaching changes, former champions returning and plenty of young talent to keep fans excited – the return of the J.League is finally here. The 28th season of top-flight, professional football in Japan was planned to get underway on 23 February 2020 as Urawa Reds visited Shonan Bellmare in the opening match. (McIntyre, 2020)

1.4 CHINA

Given the success of the game in South Korea and the J-League in Japan, why is China not yet competing at the same level, and why is it not represented at the World Cup? Could it be some cross-cultural issue? Perhaps the development of football in Japan could serve as a model for China to follow, given the game’s longer history there. After all, the J-League – the top division of the Japan Professional Football League – is widely considered to be one of the most successful leagues in Asian club football.

For all sports in China to develop, youth participation is paramount. As the link between physical activity and intellectual development gains acceptance, parents are beginning to see that professional sport might
offer a viable career for their children. Writing for the *Global Times* online, Shan Jie (2018) reports that:

> In China, many parents still want their children to go to university and have a stable job, especially when they are the only children in the family. Soccer is not in the plan they design for their children. Therefore, in addition to soccer training, the school also provides qualified academic education.

Shan Jie goes on to write about Shandong Luneng Taishan Football Club, which has one of the best youth academies: ‘Among the more than 400 registered players in the 2018 season of [the] Chinese Super League, 46 came from the Luneng school.’ At Luneng, German coaches explain tactics and strategies both for the Chinese coaches and football students.

Over the last 30 years, while Chinese industries globalized, sport was slow to embrace the commercial marketplace and to become more self-sufficient. Slowly, however, the Chinese government sought to exploit the economic and political value of the sports sector. According to Skinner and Smith (2018):

> While a more open-door policy was established in the 1980s, the first serious indication of government intention came in 2010 when China’s State Council issued a ‘Guiding Opinion’ encouraging China’s sports industry to seek greater market scale. While a start, the Guiding Opinion lacked sufficient detail or strength to tackle China’s complex sports administrative approval procedures characterized by an old cross culture.

Vice President Li Keg led the population out of poverty. In its 2016 ‘China Overview’, the World Bank states that ‘Since China began to open up and reform its economy in 1978, GDP growth has averaged almost 10 percent a year, and more than 800 million people have been lifted out of poverty.’

### 1.4.1 Sport in China

In China, particularly in the Mao era (1949–1976), sport in general proved extremely valuable as a political and diplomatic resource. The Chinese communists used it as an apolitical means of opposing imperialism, mediating with the West and strengthening relations with socialist allies. Sport deserves credit for the part it played in reconstructing the People’s Republic of China, transforming its internal image and present-
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ing a more neutral image to the outside world,⁵ although Chinese football had no real profile at that time.

China’s economic system began to change at the end of the Cultural Revolution in the late 1970s and early 1980s, opening the door to foreign investment and Western commercial interests, and so began an era of substantial reform for Chinese society. In just 40 years China has transitioned from a socialist planned economy towards a capitalist economy.

Reform of sport in China began in the 1980s in two areas: mass sport and elite sport. For mass sport, Chinese government involvement – in tandem with urbanization – is widely recognized as a contributing factor (Björner, 2017). For elite sport, the power struggle between traditional government control and emerging private club management called for transformation of the governance of Chinese elite sport, relinquishing power to non-governmental sport federations.

_Ju-guo-ti-zhi_ is a Chinese term that describes whole-country support for elite sport, a concept approved by the Chinese government at the highest political level. It gives responsibility to central and local governments to channel adequate financial and human resources throughout the country to support elite sport to win glory for the nation (Hong & Huang, 2014). Contemporary good football teams and players have become international with good reputations and a growing global following. Chinese leaders recognize the importance of cultivating a good image around the world. As the sport develops in China and opportunities arise for youngsters to pursue a professional career, the Chinese authorities see in this an opportunity for Chinese professional players going overseas to represent China abroad. Some see the sports industry as ‘the next gold mine’ of the Chinese economy (Xinhua, 2016).

In 2010, with a population of just over 1.4 billion, China overtook Japan to become the world’s second-largest economy. Driven by this economic growth and rising awareness of health as an important factor in lifestyle choices, the demand for sport-related products has soared in line with growing participation in sport and the huge number and variety of sporting events now hosted in China (Liu, 2016).

According to Worldometer (2020, October), the current population of China is slightly over 1.4 billion (around 18% of the total world population). Melissa Cyrill writes in _China Briefing_ (2019) that the country’s middle class grew significantly as its urban population expanded from around 19% of the total population in 1980 to more than 30% of the total population in 2018. Moreover, Cyrill cites a McKinsey & Co. study which indicates that 76% of China’s urban population will enter the
middle-income bracket (in the range USD 9,000–34,000 a year) by 2022, meaning that a growing proportion of the population now has the money to spend on sports and entertainment.

China’s young people are just as interested in mass sport and elite sport as their peers around the world. But, despite the importance of having an adequate talent pool to feed mass and elite sports, there is a general lack of grassroots support for sport in, for example, Chinese school curricula and youth academies. By contrast, other professions, including gaming, enjoy well-developed and flourishing talent pools.

1.4.2 Football in China

So, what is driving development of football in China? Top-down drivers are perhaps already well known, including government and state involvement across all sectors. However, China’s unique political system and wider societal developments since 2010 have also enabled more young people to participate in sport than ever before, making China the most dynamic football market in the world: ‘More than 300 million Chinese watch football at least once a week, and 250 million now describe football as their favourite sport’ (Becker, 2019). In this context, the importance of bottom-up grassroots development should not be underestimated as it suggests a broader interest in amateur sport in general, which in turn leads to more organized professional activities. Remember that China does not have a tradition of youngsters kicking a football about in the street so, traditionally, the popularity of team sports has been limited; Chinese parents encourage their children to focus more on homework instead.

Tan and Bairner (2019) remind us that the rationale underpinning the development of football in China is not just to foster the elite game: the game also plays an important role in improving young people’s physical ability, encouraging economic growth, enhancing international influence and increasing patriotism. Behind China’s all-out support for campus football, new generations of football talent are being produced. In addition, thanks to increased physical activity, youth fitness can be improved, paving the way for a growing talent pool for the football.

President Xi Jinping has conceived three visions: ‘Qualifying for the World Cup’, ‘Hosting the World Cup’ and ‘Winning the World Cup’. To achieve these ambitions, the Chinese government has designated the
development of football as an important political goal, which will require a coherent focus:

The Chinese three visions have taken upon themselves the important mission to elevate elite football. But in reality the three systems – sport, educational and industrial systems – have experienced conflicting interests and other problems. Under China’s Olympic ambition (or dreams), the football talent reserve has seriously diminished, creating a talent gap. (Ibid.)

Three soccer plans – Guidelines, State Council and Chinese Football Association (CFA) – comprise the cornerstones of what is here called the ‘footballization’ of the country. Football is an industry that suits China as a country in the process of intensive industrialization. China’s international football ranking, however, is much lower than its industrial ranking. For public diplomacy plans to succeed, four major resource factors influencing football development are identified: professionalization, financial support, private capital and social capital. In Chapters 4 and 5 a few more platforms will be introduced to facilitate analysis and a cross-cultural arena expressed as ‘thought styles’.

According to Garrard (2019), writing for the EU SME Centre:

China is estimated to have as many as 300 million football fans [plus 26.2 million players] a large number of whom support European football clubs. This includes Chinese President Xi Jinping, who has encouraged the development of football in China in his time in office. Real Madrid CF has 127 million supporters in China, Manchester United FC has 107 million, Inter Milan and AC Milan both have 106 million, and FC Bayern Munich has 90 million.

And, according to Michael Wenderoth (2018):

The English Premier League is the second most watched sport in China, after the NBA [National Basketball Association], a sign of the skyrocketing popularity of the sport and football. The 2018 World Cup proved that as well: Chinese bought 40,000 tickets, according to FIFA, soccer’s governing body – 8,000 more tickets than the English. That number of sales to Chinese was the second biggest turnout from a non-qualifying team, only behind the USA. For TV viewership, China was No. 1 with 250 million people, or 20% of the country’s population.
1.4.3 Development of the Chinese Football Industry: Phases I, II and III

Contemporary Chinese society has evolved out of three distinct phases of development, which in turn have influenced the development of football.

1.4.3.1 Phase I (ended late 1970s)
Although Mao Tse Tung himself loved the game, virtually no top football was played in China during the period 1950–1979 (before China was a member of FIFA). President Deng Xiaoping gradually accelerated the professionalization of football in China in the late 1970s (although the first professional football league did not start until 1994). China is already accustomed to looking to the West to gain knowledge in certain fields, so we can assume that it will do the same in its quest to develop football.

1.4.3.2 Phase II (ended 2016)
In 1996 football club Wanda Dalian signed two Swedish professional players, Pelle Blohm and Patrik Svensson. After 11 months, both players returned to Sweden, Pelle Blohm as a Chinese champion (Blohm, 2004) and Patrik Svensson because of injury. This established something of a pattern: Swedish players have only stayed for a year or less.7

In 2004 China established the CFA Super League with 12 teams.8 The inaugural season was plagued with controversy as the industry was still smarting from the legacy of earlier match-fixing scandals. In 2004 the top-flight league was renamed the Chinese Super League (CSL).

In 2014 President Xi Jinping announced bold ambitions to become a global football power, both at home and abroad: China should not only aim to host the 2050 World Cup but also to win it. Acknowledging the many challenges ahead – identifying and developing talent, raising capital, creating teams, acquiring sponsors and managing their relations, managing media, sustaining high performance, etc. – the government introduced its soccer plans, a strategic plan and guidelines in 2014, 2015 and 2016. In October 2014 the State Council under Premier Li Keqiang issued a document in English entitled ‘Several Opinions of the State Council of the People’s Republic of China on Accelerating the Development of the Sports Industry and Promoting Sports Consumption’. Sport had finally become national strategy and sport development an official policy aiming to incorporate sport into China’s economic growth and political capital. But the strategy has transgressed borders, venturing
deep into the capitalist world of sport’s most lucrative and prominent businesses.

Marking a further milestone in the development of commercial sport, in 2014 China’s State Council issued ‘Guidelines on Promotion of Sport Industry and Sport Consumption’ (‘the Guidelines’ hereafter; see A1.1 in Appendix A for some key points and targets). This was the first strategic policy enacted by central government, and was the first time the sports industry had been acknowledged as having significant business potential.

The Guidelines will likely mark the beginning of the deregulation of sports development and resources. According to Liu et al. (2017: 6), deregulation will incentivize the private sector in three main ways, adding social capital in the process:

- By professionalizing more sports events, including improvement of the corporate governance structure of clubs and establishment of a modern enterprise system in the sports sector.
- By providing financial support and encouraging rapid growth of the sports market by eliminating industrial, policy and regulatory barriers, such as complex administrative procedures.
- By lowering operational costs for the sports industry.

In March 2015 the ‘General Reform Plan to boost the Development of Soccer in China’ was launched, involving reform of almost every aspect of football, including professional clubs, leagues, the national team and youth and grassroots soccer. The aim of the 2015 Soccer Plan was to win the World Cup, or at least to become one of the best footballing nations in the world. This plan was about governance; football was structured around the Soviet model, and overall administration placed within ministries. Since March 2016, CFA administration staff (about 300 people) and around 2,600 qualified CFA charter holders have been moved to dedicated offices (Bradbury & O’Boyle, 2015: 126). A new CFA president, Chen Xuyuan, has since been elected (Zhou, 2019) with more football experience and less of a ministerial background.

Chinese clubs generally make investments based on motives that include business networking, and this is key since the Chinese not only want to do business in Europe but also become well known in China. One key focus in this quest for football knowledge has been to learn how best to invest, acquire properties and make money. Chinese clubs therefore have learnt from investment behaviour in successful football
countries while trying to minimize the threat they pose by buying and importing all the best players and teams from overseas.

It is hard to know what effect all this activity has had on China’s FIFA ranking, and finding useful data for this research was nigh impossible; transparency around club ownership is scarce at best and it is standard practice for the football industry to guard its data closely.

1.4.3.3 Phase III (from 2016 to date)
As stated by Xi Jinping in his speech at the 19th National Congress of the Chinese Communist Party, China intends to become ‘a powerful sports nation’. Where Jinping references ‘cultural soft power’, we can also view public diplomacy as encompassing those environmental factors required to cultivate and promote football.

In April 2016 the National Development and Reform Commission followed the mid- to long-term plan for Chinese soccer development (2016–2050) by unveiling a 35-year blueprint setting out short-, mid- and long-term objectives. The blueprint’s ambition is for China to ‘become a dominant soccer power in Asia by 2030 and a leading soccer power in the world by 2050’ (Liu et al., 2017, p. 10) and for its women’s team to return to being ‘one of the world’s strongest’ (Mai, 2016) (see section 1.4.5 on p. 15). The reform of football serves as a road map for other sports to follow and marks the first steps towards achieving deregulation and furthering commercialization and professionalization of sports in general (see also Beech & Chadwick, 2013). But such top-down governance in sports does not guarantee rapid results: it took the Russians ten years to start winning international ice hockey tournaments in the 1950s. Moreover, there can be negative side effects – such as doping – when governments pressurize national bodies and individual athletes to meet performance targets.

The General Administration of Sport (a government agency) announced in 2016 that it was releasing its grip on the CFA – the central institution in Chinese football – by shuffling government officials around and turning the body into a ‘fully fledged’ non-governmental organization without state funding.

Following a meeting with FIFA President Gianni Infantino in June 2017, President Xi Jinping emphasized the importance of football development in China, highlighting football’s societal role as a competitive sport and its educational role in cultivating patriotism, collectivism and perseverance (Kunkel & Su, 2017).
Together, the ‘2014 Guidelines No 46’ (designed to mobilize commerce and develop supplier–customer relations with the sole purpose of increasing activity levels), the ‘2015 Soccer Plan’ and ‘2016 Soccer Power in the World by 2050’ constitute a base for developing a strong social movement and for galvanizing efforts to improve the quality of Chinese football on the international stage.

Chicago’s Daily Herald reported that Chinese football is missing its 2020 Action Plan targets (Duerden, 2020a). Perhaps this is unsurprising since it is normal for China to focus on ‘nation’ and ‘vision’ when it could be better to focus on objectives specific to clubs to help both clubs and players become more competitive internationally.

As for the creation of development programmes for youngsters, the CFA’s goals for 2016 included the building of a much stronger school system, possibly involving a mix of government support and private funding: “‘We will strengthen our co-operation with the Ministry of Education in 2016’, said a CFA official. ‘We intend to support schools in establishing their own student clubs and to set up suitable competition systems for schools’” (Lanying, 2016).

According to Yang (2017), the CFA is an independent organization with full power to hire staff, set pay rates, organize foreign tours and select coaches on behalf of club owners.

1.4.3.4 Grassroots

Developing so-called ‘grassroots’ football represents, arguably, the single most important focus for China’s footballing future, but it is too early to assess the effect of any initiatives on new and improved player capacity.

In 2019, Xinhua News Agency reported that “‘China has named 24,126 primary and middle schools across the country specialist football schools to spearhead youth football development’, the Ministry of Education said’ (Xinhua, 2019a). As reported by Ning Hong (2019):

According to Ding Qipeng, dean of the Football School of China, since 2017, over 4,900 teachers and coaches have received training organized by the Chinese Football Association [...] China announced it will invest more than 200 million yuan per year in the talent development of on-campus football, and its education [...] ‘Since 2015, we have spent over 21 million yuan to build, rebuild and expand 288 football fields’, said Ma Zhiyan, section chief of the Department of Physical, Health and Arts Education in north China’s Hebei Province.
The 2015 Soccer Plan involves the Ministry of Education (MOE) looking for ways to cultivate young talent in schools. The MOE wants to establish training programmes in one-tenth of senior schools, in three-tenths of junior schools and in six-tenths of primary schools. The MOE will also consider establishing vocational schools. Such schools will enjoy policy support in teaching, training, competitions, enrolment, funds and other areas. These schools’ performances will be used to evaluate the performance of local government in education.

In addition, according to Shuo in *China Daily Global* (2019):

‘China plans to select another 3,000 kindergartens to become youth soccer nurturing grounds by the end of next year as the education authorities seek to nurture more talent from an early age’, the Ministry of Education said. ‘The country established soccer programs in the curricula of 3,570 kindergartens this year’, said Wang Dengfeng, head of the ministry’s Department of Physical, Health and Arts Education.

Most football schools are sponsored by the state on various levels; the rest are sponsored by private actors or sponsors. Resources for young players at the grassroots level are needed most. Moreover, there is increasing demand to become an important driving force in China. However, the Chinese want to regulate transfer fees and prices tightly, so moderation will be key if the authorities are to accept transfer deals. Youth academies are also receiving growing attention as recognition grows of their role in producing good players.

### 1.4.4 The Men’s Game

According to the Swedish internet platform Fotbollskanalen (n.d.), there are about 26 million male football players in China, 711,000 of whom are registered with the CFA, which is not much more than Sweden’s 600,000 registered players (Swedish Football Association).

FIFA ranks all countries based on the performance of all senior international matches played by a national team over the course of four years. The Chinese men’s national team was ranked 97 by FIFA in 2015 but has been climbing the world rankings since then. In 2017 it was ranked 71, its highest position since 2004 (see Figure 1.1), so it was a bitter disappointment not to qualify for the 2018 World Cup in Russia, especially when both Japan and Korea did qualify.

And the disappointment has continued since, so far, in the Year of the Tiger the Chinese national male team has not been doing well. For
the fifth time in a row the world’s most populated country will miss the play-off for the World Cup. This was a huge embarrassment for the country’s many football fans and not least the president, who had launched a giant project in order to spread the sport among the country’s children and youth. The national male team is expected to be a success for a strong and proud China but instead its sad performance caused millions of fans to feel shamed and disappointed.

At the same time, many football clubs in China are suffering from the effects of the financial crisis in the housing sector. A majority of the 17 teams in the Chinese League are owned by big construction companies, many of which have been hit by financial difficulties or even bankruptcy. As a consequence, players have not been paid and two top clubs have gone bankrupt. To this should be added the country’s severe restrictions due to the COVID-19 pandemic which have hampered all sectors of the Chinese society. The strict requirements affecting the lives and looks (such as the ban on tattoos) are also thought to constitute an obstacle to their development into first-class players.

**Figure 1.1** Chinese men’s national team ranking, 2007–2021

### 1.4.5 The Women’s Game

Today football is the most popular team sport for women in Europe, continuously growing rapidly in volume as well as in esteem. According to unsubstantiated statistics the number of registered female players in Europe rose from 239,000 to over two million between 1985 and 2015.
Having had a later start, women’s football is now growing at a faster pace than men’s. FIFA’s Women’s World Cup was launched in 1991, one year after the first FIFA Men’s Cup but more than 60 years after the first Men’s World Championship in 1930. Initially, 12 female national teams participated but the number was later expanded to 24 and is scheduled to comprise 32 teams in 2023. Seven teams – the US, Germany, Norway, Japan, Brazil, Sweden and Nigeria – have participated in all the competitions. In 2014 FIFA estimated that there were more than 30 million female players in the world (Bridgewater, 2019).

Female football has been played in China since the 1980s. It has made rapid progress and its national team, founded in 1986, has been far more successful than the men’s team, despite a later start and more modest financial support. The 1990s saw a string of successes with China hosting the first FIFA Women’s World Cup in 1991, winning every Asian Cup between 1986 and 1999 and making it to the finals of the 1999 FIFA World Cup. The team has had mainly Chinese coaches over the years but, in 2007, the coach of the Swedish national female team, Marika Domanski Lyfors assisted by Pia Sundhage, was hired to lead the Chinese women’s team. However, they both returned to Sweden after only six months in the job. The government’s reform and development plan in 2015 involved women’s soccer and youth soccer and enterprises were encouraged to invest in the game. Girls are now accepted for youth academies, foreign coaches are involved and foreign players can be naturalized as Chinese citizens.

Whereas the men’s team did not qualify for the 2022 World Cup, the women in 2021 qualified for the Tokyo Olympics and then won the Asian Cup in February 2022 by beating first Japan and then South Korea. The women were hailed as heroes on their return and the men were heavily criticized. The recent success of the women’s national team, affectionately called The Iron Roses, has led to increased sponsoring, although at a level still not close to that of the men’s team. According to FIFA’s ranking from February 2022 (which was the most recent at the time of writing, although more recent rankings can be found on FIFA’s website: www.fifa.com) the men’s team ranked 75 and the women’s 19. This could be compared to the Japanese male team ranking of 23 and the female ranking of 13.

But women’s football in China is still not a big sport. According to the Chinese soccer federation there are between 6,000 and 7,000 registered female players above 12 years of age, of whom around 1,500 are senior players. There is not significant interest among girls to play since the
pressure from the education system does not leave much time for exercise and sports. There are also strong cultural biases which prevent young Chinese girls from playing football and which need to be overcome in order for China not to be bypassed by the other young footballing nations. So, while the growth in women’s participation in playing football and attending matches may seem promising, the growth is neither steady nor impressive considering the size of the population and the success of its female football elite (see Figure 1.2).

There is definitely scope for more attention and more support to encourage exercise and sports for Chinese girls and to make it more attractive to girls. The rise of national football stars is likely to create increased interest. A famous case is the American player Alex Morgan, who has risen from being an unknown college athlete to being one of the world’s most famous footballers after her amazing performance in the 2011 World Cup. She was reported to have over six million followers on Instagram at the time and a net worth of over USD 3 million. China has its own female football stars admired not only for their skill on the field but also for their beauty. Goalkeeper Peng Shimeng was 21 when she was elected Player of the Match after successfully defending the Chinese goal in 2019 in Paris and was dubbed ‘the Great Wall of China’ by her many fans on media. Her success has continued, and she is definitely an important role model. Another big star is Lina Zhao, known as ‘the most beautiful goalkeeper in China’ and hailed as much for her beauty as for her skills. Outstanding midfielder Wang Shuang, elected Asian Women’s Footballer of the Year, made the much publicized transfer to Paris Saint-Germain Féminine in 2018 to join the club’s stars like Neymar and Mbappe, who are widely known and admired in China. Shuang only stayed one season, explaining that the language barrier and the distance from home were difficult to overcome.

At grassroots level football teams are mostly based in schools and not at community level like in Europe, which means that football has to compete with the pressure of academic requirements. The situation is similar for boys and girls, but the consequences may vary between genders and need to be looked into. The recent results from the men’s and women’s national teams have raised questions as to whether the country should consider focusing more of its attention on the women. The CFA Cup, founded in 2017 as a means to develop football at a top level, has yet to see a female equivalent. Together with a general recognition of women’s football as being as important as men’s, more needs to be done to encourage girls’ teams at grassroot level, more interchange with
foreign coaches and foreign players at all levels, and more sponsorship of women’s teams.

1.4.6 Clubs and the Talent Pool

Among the many challenges facing Chinese clubs is a limited talent pool. In principle, club managers have one of two choices: increase the player group by importing ready-made players, or invest the time and resources needed to develop players at the grassroots level. When Sven-Göran ‘Svennis’ Eriksson (English national team coach 2001–2006) was head coach of football club Shanghai SIPG (Shanghai International Port Group, later changed to Shanghai Port FC), he commented on more than one occasion that he never saw girls and boys kicking a ball about in the street. A limited talent pool is not unique to China, but the point is that if a team is weak then it cannot play against better teams in official tournaments because it cannot win matches and progress to subsequent rounds. Moreover, there is no incentive for the best professional teams to play against weaker teams in unofficial matches. This creates a vicious circle of sorts for weaker teams that makes it very hard to progress quickly, especially if buying players from overseas is beyond their budget. There is therefore more of a focus on developing domestic talent. For example, according to August Rick (2018a), writing for *Forbes* online:

Chinese Football Association policy will require all clubs in China’s top two leagues, the Chinese Super League and China League 1, to field under-19, under-17, under-15, under-14, and under-13 youth teams, to compete in

![Chinese women’s national team ranking, 2007–2021](image)
a CFA-organized competition by 2019. The academy system trades on the opportunities that will be available in these youth teams.

World-class clubs have built up youth academies since then, using European coaching theories and techniques. Inter Milan was the first European club to enter the Chinese market in 2015, and now runs four academies and 59 school programmes for players aged 4–18. Other clubs such as Barcelona, Real Madrid, Ajax and Paris Saint-Germain, and former professional players such as Ronaldo, have also opened youth academies in China (Rick, 2018b).

To promote the game among China’s youth, 135 counties across China have been selected to participate in pilot school football projects. Although, initially, the CFA asked all its clubs to operate youth development programmes, it did not become a requirement until 2018. According to the CSL club criteria created in 2017, clubs that do not meet the youth development programme criteria will be relegated. Among other requirements, a minimum of 15% of club budgets must be invested in youth programmes.

‘In 2017 the Youth League system was officially rebranded as the Youth Super League [YSL]. YSL is open to all the youth teams of all professional clubs, selected football academies and local association training teams in China’ (Wikipedia contributors 2020a, November). A total of 36 clubs are involved, and clubs play home and away games with promotion and relegation depending on results. There are other tournaments for youth teams in China, including Youth Championships, Youth Football Association Cups and Youth Champions Cups in the off-season.

In the European context, promoting domestic grassroots activity has been the focus of clubs for some time. In China, stimulating grassroots activity has been initiated by government programmes to introduce football coaching first to 20,000 and then to 50,000 schools. These are impressive numbers, no doubt, but why don’t kids play street football anymore? In their work on youth academies, Egilsson and Dolles (2017) suggest why there has been a drop-off in participation at youth and adult levels: the Chinese government may have thrown money at the problem, but until coaching methods and how the authorities measure ‘effectiveness’ are better understood, we will not be able to evaluate the outcome of the programmes.

Given that you cannot increase the ‘ageing speed’ of talent, many commentators believe that this lack of grassroots activity among children and amateurs is a fundamental but undeniable limitation on the rate at which
the sport can develop. Sven-Göran Eriksson and some Chinese football managers believe that, with so few children playing the game, it will take at least one, possibly two, generations to mobilize a national team and break into the top tier of international football. Sometimes labelled China’s ‘grassroots problem’, it is one reason in favour of developing the industry along European lines.

Club ownership in China is more complicated and often less transparent than in other countries. Today football makes significant contributions to some nations’ GDP because football events also drive business in other sectors, such as media, catering and transport. However, beyond the physical size of the talent pool, China’s grassroots problem may be deterring investment in the game. Wealthy investors – China has around 600 billionaires – may be exploring opportunities outside the country in the hope of earning a faster return on their investments. For example, Wang Jianlin, founder of Dalian Wanda Group (a global entertainment and real estate company), made significant investments in overseas sports assets between 2015 and 2019, including 20% of the Spanish football club Atlético Madrid in 2015. Simon Chadwick (2019a) writes that, following significant investment in sport in China, ‘a new dawn is breaking in the east’. Chadwick explains that, by 2017, suspicions were circulating that the Chinese authorities had accused Wang of ‘engaging in irrational overseas investments’, however his company denied this publicly. Wang subsequently sold 17% of his stake in Atlético Madrid, so it seems clear that the Chinese authorities are serious about keeping an eye on foreign investments. However, this is one of the Chinese government’s dilemmas as they want football business to develop abroad. Chadwick (2019a) continues:

Since then, the businessman has re-engaged with football, at Dalian Yifang, in what appears to be a much more politically acceptable role in the sport. Governing authorities in Beijing have previously spoken about the need to ‘put China first’ and for the country’s business people to develop football ‘with Chinese characteristics’. This presumably alludes to state demands that investors spend their money at home before they spend it abroad.

1.4.7 Two Types of (Hard) Capital: Greater Private Sector Involvement

Football is expensive. Formulating and implementing policies that encourage introduction of private capital has proved difficult in China, whether it be for wealthy Chinese or foreign capital investors acquiring
stakeholders (Jansson & Söderman, 2012). Likewise, enterprises whose core values lie in generating social capital have been reticent to enter into the sport sector via stock market listings or bond issuance founded on the construction of sports facilities or the supply of sport-related products and services, as indicated by the title of Lars Becker’s (2019) piece ‘Football in China: An Exciting Billion Euro Market with Problems’. Moreover, writing for Yutang Sports, He Lanying (2016) explains that “The Chinese government claim they have relinquished all control over the country’s football associations”, Xinhua news agency reported, under a plan to overhaul the sport and boost the performance of its struggling teams.

With good reason, then, Beijing is concerned that the newly super-rich see more attractive investment opportunities outside China and that significant outflows of their capital might pose a threat to domestic financial security. Hence, the industry needs to find ways of attracting more private sector interest.

However, it is worth remembering that football in China barely existed between the end of the 1950s and the mid-1970s, such that FIFA had no basis upon which to rank it. Slowly, however, things started to change. For example, in the early 1980s, state-owned pharmaceutical companies began to take an interest in funding football clubs. In the late 1980s and early 1990s a mix of professional and semi-professional clubs (including the army team) competed in the top division of a national league sponsored by Goldlion; unsurprisingly, professional teams dominated.

In 1993 the Sports Ministry published a document entitled ‘Suggestions on Moving Further Ahead in Sports Reformation’ (Lu & Hong, 2013). The reform aimed to establish a new professional league, commercialize its image, marketing and naming rights, and attract private investment. The new league only comprised two divisions – with promotion and relegation – but the lower division was effectively a training ground for first division teams. Consequently, foreigners were excluded and there was a quota on young players.

The first division secured a title sponsor in the form of Philip Morris International and was known as the Marlboro Jia-A. The CFA then signed a USD 9 million five-year deal with International Management Group, the American global sports company, giving it the marketing rights to the league (Tan et al., 2016).
Chadwick and Sullivan (2019, p. 523) pick up the story:

The final piece of the commercialization puzzle was the separation of clubs from local government ownership through the legalisation of private and collectively owned clubs ahead of the inaugural Jia-A season. Shanghai Shenhua become the first collectively owned club in Jan 1994, splitting from the Shanghai Sports Bureau. Soon after, the former Dalian Dockyard team was bought by Wang Jianlin’s Wanda corporation, becoming the first fully privately owned club.

It is worth pointing out here that more clubs were formed by entrepreneurs. Dalian Wanda subsequently won seven Jia-A titles between 1993 and 2004, and established Wang as a major player in the development of Chinese soccer.

Chadwick and Sullivan (2019, p. 523) reflect on the importance of sponsorship:

As the state reduced its subsidies to the CFA, the league and the new professional clubs were forced to seek investment and sponsorship as their main revenue streams. [...] When Marlboro sponsorship ended with the ban on tobacco advertising on professional sports in 1998, Pepsi paid significantly more for the title sponsorship rights ($10 million per season compared with Marlboro’s $8 million over five years). The incremental professionalization of the newly expanded 14-team league continued with regulations passed in 1999 forcing professional clubs to establish independent companies with business plans and transparent ownership, followed in 2002 with the requirement for clubs to secure a business license and meet other commercial operating standards.

Notwithstanding advances in the institutionalisation of the league structure, the Jia-A league suffered numerous ailments. The most serious was the influence of organised crime, widespread bribery of referees, players, and coaches conspiring to fix the outcome of matches, and underground gambling. When it became obvious that fans could not trust the fairness of what they were witnessing on the pitch, they stopped attending games. The decision to abandon watching matches was made easier since the CFA introduced maximum wages and transfer fees in 2001.

No clubs had invested in creating fan communities or consolidating bond. This was a problem exacerbated by clubs changing location, name, and colours as owners and sponsors changed. Clubs were criticized of short-term instrumentality, paying (relatively) exorbitant salaries to players and refusing to invest in youth development. The public was unhappy about the lack of improvement in the national team and the arrogance and bad behaviour of spoilt professional players, prompting the CFA to introduce maximum wages and transfer fees in 2001. When Pepsi stood down early from its sponsorship (replaced by Siemens for one year at half the rate) in 2003, it was obvious that the Jia-A was in trouble. The authorities’ solution was to rebrand Jia-A the
Chinese Super League, but aside from reducing the number of teams, major problems were not addressed.

In 2004 the troubled Jia-A was renamed the CSL, and, with this, the country reached a new low in terms of unfair behaviour, low morale and over-commercialization, including gambling. Change was inevitable. More recently, against a backdrop of economic slowdown,15 the Chinese government identified sport as an important business sector with great potential for growth, setting the scene for significant private sector investment:

The past few years have witnessed unprecedented investment in the sports sector in China. This rise of sport business in China has been widely attributed to strong top-down government promotion with a series of high-profile policies released from the central government. Despite all the challenges, the Chinese sports industry achieved an outstanding growth rate of 35.97% in 2015, outshining most other sectors. (Liu, 2017)

1.4.8 Soft Power as Public Diplomacy

Where ‘hard power’ involves coercion in international political relations (private and social capital) – including military strength – ‘soft power’ suggests an approach based more on persuasion through the use of economic or cultural factors. In China’s case, soft power can be seen as a normative approach comprising not only private capital resources and social resources but also human resources and public, tax-based resources.

As in global business development, China tends to focus on a few segments in which social advantages can be found (Connell, 2018). In principle, this applies to the football context and suggests that China is more likely to develop its football industry its own way.

The quest for soft power through football was accentuated from 2010 with the presidency of Xi Jinping. He stated his intention to seek other countries’ understanding and support for the Chinese dream, emphasizing that it is about peace, development, cooperation and win-win outcomes. He wants to increase China’s soft power, present a good image to the world and better communicate China’s message.
1.4.9 Chinese Football Interests Outside China

There are hardly any Chinese players in the EPL and therefore very few returning to China with experience of having played abroad. But, as of January 2021, according to available data, Chinese interests owned or part-owned 14 European football clubs. At the end of January 2021, two Chinese-owned teams – Granada (La Liga, Spain) and Wolverhampton Wanderers (EPL) – won their matches. To get reliable statistics on Chinese ownership is, however, not easy. Moreover, there seem to be many transfers of ownership when Chinese owners are involved, but this needs further investigation.

In 2016 Dr Tony Xia paid around GBP 75 million for English club Aston Villa. In 2018 Dr Xia sold a 55% stake in the club to an Egyptian billionaire for GBP 30 million (Bland & Ahmed, 2018). At the time of writing, there are also two non-Chinese owners: Egyptian Nassef Sawiris and American Wes Edens.

Also in 2016, Suning Commerce Group, an electronics retailer part-owned by the e-commerce firm Alibaba, announced its plans to buy a 70% stake in Inter Milan for EUR 270 million. Milan is well known in China as an integral part of the Italian textiles industry, and part of the rationale behind the football deal was that it would also strengthen links between the Italian and Chinese textile industries.

The other famous Milan club, AC Milan, was owned by Elliot Management (an American hedge fund) until August 2022 when it was sold for EUR 1.2 billion to RedBird Capital Partners, which joined forces with the owners of the New York Yankees to complete the deal. The previous long-time owner, Silvio Berlusconi, after complex and lengthy negotiations sold the club to a Chinese businessman who failed to pay his loan to Elliot Management which then became the owner.

It is still a relatively new phenomenon for Chinese business people to be allowed to invest outside of China, and so we do not know what, if any, kind of governance surrounds such ventures. However, I find it hard to imagine that the Chinese government has completely relinquished its control of football; the ongoing process of reform is under the direct leadership of the State Council through a joint committee across ministries. Chinese state authorities are not afraid to intervene in football. Put simply, China always operates in a political context (Sullivan, 2020).

Several Chinese clubs have closed deals successfully, but not all. Details of ownership are often closely guarded so, as a best guess, more than 30 purchases were made in the period 2014–2020. Several
of the acquisitions are based on 100% ownership, and this represents an astonishing growth of investment outside of China. Several clubs are in their country’s top division, including Auxerre and Sochaux (France), Wolverhampton and Southampton (EPL) and Inter and AC Milan (not finalized), among others (see Table 1A.1 for indications of Chinese acquisition and ownership of football clubs).

President Xi’s stated ambition is to win the 2050 World Cup and confirm to the world that the men’s national team can compete with the best. However, President Xi has yet to elaborate on how this will be achieved. There is some debate about the real motives behind China’s interests overseas, with some commentators speculating that ‘playing abroad’ is as much about realizing international business ambitions as it is about developing a national football team.

Writing for Overtime Sports Marketing, Tomislav Žarković highlights that ‘UEFA’s report regarding financial developments in European clubs in 2015 names China as the biggest spenders on foreign clubs’ (n.d.).

Jansson and Söderman’s (2015) study of management hybrids in China offers insights into the roots of major strategic management practices in China and informs our understanding of Chinese global management strategies more widely. More research is needed, so it is quite possible that we still do not fully understand commercial cultural differences between East and West:

Over the last decade, Chinese businesses have become increasingly international, both at home and abroad […] The increasing number of Chinese mergers and acquisitions […] implies mixtures and hybrids of corporate cultures and styles, and therefore, calls for new comparative demands on research. There is thus an urgent need to know more about the management system of Chinese firms in the PRC [People’s Republic of China] and how it relates to Western management. (Jansson & Söderman, 2015, p. 212)

1.5 ASSESSING THE VALUE OF SPORT IN EUROPE VS. CHINA

Direct comparisons between China and other regions or countries are not always feasible nor, in some cases, even possible, but here the aim is to at least establish a broad relationship between China and Europe.

In China, many commentators believe the government’s aim is to achieve 1% of GDP expenditure on football. If we compare GDP shares of the domestic sports industry in Europe and China between 2012 and 2016, the share of GDP in China’s sports industry has grown steadily
from 0.64% in 2014 to 0.8% in 2015 and 0.9% in 2016. See also Chapter 2.

China plans to grow the overall sports industry from around USD 50 billion to USD 750–800 billion by 2026, to have 500 million people participating in sport and to establish sports facilities in all Chinese neighbourhoods (Biyani, 2017; Technavio, 2021). Considering that, in 2014, the size of the entire global sports industry was estimated to be around USD 1 trillion (Somoggi, n.d.), the Chinese target of USD 750 billion within ten years is ambitious. Moreover, bear in mind that, in 2008, the average GDP per capita in China was a little over USD 3,000, yet, by 2016, that figure was well over USD 7,000.

1.6 WHAT ARE THE RESEARCH QUESTIONS (RQS)?

RQ1: With its ambitions to host the 2050 World Cup, what strategies might China adopt to win it?
RQ2: What can China learn from football experience elsewhere, such as Europe or the Asian Football Confederation Champions League, for example, to help it win?

Based on the research in this book, two possible strategies will be conceived for consideration:

- *Copy Europe*, where China ‘copies’ existing football structures and organizations from overseas and ‘pastes’ them into its own industry, and
- *Go it Alone*, where China conceives its own plans to address the grassroots problem, develop new talent and create the requisite training and coaching structures to form a winning World Cup squad.

Can China really apply its model of industrial development to football? If China can create an effective market economy without democracy, it should be able to apply the same thinking to football and other sports, shouldn’t it? For example, the Chinese approach to developing corporations is, broadly, through strong political and authoritarian control of markets and businesses. But the government has learnt that the traditional Russian central planning system does not suit a strong Chinese commercialized and efficient individual-oriented sports world. As a result, a central and planned but liberalized and privatized economy is being conceived to achieve results (O’Boyle & Hassan, 2014).
China’s political image and reputation is sometimes negative, especially in light of human rights issues and COVID-19. Having successful players in world football undoubtedly creates a good reputation, something that many statesmen appreciate. However, although China appears to be using soft power public diplomacy to develop football, its obsession with control is hard to ignore. China favours long-term strategies, and these strategies aim to elevate China to ‘world leader’ status across all its interests.

The Copy Europe and Go it Alone strategies will be referred to throughout the book and elaborated in Chapters 4 and 5, but for now it is important to remember that China has a significantly different political and cultural framework to many other countries, so Westerners at least should not expect to find the same notion of, among other things, economic rationality as elsewhere in the world.

This chapter aimed to provide a background to football as a sport, broadly contrast football in the East and the West, and provide some insights into what might be going on behind the scenes in terms of China’s domestic and international football ambitions.

NOTES

1. ‘Public diplomacy’ here describes official efforts to influence foreign public opinion in the interests of meeting diplomatic goals.
2. Twelve elite European teams tried in April 2021 to start a so-called Super League. In the face of harsh criticism from fans and players alike, the scheme was subsequently abandoned (Panja & Smith, 2021).
3. Owned by Volkswagen since the Second World War, top German women’s football club VfL Wolfsburg is the only private German club. However, its shares are not for sale.
4. Various betting agencies regularly offer odds on the next Premier League manager to be sacked. Such a pressurized environment makes the careers of Sir Alex Ferguson at Manchester United (1986–2013) and Arsène Wenger at Arsenal (1996–2018) even more remarkable: Ferguson won more trophies with Manchester United than any other manager in the history of the game to date, and Wenger remains Arsenal’s longest-serving and most successful manager. Both managers surely exemplify the benefits of giving managers time to develop a winning team, but the short-term – and arguably short-sighted – view in the EPL prevails.
5. The Nixon era and so-called ‘ping-pong diplomacy’ being one example.
6. The EU SME Centre aims to help European small and medium-sized enterprises develop successful business in China.

8. At the time of writing there are 16 clubs in the Super League. The teams play 30 games each, with a total of 240 games in a normal season.


10. The State Council lowered business income tax to 15% for sports enterprises identified as ‘high tech’. This rate is considerably lower (approximately 25%) than for other industries.

11. Other points included: the CFA should function as an NGO; administrators will cease to be considered as government officials; income from the sports lottery should be invested in football; the number of schools with a specialized soccer programme should increase from 5,000 to 50,000 by 2025; long-term goals should include bidding for the FIFA World Cup and raising the national team rankings to the highest levels; the number of standard pitches should be increased and new urban residence compounds should have at least one five-a-side pitch.

12. For example, see Bland and Ahmed (2018): ‘Spain’s Espanyol was acquired by Rastar Group, a maker of remote-controlled cars, while France’s FC Sochaux-Montbéliard was bought from the Peugeot family by Tech Pro Technology, an LED manufacturer.’

13. Defined as the use of economic or cultural factors to influence international relations.

14. Formerly the State Planning Commission and State Development Planning Commission, the National Development and Reform Commission is a macroeconomic management agency under the State Council that has broad administrative and planning control over the economy of mainland China.

15. China’s GDP growth declined from a high of 13% in 2005 to 8% in 2015 (OECD, 2015).
APPENDIX A

A1.1 Key Points and Targets from the Guidelines (Liu et al., 2017)

- Promote national health and fitness through various sports and have more than 500 million citizens regularly participating in sports and physical activities
- Generate gross output for the sports industry of RMB 5 trillion (equivalent to approximately USD 815 billion per annum, or 1.2–1.5% of national GDP)
- Increase the average per capita exercise space to 2m²
- Popularize football, basketball and volleyball
- Professionalize more sports events
- Formulate policies to inject private capital into the sports sector
- Encourage investments in constructing sports facilities and the supply of sports-related products and services
- ‘Encourage foreign investment’ in the domestic sports industry
- 30% of all sports played in Chinese schools should be football

Table 1A.1 Chinese acquisition of football clubs, April 2020

<table>
<thead>
<tr>
<th>Country</th>
<th>Club name</th>
<th>Ownership share (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Italy</td>
<td>FC Inter</td>
<td>70</td>
</tr>
<tr>
<td></td>
<td>AC Milan</td>
<td>100 Elliott hedge fund</td>
</tr>
<tr>
<td>France</td>
<td>Auxerre</td>
<td>60</td>
</tr>
<tr>
<td></td>
<td>Sochaux</td>
<td>100</td>
</tr>
<tr>
<td></td>
<td>O. Lyonnaïs</td>
<td>70</td>
</tr>
<tr>
<td>Spain</td>
<td>Granada</td>
<td>99</td>
</tr>
<tr>
<td></td>
<td>Espanyol</td>
<td>58</td>
</tr>
<tr>
<td></td>
<td>Real Oviedo</td>
<td>100</td>
</tr>
<tr>
<td></td>
<td>FC Jumilla</td>
<td>100</td>
</tr>
<tr>
<td></td>
<td>Atlético Madrid</td>
<td>3</td>
</tr>
<tr>
<td>Portugal</td>
<td>Oriental Dragon</td>
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</tr>
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<td></td>
<td>União Sintrense</td>
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<td></td>
<td>SCU União Torreense</td>
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<tr>
<td>England</td>
<td>City Football Group</td>
<td>20</td>
</tr>
<tr>
<td></td>
<td>Wolverhampton Wanderers</td>
<td>100</td>
</tr>
</tbody>
</table>
### The footballization of China

<table>
<thead>
<tr>
<th>Country</th>
<th>Club name</th>
<th>Ownership share (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Southhampton</td>
<td>80</td>
</tr>
<tr>
<td></td>
<td>Barnsley</td>
<td>90</td>
</tr>
<tr>
<td></td>
<td>Reading</td>
<td>75</td>
</tr>
<tr>
<td></td>
<td>Birmingham City</td>
<td>51</td>
</tr>
<tr>
<td></td>
<td>West Bromwich Albion</td>
<td>100</td>
</tr>
<tr>
<td>Czech Republic</td>
<td>Slavia Praha</td>
<td>99</td>
</tr>
<tr>
<td>Holland</td>
<td>ADO Den Haag</td>
<td>98</td>
</tr>
<tr>
<td>Denmark</td>
<td>Veje BK</td>
<td>n/a</td>
</tr>
<tr>
<td>Belgium</td>
<td>KSV Roeselare</td>
<td>n/a</td>
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<tr>
<td></td>
<td>KSF Lokeren</td>
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<tr>
<td></td>
<td>Phoenix Rising</td>
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</tr>
<tr>
<td>Australia</td>
<td>Newcastle Jets</td>
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<td>Desportivo Brasil</td>
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<td>Finland</td>
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</tr>
<tr>
<td>Switzerland</td>
<td>Grasshoppers</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Chadwick et al. (2019).