

## China's Investments in European Football

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The rising popularity of football over recent decades has attracted China's government to participate in this sport industry. China's ambition to develop football is outlined in its target to create 50 million competitive football players by 2020 (Mai, 2016). Beyond domestic football, the Chinese government actively participates in the more developed European football industry. Through both state-owned and private corporations, the Chinese government has invested in European clubs, such as Inter Milan, Aston Villa, and Birmingham City (Lemus Delgado & Valderrey Villar, 2020). Between 2009 and 2017, Chinese corporations, both private and state-linked, invested approximately \$1.3 billion in European football as shown in the table below (Chen et al., 2019). Frequent, massive investments in domestic and foreign football, youth training, and high-value acquisition of European players reflect China's policy to expand its football industry in East Asia. President Xi Jinping openly expressed aspirations to transform China's football industry and elevate its international reputation (Tan et al., 2016)

**Table 1. Transaction of Chinese Corporations' investment in Europe**

Club	Country	Corporation	Business Sector	Year	Ownership percentage	Transaction Value (Million USD)
Birmingham City	UK	Birmingham SPTS	Recreational facilities	2009	50%	93.88
Aston Villa (London)	UK	Lotus Health	Food Manufacturing	2016	100%	111.72
Wolverhampton Wanderers	UK	Fosun International	Finance, property, steel	2016	100%	59.47
West Bromwich Albion	UK	Palm-Eco Town Development	Property construction	2016	88%	195.99
Reading	UK	Renhe COMM	Retail industry	2017	75%	Tidak ada
Southampton	UK	Lander Sports Development	Real Estate	2017	80%	259.55
Manchester City	UK	CMC & CITIC	Investment	2015	13%	400
Parma	Italy	Wuhan DDMC Culture	Real Estate & Distribution	2017	60%	11.62
Inter Milan	Italy	Suning	Conglomerate	2016	68.5%	306.60
Granada	Spain	Wuhan DDMC Culture	Real Estate & Distribution	2016	98%	41.59
Atletico Madrid	Spain	Dalian Wanda	Property management	2015	20%	52.13
Espanyol	Spain	Rastar Group	Entertainment (gaming)	2016	50.1% →* 99.9%	55

Source: *Chen (2016) & Lee (2020)*

Beyond financial investments, China's engagement in European football aligns with its broader hegemonic strategy, as theorized by Robert Cox (1985). Based on the elaboration of Robert Cox's conception, hegemony is achieved not merely through practice of coercion but by constructing a consensus that conforms to the interest of different social classes (Cox,

1983). Cox argues international hegemony is obtained through (1) one state capability in utilizing its material power such as the capital power, natural resources, and technology fluency; (2) establish ideas or shared notions among the social relations which generates expected behaviour; and (3) the exertion of institutions as a battleground of power relations (Cox, 1985). Overall, hegemony refers to control over the modes of political, economy, and social production. China's economic liberalization post-1978 facilitated its integration into global markets, leading to increased foreign investments as well as China's inclusion in international institutions such as the World Trade Organization in 2001. Moreover, through its determination of Belt & Road Initiatives (BRI), China is expected to promote 10% economic growth in Japan, South Korea, and Central and Eastern Europe (Yang et al., 2020). Subsequently, China managed to spread its influence over the Asian and African region, offering financial aid and direct investment and nurturing its political impact. Nevertheless, the quest to find a subtler approach to the authoritarian single-party state image and "Tiananmen Square" disaster remain obstructed for the Chinese government (Connell, 2018).

The account of historical aspects should also be taken into consideration in analysing the hegemonic intention of China towards the European football market. The year 2008 marked the successful story of China's cultural promotion towards the international society (Manzenreiter, 2010). Following the similar framework in shaping the global image, football emerges as a sophisticated political tool for China in obtaining control over social production. Through football as the embodiment of "people's game", the Chinese government navigates the approach in fostering good publicity directly to the society as well as maintaining its position in the international system. The US\$ 1,3 Billion investment to various numbers of football clubs in Europe, China gains control over the sport ecosystem and evokes the process of technology transfer that will improve the quality of their domestic industry. It is evident by the increased number of average football games attendance by 33% and the initiation of football broadcasting (Connell, 2018). By building a strong national football ecosystem, China could raise positive national pride and image to the international community (Lemus Delgado & Valderrey Villar, 2020). The authority over European football clubs allows China to inject its national interests and cultural identity through development of football, which will be resulted in legitimacy to shape the global communities' standpoint in align with their national objectives as the exposure of football community helps the Chinese government to foster a "modern" and more inclusive China rather than "the Authoritarian China".

The Chinese government indirectly gains credit from the European football fans as a nation that upholds and supports the sport's historical values and sportsmanship. In other words, the Chinese government can secure consensus from the broader football-loving public. These sentiments contribute to facilitating the government's efforts in articulating its national interests to the global community more effectively. In addition, the football industry

emerges as an unconventional political instrument persevering China national identity in global power relations. As shown on the table above, each investment acquired at least 50% majority stakes or above. It grants them a determining legitimacy in maintaining its business purposes as well as promoting its political objectives. Finally, it is important to evaluate China's motive regarding European football investment as not merely a sport development tactic. Overall, the Chinese government seeks to develop the European football industry in alignment with its national interests by directly organizing the industry (social production), rather than merely using football as a tool to promote its political agenda. Thus, the concept of the struggle for hegemony becomes a reality in China's investment activities within the European football market.

### Short Bio

Alfred Yusak Benu is an international relations graduate of Bina Nusantara (BINUS) University, majoring in International Relations. He is a former intern at Indonesia's Ministry of Foreign Affairs, responsible for conducting research and analysis on the political, economic, and social developments of target countries, as well as coordinating with Indonesian representatives in those countries. He is a research associate at CBDS, and he can be contacted by [benualfred7@gmail.com](mailto:benualfred7@gmail.com).

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