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Football as a Tool of China's Political Agenda

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China's authorities have focused on the development of football as a sport discipline. By 2050, they hope to become a World Cup host. Success in football is supposed to strengthen patriotic sentiment in the country and the legitimacy of the Communist Party (CPC) and improve China's image globally. Authorities want to achieve this through the professionalisation of management, in part from investment in football sectors in other countries such as Italy or England. Companies from China also have entered the FIFA sponsor circle, supporting the 2018 World Cup in Russia.

The popularity of football in China is growing and has translated into bigger financial outlays in the growth of the commercial market. Research from 2016 shows football is second after basketball, the most popular sport in China. Chinese people in large numbers cheer their own national team despite its poor results. The team's only World Cup appearance in 2002 is considered its greatest success. It is ranked 73rd in FIFA's ranking. However, the equally poor quality of Chinese football at the club level means there is little interest. The average number of spectators at Chinese National League matches is around 25,000. Chinese authorities are trying to develop the infrastructure and raise the quality of the league to create a better national team, which would make the discipline more popular and enhance China's chances to participate in future World Cup tournaments. Chinese companies have financially supported FIFA, which had problems finding enough sponsors for this year's tournament in Russia. Chinese leader Xi Jinping declared during a meeting with FIFA's president in June 2017 that China aims to become a World Cup host.

Xi's Football Plan and Development. A "Middle and Long-Term Development Plan of Chinese Football" was approved by the government in 2016. It includes changes meant to improve football in China, such as increasing the number of training schools to 20,000. The goal for 2020 is to have had about 30 million students. By 2030, the men's national team is to at least achieve playing in an Asia Cup final, and by 2050, a World Cup semi-final, matching South Korea from 2002. The development of football also fits into the current five-year plan (2016–2020), under which the sports sector should generate 1% of GDP in 2020.

Funding for the development of football is coming from private Chinese companies, which treat it as an element of gaining the trust of the government, frequently a requirement of success in other sectors. Two entities are the most visible here: Dalian Wanda Group (DWG) and Evergrande Real Estate Group (e.g., the owner of the seven-time Chinese league champion Guangzhou Evergrande). They have invested more than €60 million combined and Evergrande has committed more than €14 million for a youth talent fund and, together with Real Madrid, is managing training schools in China. Also, Bayern Munich and FC Barcelona opened sports-management schools in cooperation with Chinese universities.

The implementation of the plan is an element of China's sport diplomacy. The adaptation of Western play and training systems into the Chinese base should lead to an improvement at both the club and national team levels and would be proof that China is capable of success in the most popular and profitable sport in the world. It would also allow the CPC to strengthen patriotic sentiment in society by underlining the conviction that the party cares about China's international position and the "great rejuvenation of the

Chinese nation” even in sports. The process is being managed through the Chinese Football Association, which, although theoretically independent, is part of the State General Administration of Sports.

Chinese Investment in European Football. Between 2014 and 2016, Chinese companies invested more than \$2 billion in European football clubs. This included shares of SK Slavia Prague (held by Chinese firm CEFC), RCD Espanyol (Rastar Group), West Bromwich Albion FC (Guochuan Lai), AC Milan (Rossoneri consortium), and Inter Milan (Suning). The only major league in which such activity is limited is the German Bundesliga because of a regulation there prohibiting the sale of a majority of shares to one entity. In Poland, representatives of Anhui province declared an interest in buying WKS Śląsk Wrocław during their visit to Lower Silesia in August 2017.

Such an investment, besides seeking profit, is also supposed to transfer football know-how from Europe to China. The Chinese authorities also expected this practice to promote a positive image of China by generating a positive attitude among fans that the investment would be a chance for the development of their club. But such intentions often failed because of a lack of management experience or financial troubles that just worsened the clubs’ problems. While the teams sometimes became a tool of Chinese influence they lacked certainty from the new owners about their long-term and stable financing. Examples here include AC Milan and Slavia Prague. The Italian club’s new owner was forced to borrow money to be able to buy the asset and the need to pay it back has made it harder to invest in the club’s development. In Prague, the newest majority shareholder, Chinese firm CEFC, has had financial fluidity problems after Chinese authorities detained its owner, putting the clubs financing under a question mark. Early on, the matches were from time to time a pretext for meetings between local politicians and Chinese diplomats and business people.

Part of China’s lobbying in its preparations to apply to host a World Cup (which because of the continental rotation in FIFA, the earliest possible date would be 2034) is investment in companies dealing with the sale of television rights or football agencies: In February 2015, DWG bought 100% of Infront Sports & Media, a long-time FIFA partner with World Cup television rights; in 2016, the Portuguese agency Gestifute (owned by the agent for famous footballer Cristiano Ronaldo) announced a strategic partnership with Chinese investor Fosun Group; and, in May 2016, Chinese firms Everbright and Baofeng bought more than 60% of the shares of MP & Silva, which owns Premier League and Bundesliga television rights.

The Chinese investment offensive was reduced by new regulations enacted by authorities in China at the end of 2017. Football clubs were included on a list of foreign entities in which investment is limited, with additional permissions from the Chinese administration needed. Because of these new regulations, DWG withdrew from Atlético Madrid in February 2018, and in March 2018, Suning offered to sell its shares in Inter Milan. The changes are meant to stop the massive outflow of capital from China, counteract the devaluation of the yuan, and prevent illegal money flows. The new procedures will increase the government’s control over these investments, which sometimes was chaotic and negatively received abroad.

Conclusions. Within China’s football development plans, the most crucial is the success of the national team because it will without a doubt confirm the CPC’s leadership. It would demonstrate another victorious element in the rivalry with the “West,” strengthening China’s image as a country of success. But if success in the sport does not soon enough, it may give Xi’s opponents in the CPC the chance to criticise his decisions as an example of incompetence.

The interest of Chinese investors in football in Poland is very probable. It will depend on the success of Polish clubs in Europe and their sports and marketing potential. The new restrictions introduced in China on investment abroad will raise the credibility of such operations as selected and guaranteed by the state. A capital injection can be a chance to raise the clubs’ potential and infrastructure development. The negative experience with Chinese investment in Italy and the Czech Republic means, though, such opportunities should be treated with caution. First, the engagement of Chinese companies in the football sector could just be another form of economic penetration calculated to accomplish goals besides just the team’s success. This may include the takeover of training infrastructure or football stadiums. A club-level investment is also a convenient tool for exerting informal influence on the local political environment by using matches for contacts between Chinese diplomats or business people, as happened in the Czech Republic.