

Constructing an ACL Participation-Points Reward Mechanism and Fixture-Improvement Strategies for CSL Clubs in the Post-“Golden Dollar” Era: An Incentive Compatibility Perspective

YU Tianran^{1,3} LING Zhichen² (corresponding author)^{2,3}

1 Nanjing Normal University Postdoctoral Research Station in Education, Jiangsu Nanjing, 210023;

2 Capital University of Physical Education and Sports, Beijing, 100191;

3 Huaihua University, Huaihua Hunan, 418000;

Abstract: After a period characterized by massive capital injections and sky-high transfer fees—the so-called “Golden Dollar”—the Chinese Super League (CSL) is irreversibly entering a “post-Golden Dollar” defined by financial sustainability and managerial rationality. This paradigm shift is not merely a retreat of capital but a deep restructuring of the sector’s development logic. Meanwhile, the Asian Football Confederation (AFC) implemented milestone reforms to its top-tier club competition in the 2024/2025 season, launching the far more lucrative AFC Champions League Elite (ACLE). This drastic change in the external environment stands in sharp contrast to the “capital winter” within the CSL. As of early 2025, technical-points statistics showed that the CSL had been narrowly overtaken by the Thai League in the AFC member-association ranking by 0.191 points. More worryingly, in the first round of the 2025/2026 ACLE, all three CSL representatives—Shanghai Port, Shanghai Shenhua, and Chengdu Rongcheng—were defeated, and none fielded their full first-choice line-ups. As of 1 November 2025, results for the three ACLE participants and for Beijing Guoan in the second-tier AFC competition had shown little improvement. If this situation is not corrected in time, the CSL risks further reductions in ACLE berths, creating a vicious cycle. To address this, the present study adopts “incentive compatibility” from institutional economics as its core analytical tool. Under an effective institutional arrangement, actors pursuing private interests simultaneously generate outcomes that maximize collective welfare. Applying this framework here, we explore how to design a set of mechanisms whereby CSL clubs’ “private” pursuit of strong ACLE performances aligns with the “public” objective of maintaining and improving the CSL’s position in the AFC technical-points ranking—thereby providing theoretical support for the modernization of football governance in China.

Keywords: incentive compatibility; Chinese Super League clubs in the post-“Golden Dollar” era; AFC Champions League (Elite) participation-points reward mechanism; fixture/scheduling improvement strategies

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Introduction

Since the 2020s, the comprehensive retreat of capital and a tightening macroeconomic environment have precipitated a fundamental transformation in the developmental logic of Chinese Super League (CSL) clubs. This internal contraction contrasts sharply with the escalating competition standards of the Asian Football Confederation (AFC), resulting in a continuous erosion of the CSL’s technical points and a reduction in AFC Champions League (ACL) qualification berths. As of late 2025, technical coefficient analysis indicates that the CSL has been overtaken by the Thai League in the AFC Member Association Ranking, with representatives frequently fielding weakened squads in continental competitions.

This phenomenon illuminates a profound “Incentive Incompatibility” between the league alliance and its member clubs. The alliance’s collective objective is to maximize international competitiveness and technical rankings, whereas the clubs’ individual utility functions prioritize short-term survival and domestic results. This misalignment creates a structural dilemma where “competing for the title is to qualify for the ACL, yet ACL participation becomes a liability for subsequent domestic defense.”

Existing literature largely focuses on tactical analysis or short-term policy critiques, lacking a structural dissection of club incentives. This study introduces “Incentive Compatibility” mechanism design into the governance framework of Chinese professional football. By analyzing the “non-cooperative equilibrium” characterizing the post-capital era, this research aims to construct a policy framework centered on ACL Participation-Point Rewards and Fixture Improvement Strategies. The objective is to realign individual rational choices with collective league goals, providing a pathway for the CSL to break its low-efficiency equilibrium.

1 The Genesis of Incompatibility: From “Golden Dollar” Harmony to “Post-Capital” Rupture

During the “Golden Dollar” era (2013-2019), CSL clubs exhibited typical characteristics of incentive compatibility. Driven by the logic of “brand-policy” dual empowerment, clubs utilized high-investment football as a vehicle for corporate globalization and political legitimacy. In this environment, the “individual rationality” of pursuing market value naturally aligned with the “collective rationality” of accumulating AFC technical points, creating a Pareto-improving positive-sum game that elevated the CSL to the top of Asia’s technical rankings.

However, the “post-Golden Dollar” era (2020–present) has ruptured this incentive structure. With the withdrawal of capital and the imposition of strict financial regulations, the operational logic of clubs shifted from expansion to survival. The high rigid costs of ACL

participation—international logistics, fixture congestion, and physical attrition—now far outweigh the uncertain revenues. Consequently, clubs rationally adopt a strategy of "strategic abandonment," protecting domestic league standing at the expense of continental performance. This shift confirms that the benign incentive structure of the previous era relied on unsustainable capital input rather than institutional design.

2 The "Tragedy of the Commons" and Game Theory Analysis

The current widespread withdrawal from ACL competition represents a classic "Tragedy of the Commons" resulting from a Prisoner's Dilemma. AFC technical points function as a public resource for the league, yet no single entity is willing to shoulder the high marginal cost of maintenance.

While the league's collective interest lies in maximizing technical points to secure qualification slots, the individual club's rational strategy—in the absence of effective compensation—is to minimize continental input ("free-riding"). When all clubs act rationally to preserve domestic energy, the system reaches a Non-Cooperative Equilibrium (Nash Equilibrium). The result is collective irrationality: a precipitous drop in technical rankings, reduced commercial value for the league, and a vicious cycle of marginalization.

Game theory suggests that this inefficient equilibrium cannot be broken by moral suasion alone. To transition from a non-cooperative to a cooperative state, the governing body must alter the payoff structure. A club's commitment to the ACL is governed by two conditions: (1) the marginal reward of participation must exceed the marginal return of domestic matches, and (2) the efficiency of input must be maximized through logistical support. Therefore, only by simultaneously reinforcing "marginal rewards" (via a Performance Fund) and "marginal efficiency" (via Fixture Optimization) can the institutional design resolve the current incentive incompatibility (see figure 1).

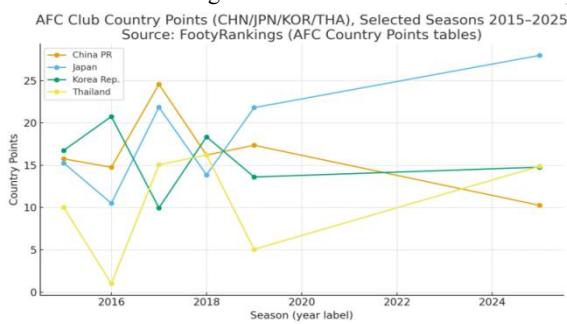


Figure 1. Trends in AFC member association season points, 2015–2025

3 Mechanism Design I: Economic Incentive & Institutional Embedding

To transition from "unilateral extraction" to "value co-creation," the league must internalize the positive externalities of ACL participation through stable economic and institutional instruments.

3.1 The "ACL Performance Fund"

We propose the establishment of a "CSL Club ACL Performance Fund," funded by allocating a fixed percentage (5–8%) of the league's total commercial and broadcast revenue. This creates a "shared destiny" framework where collective resources incentivize external competitiveness. The fund adopts a compound distribution model: A fixed grant designed to cover rigid operational costs (international travel, logistics, accommodation). This removes the baseline financial risk, ensuring that "participation does not equal financial loss." The core incentive tool. The league must establish a transparent algorithm converting on-field achievements (wins, draws, qualification) into payout coefficients. By linking revenue directly to the AFC Technical Point contribution, the mechanism aligns the club's economic interest with the league's strategic goal.

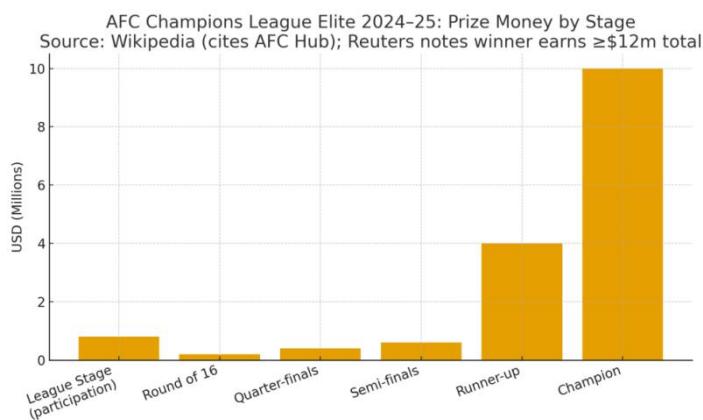


Figure 2. Prize money by competition stage in the AFC Champions League Elite, 2024/25

3.2 Institutional Integration: "Fair Competition Compensation"

Beyond financial stimuli, ACL value must be embedded into the CSL's governance framework to generate long-term institutional

traction. Acknowledging the "public mission" of ACL participants, the league should implement a "Fair Competition Compensation" mechanism. Subject to financial fair play, this includes moderate flexibility in youth registration quotas and exemptions on specific bonus caps for continental matches. This is not a privilege, but a correction for the competitive disadvantage caused by multi-front fatigue. ACL performance should serve as a weighted criterion for high-level domestic qualifications. For instance, in scenarios of tied domestic rankings, priority for Super Cup slots should be granted to clubs with superior continental records. This forces clubs to integrate ACL performance into their core valuation system.

4 Mechanism Design II: Fixture Optimization & Structural Reform

4.1 From Passive Coping to Active Design

Recognizing the rigidity of FIFA and AFC calendars, CSL administrators must shift from passive reaction to "Precise Planning." The ACL schedule must be treated as a core Input Variable in the annual CSL fixture design. In domestic rounds adjacent to long-haul ACL away matches, the league should prioritize scheduling ACL participants against domestic opponents with lower comprehensive strength or minimized travel distance. This reduces the "high-intensity internal friction" that undermines external competitiveness. Given China's climatic constraints (making cross-year schedules impractical) and integrity risks (making playoffs risky), the pragmatic solution is to compress the domestic calendar, ensuring the league concludes by mid-October. This alignment minimizes interference from national team duties and allows clubs to focus on critical ACL group stages.

4.2 Personnel Pooling: The "United Front" Mechanism

To resolve the resource allocation dilemma, the league should institutionalize a "Temporary Loan Window" for ACL service. Building on historical precedents, this mechanism encourages the short-term loan of national team players or talented youth between domestic clubs specifically for continental campaigns. This policy allows CSL clubs to "pool resources" to form a united front against the heavily invested squads of West Asia, aligning with the current financial reality of the post-capital era.

4.3 Linking ACL Performance to Domestic League Points: A Structural Reform

To fundamentally alter the utility function of clubs, we propose a mathematical model to justify an "ACL-to-League Points Reward Policy." The club's total utility function (U_i) can be expressed as:

$$U_i = \pi_i^{\text{dom}}(I_i) + B_i^{\text{AFC}}(s_i) + g(s_i) - C(I_i)$$

Where I_i is investment, π_i^{dom} is domestic return, B_i^{AFC} is AFC revenue, and $g(s_i)$ is the league performance reward. The first-order condition for maximization reveals that without a league reward mechanism ($\frac{\partial g}{\partial s_i} = 0$), clubs will rationally underinvest in the ACL, as their marginal motivation is derived solely from AFC bonuses which are insufficient in the post-Golden Dollar era. Therefore, to align incentives, the league should introduce a policy where ACL performance translates directly into domestic league points. Specifically, we propose a conversion metric where group stage victories earn 0.3 league points and draws earn 0.1 points, with incremental rewards for progression—such as 0.5 points for reaching the Round of 16, 0.7 for the quarterfinals, 0.8 for the semifinals, 1.0 for the final, and 1.5 points for the championship. In the knockout stages, points are awarded for progression; if a team fails to advance, points are calculated based on individual match results. This policy leverages the high concentration of ACL participants in the post-reform era to create a tangible, operational link between continental success and domestic standing.

5 Complementary Governance: Administrative Synergy & Long-term Growth

Mechanism design requires administrative safeguards to function effectively. Beyond economic and scheduling reforms, we propose two governance pillars to lower the "transaction costs" of participation.

First, the establishment of a joint "CFL-CFA ACL Coordination Working Group." Since the AFC interacts exclusively with member associations, the league (CFL) lacks direct leverage. A joint working group would mobilize the CFA's foreign affairs resources to shield clubs from administrative pitfalls (e.g., licensing, logistics, compliance). This unit serves to transition continental operations from reactive "ad-hoc coping" to proactive "strategic management," ensuring that clubs receive state-level logistical support similar to national teams.

Second, redefining the ACL as a "Youth Growth Accelerator." To solve the bottleneck of multi-front operations, clubs must utilize the ACL as a high-level crucible for elite youth development. By fielding talented young players in continental fixtures, clubs achieve a dual objective: preserving veterans for domestic title charges while exposing youth to the high-pressure environment necessary for long-term competitiveness. This transforms the ACL from a "burden" on the first team into a strategic asset for the club's sustainable talent supply chain.

6 Conclusion

The decline of CSL clubs in the post-"Golden Dollar" era is not merely a fluctuation in competitive form, but a structural failure of Incentive Compatibility. This study demonstrates that under current institutional arrangements, clubs are trapped in a Non-Cooperative Equilibrium (Prisoner's Dilemma), where individual rationality—prioritizing domestic survival—inevitably leads to the collective irrationality of international marginalization.

To break this deadlock, mere moral suasion is insufficient. We propose a tri-partite institutional framework: 1) An ACL Performance Fund that internalizes positive externalities, ensuring participation yields tangible marginal returns. 2) Fixture Optimization and the League-Point Conversion Policy that unify the utility functions of the club and the alliance. 3) Administrative synergy that reduces the operational friction of multi-front warfare.

By implementing these mechanisms, the CSL can reshape the behavioral logic of its clubs, transitioning from a "passive abandonment"

strategy to "active value co-creation." Future research should further utilize mechanism design theory to empirically validate the elasticity of these incentives, providing a rigorous, data-driven roadmap for Chinese football to reclaim its status in the Asian hierarchy.

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