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## CHALLENGES OF SPORTS FACILITIES AND PROJECTS MANAGEMENT IN THE XXI CENTURY

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**Abstract:** The character of sports activity and sports industry, embodied in multidisciplinary and interdisciplinarity, demands a significantly higher degree of scientific and professional information than before. This required management to increasingly and more systematically deal with the questions of modern sports practice, which correspond to the realization of top sports scores.

This is how special areas of sports management emerged – management of sports facilities and management of sports projects, which engage in: planning, drafting and funding of the construction and daily operations of sports facilities, drafting and organization of training and business processes, leading those activities and controlling a wide range of participants, processes and sub-elements of these systems.

In the second half of the 20th century (in different socio-economic circumstances), this region and professional clubs developed awareness about the need for professional management. This is how the first generation of sports managers emerged. However, recently, sports practice saw the examples of two biggest football clubs in Serbia, which appointed management boards composed of distinguished businesspeople with major experience in economy. After a ten-month period, the clubs operated significantly weakened in both sports (weak teams) and economic sense (big debts, affairs), and even in the sense of visible perspective of future development.

Therefore, management and corporate administration of a sports organization is not completely the same as management of a company in some other industry. Specific knowledge is required to administer all resources of a particular sports organization in line with the Law on Sport, Law on High Education and Rulebook on Nomenclature of Sports Vocations and Titles. Problems of

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contemporary sports practice should be solved by competent sports managers who acquired necessary knowledge in accredited higher education institutions and faculties, and who possess required experience.

**Key words:** *sports facilities, sports facilities management, models of sports facilities management, sports projects management, restructuring sports facilities*

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## INTRODUCTION

Sports facilities management studies various aspects of ownership forms, models of sports facilities management, and the questions of their designing, construction and operation. The need to study sports projects management arises from the necessity of cost-effectiveness of sports-service processes and contemporary forms of funding sport.

Initially, sports facilities used to serve to maintain military readiness and entertain noblemen, but they gradually turned into predecessors of today's sports complexes intended for the whole society. At the beginning of the 21st century, there was an increase in demand for leisure services, and consequently the need to create sports-recreational complexes. Together with that, the need to perfect and make these services more effective becomes higher than ever. That is why it is crucial for facilities managers to possess visionary abilities when it comes to the anticipation of desires and needs of potential users.

## THEORETICAL FRAMEWORK

According to the Law on Sport (Official Gazette of the Republic of Serbia, no. 24/2011, Art. 145-155), a sports facility is a building, i.e. a space (construction space, its part or an organized area), intended for sports activities, which can have accompanying space (for sanitary, wardrobe, depository, audience, and other purposes) as well as installed equipment (construction and sports equipment). Sports facility is an infrastructure (material-technical base) of programming and production of sports activities programs for various users, such as: professional sportspeople, audience, professional sports and other organizations (Raič, 1999). Today, sports facilities imply solid constructions and accompanying flat surfaces used to achieve sports results in order to deliver satisfaction to sports event visitors (Dugalić, 2007). Therefore, sports facilities are resources of production of sports and recreational programs that include all spaces, buildings, supplies and equipment within sport and recreation.

Sports facilities represent the most significant material resource of sports system, whose structure, planned purpose and functional status largely determine planning-and-programming orientation when designing sports

programs on all organization level. A special place among sports facilities is occupied by sports centers as polyvalent construction complexes which, by offering services on the market, enable the provision of conditions for practicing different modalities of sports activities (sports education, competitive sport, recreational sport, school sport), for different user categories (children, youth, adults, persons with special needs...).

Sports facilities may contain one or more courts – training grounds, main and secondary courts; accompanying facilities such as changing rooms, bursarship, storage room, ambulance, personnel premises, administration, gyms, saunas, solariums, massage rooms; audience space – grandstands with accompanying premises; relaxation, recreation and studying premises; adequate space communication: hallways, access points, passages, elevators, parking spaces: signalization (for general instructions, scoring panels); sound system; lavatories, etc. Modern sports facilities, such as football stadiums, multifunctional arenas, etc. increasingly contain commercial or business premises which are usually leased to other persons and represent a significant source of income in the function of rational management and business operations (covering maintenance, insurance and sports facility exploitation expenses).

The tradition of sports facilities construction dates 2500 years back (to Egypt, China, Greece), and since then a particular stress has been on esthetic and functional quality. What has been changed in the concept of construction and purpose of facilities, is conditioned by latter cultural, technological and social changes. Today, sports facilities management is also focused on the efficiency of use of this resource by its owner and manager, but also the expectations in regard to entertainment, comfort, and overall user satisfaction (Dugalić, 2005).

The emergence of contemporary form of sports facilities is conditioned by their purpose and increased interest of the public, while architectural forms drop regional attributes and types, gaining universal shape. Sports facilities become a reflection of unique culture and technology of construction, and they are often observed separately from the building type of their environment by creating unique units, Olympic villages, sports-entertainment complexes, etc. (Farmer, Mulrooney, Ammon, 1996). Sports facilities built today are mostly of closed type, while open type of construction is still used only in case on hippodromes, ski jump ramps and stadiums (but even more and more of them are constructed as semi-closed or closed). Stadiums gather the highest numbers of sports audience, which is why these facilities get proportionally more attention in media and public.

The construction technology of modern sports facilities is conditioned by their purpose, so they are distinguished as single-purpose facilities of civil engineering construction (hippodromes, racing tracks, sports airports)

and building construction (sports-recreational centers, school halls, etc.) or multi-purpose (multifunctional) sports facilities (such as “Kombank Arena”). Apart from the division of sports facilities according to their purpose and architectural type, they can also be differentiated according to: different playing surfaces, technology of sports-service processes, ownership and management modalities, etc.

## **THE SUBJECT OF THE PAPER**

The aims of this paper’s research refer to the validation of results, facts, expectations and enlargement of the existing knowledge in order to improve sports business practice. The basic goal is to find innovative, interesting, practical solutions and raise awareness of sports professionals and professionals in sport about the significance of keeping up with modern global tendencies in sports practice in the conditions of market economy. They can be realized so as to find guidelines that enable more positive view of investment into sport, and all types of resources (human, material, financial, informational, and infrastructural). This makes the extermination of negative phenomena in sport and other influences surrounding it much easier, thus providing conditions for sport to even become a generator of positive flows and changes in the society in general.

These guidelines can be projected as long-term, strategic goals and activities for more successful management of sports potential: to explain and differentiate property-legal relations, collect capital by means of securities emission, elect professional management personnel, trained in the field of sports management, form professional management on the principles and rules of successful team organization, professionalize professional services and accompanying personnel, estimate possibilities and potential (sports and financial), and aim for maximum success (target function of club) in all areas of work (coaching, professional services, responsibility and effort of top management) (Dugalić, 2011).

The rights, obligations and responsibilities in sports clubs in Serbia, to which sports facilities are assigned for management, are not based on competences, previous sports results and financial effects on the basis of planned strategy. Voluntarism in sports facility management has created vague property-legal, organizational and administrative relations, which contributed to business inefficiency, losses and probable loss of control over the assigned infrastructure (Dugalić, 2005). This is why redefinition of position of interest groups according to the existing, market conditions and projections of future visions (ownership, culture and social atmosphere) is absolutely necessary.

Considering the existing situation with material-technical base of sport

in Serbia, as the subject of this paper, there are topics that require scientific research and definition:

- What are sports facilities, and how when and where did they emerge; who were the first builders of sports buildings; which stages in the development of sports facilities exist and which tasks are imposed to a sports facility investor by modern age;
- The criteria according to which sports facilities can be classified;
- How is the construction of sports facilities a representation of art, and why is there a need for futuristic orientation and design of sports facilities;
- How social-economic factors influence the design, construction and operation of a sports facility;
- Who are the users of sports facilities (before and now), what do the users of sports services expect from a contemporary sports facility, what should it feature to attract users back and to be socially beneficial;
- What is the commercialization of sports facilities, and what is flexibility in relation to target groups (consumers);
- Who is in charge of a sports facility's image and what are the activities taken by the sports facility's management in relation to that;
- The importance of sports facilities for the country (city) where it's situated;
- What are the possible directions of further development of sports facilities in Serbia and to what extent does the Serbian sport keep up with global trends in designing, constructing, operating and funding sports facilities..

In order to reach valid conclusions and solutions, the subject of the paper encompassed situational analysis of European experiences and ownership models so they can potentially be implemented to the domestic sports practice in restructuring, after scientific verification. Only competent management in a sports facility can realize functions such as: investment and current maintenance, satisfying lessees' needs, providing a clean, comfortable environment for visitors, providing necessary amounts of food, drinks, and newspapers during sports events, providing security, regular cleaning and maintenance, designing the facility's image, marketing, advertising and PR, as well as electing suitable management (Farmer, Mulrooney, Ammon, 1996; Beech, Chadwick, 2013).

## **METHOD OF WORK**

The methods used in the paper encompass the procedure of analysis and research of the role of management models of sports facilities, which should help elaborate the set goals and key demands of the paper. For that purpose, literature from the field of sports management, sports facilities management

and sports marketing was used. In addition to it, publications, newspaper articles and ads, columns and scientific articles were also used, as well as the Internet, websites engaging in the questions of modern sport, various analyses and research of phenomena related to the subject of the paper, impressions and experiences of the authors, gained by observing the phenomena and by discussing them with people engaged in sports business (sports professionals, professionals in sport and sportspeople), as well as by acquiring information from daily newspapers and forums.

By implementing adequate methods, an attempt was made through comparative analysis and examples from practice to draw a parallel between the conditions found in developed countries and Serbia at the time, with a particular overview of the importance and role of sports facility management as a significant factor of sport and condition for their successful existence. Considering the current state of sports facilities, a particular stress was put on the potential directions of their development, advantages and disadvantages of previous practice, good and bad examples, along with innovative ideas and suggestions for business improvement.

In line with that, the following research methods were used: description, explicit method, i.e. explanation method, comparative analysis method, historical method and case study.

## **RESULTS**

### **Situational analysis**

The condition of sports facilities in Serbia is mostly bad. Investment and ongoing maintenance is not carried out regularly due to the lack of funds, not only for the maintenance of key sports facilities, but also physical education facilities. There are many towns which have no major sports facility or a universal location where sport and recreational activities of the population can be successfully realized. There is often, with exceptions, a lack of sports locations – open and closed, in tourist places (spas, mountain resorts) where they would successfully complement tourist offer. Those facilities very often do not satisfy engineering parameters related to safety during sports activities, especially when it comes to major sports competitions and events, where the issue of security arises.

It is common to find a lack of adequate parking space for passenger vehicles and even busses that transport sports teams. Insufficient number of sanitary facilities for audience is particularly characteristic. Another major problem is inadequate ancillary space for sports services users and competitors – small number of changing rooms, inadequate sanitary facilities and hygiene

facilities which are often in bad condition that needs repair or change of plumbing or sewage installations. Very often, there is not adequate (“clean”) connection between changing rooms and sports halls, which is bad from hygienic aspect.

The biggest problem related to sports facilities in Serbia is non-existence of a unique register of sports infrastructure. The 2011 census did not encompass sports facilities, which leads to the conclusion that the country is not particularly interested in resolving major issues in the sports system, above all in regard to the restructuring process, which is inevitable. The only attempt to register sports infrastructure was made by the Serbian Association of Sports Centers, which currently counts 36 biggest and most important sports centers in the Republic of Serbia. Their address file contains the most significant sports centers for every town, in alphabetical order, with all the basic data about sports facilities, and this publication of the Serbian Association of Sports Centers is available in electronic form on their official website.

### **European experiences and ownership models of stadiums**

Stadiums are single-purpose or multi-purpose facilities constructed to take at least 40,000 visitors. There is a great number of these facilities in the world, and they are characterized by open structure. These facilities host a smaller number of sports events within a branch of sport (football, javelin, races...) with cyclic repetition (rounds, seasons), and they are also suitable for other mass manifestations such as cultural and entertainment events, celebrations, etc. Considering that they are constructed in open space, functional demands during the 21st century speak in favour of the comfort of audience, not just sportspeople, so the existing facilities are covered, new ones are constructed as closed or semi-closed facilities, at the same time offering other services such as participants’ safety, heated seats, better visibility of the game, etc. (Dugalić, 2007).

The fundamental characteristic of countries whose practice is analyzed in this paper is that in their history they were not ruled by communist regimes, so their systems embody centuries-long tradition of equality of all forms of property (above all, the equality of private property in relation to state-owned one). For that reason, those countries never saw the need to privatize state-owned sports facilities, because there were no such facilities. There is almost no record of privatization of state-owned sports facilities, since those countries had rational economic orientation, and used budget funds to construct only those sports facilities whose purpose was to realize public interest in the field of sport. Unlike them, the former communist bloc countries often used the construction of sports facilities for political promotion and creation of memory to certain party leaders and their rule (Šuput, 2009, p. 102).

## Italy

It is common in Italy, that sports clubs, which are privately owned (in form of citizens' association or private companies), to use city (municipal) stadiums. Therefore, clubs Roma and Lazio use the same stadium – Olympic Stadium in Rome, owned by the City of Rome. Both clubs pay lease and own their own, smaller representative facilities, used for daily training of sports teams. The situation is the same in case of football club Milan, which uses Milan's city stadium called San Siro, also used by their city rival, FC Inter.

The most successful Italian football club Juventus has its own stadium Delle Alpi in Turin. When its stadium was in the process of remodeling, Juventus played on the Olympic Stadium in Turin, owned by the town – municipality of Turin. Another lessee of the stadium is also FC Torino, which does not have a stadium of its own.

In terms of privatization, a particularly interesting case is that of Societa Sportiva Lazio, not just FC Lazio. This sports association is famous for its football selection Europe-wide, but apart from it, there are numerous other selections operating as part of the sports association. The selections compete in 37 sports disciplines (similarly to sports associations Crvena Zvezda and Partizan). The association was founded in 1900. When the president of Sport Association Lazio was Sergio Cragnotti, Lazio was transformed into a joint-stock company. One person – Claudio Lotito owns 61,312% of Lazio's shares, while the remaining 38,688% is owned by other shareholders. Lazio's property includes a big sports center, with all accompanying sports facilities, but it does not possess a football stadium, but uses Olympic Stadium in Rome, which is owned by the City of Rome. Despite successful financial operations with achieved income of as much as EUR83 million in the season 2004/5, Lazio did not start the construction of its own stadium. Experts assessed that the construction and maintenance costs for such stadium in Rome would be too high for a club which strives to do rational market business in future. An annual report of consultants from Deloitte, titled „Football Money League“, states that in the season 2004/5 Lazio was the 20th financially most successful team in the world. In the meantime, Lazio's income has significantly decreased, so in the „Football Money League“ report for the season 2006/07, Lazio was no longer on the list of top 20 richest football clubs in the world (Football Money League, Deloitte, February 2008, [http://www.deloitte.com/dtt/cda/content/UK\\_SBG\\_FML08.pdf](http://www.deloitte.com/dtt/cda/content/UK_SBG_FML08.pdf), quote Šuput 2009, p. 103). The club follows the trend today as well.

Apart from Lazio shares, Juventus and Roma shares are also available for trade on the Italian stock exchange, which is not the case with sports club Milan, which was bought by Silvio Berlusconi in 1986. Milan is one of the richest clubs in the world, and it is not a joint stock company, but rather a



form of a private company owned by a single owner. That is why Milan shares do not exist on the stock exchange. Even though that club has been using the city stadium San Siro for years, there are plans to start the construction of its own stadium in line with standards that exist on the stadiums built in the past years in the USA. Such a venture seemed possible before the global economic crisis, before the fall of 2008, when the Forbes magazine published that Milan is the 6th richest club in the world and the richest club in Italy. Not even such financial state enables Milan to own a football stadium, and there are assessments that the construction of a new stadium that would match all the existing UEFA criteria would cost Milan between EUR600-800 million. Today, Milan occupies the 8th position on the list of the richest European football clubs with annual income of EUR 256.9 million.

## **Spain**

Unlike Italy, most football and basketball clubs in Spain own stadiums and other sports facilities (sports halls and open courts) as real estate in their ownership. Actually, citizens' associations – sports clubs, have their own property that includes real estate, which is logical considering the fact that private ownership of land and buildings constructed on it exists as a legitimate and legally permitted fact in Spain, as well as every other Western European country, for centuries. For example, FC Barcelona and FC Real Madrid possess stadiums in their ownership (Mašić, 2005). FC Barcelona possesses the biggest stadium in Europe - Camp Nou, which has a capacity of 98,787 viewers with a 5 star comfort. Due to its size and looks, but also because FC Barcelona is a famous European and global brand, the stadium attracts thousands of tourists and other visitors every year, even when there are no games, which brings additional income to the club, which serve to fund the stadium maintenance.

Apart from that, an interesting example is that of FC Espanol from Barcelona, which plays on the stadium owned by the city (municipality), and uses it based on a lease contract. But over the years, the club management reached a conclusion that it would be significantly more cost-efficient and simpler in regard to organization and logistics, if the stadium started the construction of their own stadium, rather than to keep paying the lease for the city's sports facility. A new stadium Estadi Cornellá – El Prat was opened in 2009, and it is situated outside the city center. There were multiple bad sides of renting a state-municipality-owned sports facility in case of Espanol, and they were related to both the lessor and lessee. As the owner of the stadium, the City of Barcelona raised the lease price every year, and it was not ready to invest a lot of funds into the stadium reconstruction which would boost its capacity and comfort for viewers. On the other side, Espanol wanted a bigger and more modern stadium which would be capable of taking significantly

more audience, but it was not willing to invest additional funds into the reconstruction of a stadium it does not own, so after years of preparations, it opted for the construction of its own stadium.

## **England**

In England, it is considered perfectly normal and common if major sports clubs, especially football clubs, whether registered as companies or in form of citizens' associations, own sports facilities and land where those facilities are situated.

Football club Manchester United owns Old Trafford stadium. Back in 1909, Henry Davies donated GBP 60,000 as a natural person to purchase land and construct a stadium for FC Manchester United. During its long history, the club itself, its sponsors and donors, occasionally invested necessary funds to expand and modernize the stadium. Old Trafford is considered the best stadium in Great Britain, and it is the only stadium in the country that received 5 stars during the first ranking and standardization regularly conducted by the UEFA.

Similarly to Manchester United, FC Liverpool owns stadium Anfield.

The case of FC Chelsea is particularly interesting. Back in 1904, businessman Gus Mears and his brother bought land in order to build a football stadium. At the same time, they founded FC Chelsea. In England at the end of the 19th and the beginning of the 20th century, it was common to first establish football clubs, which played in fields and improvise stadiums, and then, after several competition seasons, to construct stadiums for them. Contrary to such practice, Chelsea was established to make use of a stadium whose construction had already begun. In 1960s and 1970s, the club faced major financial crisis, which led to the sale of the stadium to big construction companies. It wasn't until mid-1990s that the club managed to reclaim the ownership of the stadium by founding a non-profit association, mostly composed of fans and supporters of the club, who became stockholders who own the stadium to this day. The goal of the founded association was to fight in the future to keep the stadium from ever being sold again, and to stay in Chelsea's hands.

A special case in England is Wembley stadium where football representation of England plays its games, and where the games of the FA Cup finals are held. The old Wembley stadium was built in 1923 under the name "British Empire Exhibition Stadium", but it was shut down in 2000, and demolished in 2003 to make room for the construction of a new stadium.

The old stadium changed ownership over time, and its longest-standing owner was Wembley Company, which gave it its name. The new Wembley stadium was constructed in 2007 thanks to the funds provided by:

- Football association,

- Ministry of Culture, Media and Sport,
- Construction Agency of London City,
- Public service titled “Sport England” which represents a government organization similar to the Serbian ministry’s directorate, and based on its services, it mostly reminds of the Republic Institute for Sports of the Republic of Serbia (quote according to Šuput, 2009, p. 108).

### **Switzerland**

Switzerland is a country with the highest number of sports facilities (294.55) in relation to the number of citizens (100,000) in the world. In Serbia, there are only 58,9 (SGJ, 2003), less than a half of which are closed type facilities (26,79), and the least favourable situation (deficit) is for sports which require material-technical basis ranked as: closed pools, shooting ranges, athletic tracks and sports halls. The example of Switzerland is interesting for multiple reasons: in the structure of sports facilities, the stadium networks are fewer in line with the population’s preference for other sports, such as tennis, skiing, etc. Here we can see the so-called model of responsibility distribution (similarly to France), which has some advantages (and lower income, especially from TV broadcasts, but also lower expenses). In Switzerland, sponsor income represents over 50% of income, with tendency to drop, while income from tickets is higher than the EU average (they make up around 20%), and the infrastructure is becoming more socialized (the opposite of what is attempted to be imposed in Serbia).

### **Ownership models of sports facilities in Serbia and the restructuring process**

Sport today, in all of its sectors, represents a result of state’s investment into sports infrastructure, above all into facilities for training and competition (Tomić, 2007). The dilemma, which preoccupied experts in post-socialist period, was: which type of ownership is economically more efficient – private or state? This question has caused a century-long conflict between theory and practice even in developed countries. For now, history has ruled that private ownership is the only healthy foundation of economic life, so the systems based on state and social ownership have disappeared. Contemporary economic theory says that state and private ownership models are equally efficient if assumptions on perfect market, complete information and complete contracts are fulfilled.

A classical argument in favour of state ownership is the one about market weaknesses, i.e. the breach of the assumption on perfect competition in those branches where average costs drop, which leads to monopolies. And since monopolies are a bad thing in private ownership, then the company should be

state-owned, because it is assumed that the state has good intentions.

Although there was much talk about privatization in sport in the past decades, the attention of state bodies in charge of the preparation of regulations, attracting potential investors and wider public was mostly directed to the question of potential privatization of football stadiums and their surrounding land. The truth is that most sports centers in Serbia exist and work in form of public companies, social companies and public utility companies, so their privatization would be possible based on the Law on Privatization. However, the privatization of sports centers that would be based on the Law on Privatization would represent an utterly inappropriate model of privatization, since in that case, sports centers would be treated and privatized as all other companies engaged in industrial, production and commercial activities. (Šuput, 2009, p. 108-109).

Still, we cannot neglect the fact that their construction and maintenance were funded from budget sources, and the origin of capital and the favourable conditions under which it was generated, open room for speculative activities, which have a negative impact on the market value of sports facilities in the open market we aspire to. In the theory of sports management it is considered that capital concentration contributes to the efficiency of sport (and sports facilities), but has a negative impact on market value, and property without market value is unattractive, becomes inefficient and is therefore prone to decadence.

Besides, sports centers in Serbia serve to realize public interest in the field of sport which is embodied in the creation of technical and logistic conditions for sports activities of children, youth and other citizens who seek organized recreation. Sports centers are facilities intended for mass sport. Therefore, the privatization of sports centers should follow special rules, which would forbid a new – private owner to change the purpose of the sports facility, and enable them to keep developing and improving the existing sports centers and acquire ownership and management rights in line with the value of their ownership share.

Sports centers which exist in operate throughout Serbia in different legal and organizational forms are considered to be state and socially owned sports companies. One such social company is Sports and Recreational Center “Banjica” in Belgrade. Operating in form of public companies are “Kombank Arena”, “Ada Ciganlija”, Hippodrome Belgrade, SPENS, Sports and Cultural Center “Obrenovac”, etc. One of the companies operating as a public utility company is Public Utility Company for Organization and Maintenance of Sports Courts and Facilities “Mladost” from Pančevo. Sports Center “Novi Pazar” and many others operate in form of public institutions.

Practice has shown that state is a bad manager, and that management structure, maintenance quality, usage organization and overall efficiency of use of a sports center depend on the owner of the sports center (state, society, or private company). In cases where the state was the owner and manager of

sports centers as companies, they failed, while privately-owned sports centers developed, advanced, and operated successfully. However, even the existing private sports centers in Serbia did not get enough stimulation for development from the state, even though they are in the service industry, which is not solely commercial, but represents a socially-beneficial activity. In case of acceptance of the idea that creation of conditions for population's recreation is a socially-beneficial activity and that it stimulates the development of sport in the country and influences population's health preventively, it would be logical to tax services and income from services provided by sports center at a lower taxation rate than some other economic activities that do not have such character. Those and many other system measures would facilitate sports centers' operations in the future and provide more interest from private investors in that domain.

## **DISCUSSION**

The given comparative examples from practice lead to a conclusion that in some countries practice in the domain of ownership of sports centers and management of sports centers is different. However, regardless of a concrete country, there are certain characteristics they all have in common. So, in European countries, sports centers are mostly owned by private companies and local self-administration units (municipalities and cities), while the number of state-owned sports centers is small. State sports centers in European countries are mostly called "National Sports Center" and are used for the preparation, training and development of the country's top sportspeople. Serbia should also aspire to such practice. Sports centers intended for population's recreation are mostly owned by local self-administration units or private companies. There are also sports centers owned by certain non-profit organizations – citizens' associations, but those cases are quite rare.

Apart from the given ownership forms and methods of management of sports centers, a new model appeared in the past few years, called 3P model (Public Private Partnership). This model represents an exercise of certain affairs related to the realization of public interest by means of joint funds provided by state or local self-administration units on one side, and private companies on the other side. This model makes it possible for the state to use budget funds to construct a sports center, and to contractually grant management of the sports center to a private company which returns a part of profit to the state and keeps another part for itself, provided that it manages the sports center in a rational and efficient way. Such a contract must be public, transparent and available to everyone under equal terms, and favouring can be made solely on the grounds of expense leadership and business efficiency.

Another option in this model is that the state or municipality, and private company jointly invest funds into the construction of a sports center and jointly manage it based on a previously signed contract which defines mutual rights and obligations. Examples of such cooperation in sports center management exist in Great Britain, where municipalities partner with private companies interested in the industry.

The examples described in this paper point out that even in the economically most developed European countries, where capitalist system of doing business has long and continuous tradition, the biggest sports centers are not always privately owned. However, competitiveness within the sector stimulates their efficiency. Some circumstances should not be used as an argument by opponents of privatization in Serbia to prevent privatization of capital sports facilities, but rather serve as a warning and opportunity to the state to choose and plan well which sports facilities it will keep in its ownership, and which in mixed type, in order to have mechanisms for the stimulation of sport and adequate infrastructure for major international sports competition. Besides, before the privatization of sports facilities, whether of football stadiums or sports centers as social, public, or public utility companies, it is necessary to determine what the goal of privatization is and how privatization income will be used. It would be good to invest this income only in further construction of sports infrastructure in Serbia.

In the past 3 decades, several representative sports facilities were constructed in Serbia, in towns where population has been increasing: Belgrade Arena, Millennium Hall in Vršac, The House of Football in St. Pazova, a sports hall in Smederevo (for the needs of Universiade 2009), as well as some open and closed multi-purpose sports facilities in other towns in Serbia, using the funds from the National Investment Plan. However, there are numerous facilities that need thorough reconstruction to satisfy the criteria of international sports associations, in order to be categorized and gain rights to organize competitions of European and international type.

Privatization income realized by selling state- and socially-owned sports facilities could help at least partially solve problems with aged sports infrastructure, increase the number of sports facilities in Serbia, and make infrastructure network more adequate to the current needs of sports development. If privatization income realized by selling sports facilities would instead be used for current budget expenses (pensions, state officers' salaries, health care, military expenses...), Serbia's sports system would be in an even more difficult position, and numerous sports clubs which cannot produce commercial income (especially clubs from sports such as athletics, gymnastics, swimming, boxing, judo, etc.) would find themselves in an even worse position because they would be forced to pay full market price for use of

sports facilities, which is not the case at the moment. That way, conditions for further development of some sports would be even less favourable.

Restructuring sports facilities is an opportunity for professional sports clubs whose sportspeople are engaged in top competitive sport, to get facilities in their ownership, and for the state to use the obtained income to construct new ones, whose purpose is the realization of public interest in the field of sport and stimulation of development of so-called basic sports and school recreational sports activities. Instead of financial compensations from the budget (based on the medals won on World Championships, European Championships and Olympic Games), the state could give sportspeople ownership rights over sports facilities in form of shares. That would provide budget savings, and on the other side, sportspeople would be stimulated to increase their ownership share by purchasing shares. That would also boost their motivation and dedication to long-term development of the branches of sport in which they achieved top scores. The fact is that sports facilities have an irreplaceable role in the development of sport in all countries, and that they represent a condition without which most sports and sports disciplines cannot be organized and practiced.

In order to avoid numerous issues regarding location, construction and operation of new sports facilities, and solve problems with management and maintenance of the existing state-owned sports facilities, it is necessary not only to improve legal regulation of the status of sports facilities, but to legally regulate privatization of facilities in a way that will provide financial cost-effectiveness of sports facilities' operation and at the same time create conditions for further development of sport in Serbia.

The most significant questions related to the coming privatization in sport are:

- What is actually privatized in sport?
- Are clubs or sports associations privatized?
- Are clubs and sports associations going to be privatized as well as the property they acquired in the meantime with the state's help?
- Is privatization going to encompass all state-owned sports facilities or only those given for use to sports clubs?

Besides, the legal obligation to determine the share of social property in the existing sports organizations has not been done, which disables fair and transparent transformation/change of ownership rights in the field of sport. The confusion created in the public by the lack of a publicly announced response to the above questions and defined legal stand regarding privatization in sport, leaves room for unrealistic expectations of all those who currently manage those facilities in sports organizations.

It can be said with certainty that private interest is not more efficient for the society as well, that the private ownership form is not always a better solution, and that company status does not guarantee economic success or even sustainability to an organization.

Every sports organization is obliged to do business professionally and in a financially transparent way. Certain affairs must be conducted in every sports organization (management, financial management, public relations, security, etc.) provided that qualified professional coaches are engaged for all player categories (with compulsory junior selection), and that at the same time conditions in stadiums are improved.

Having in mind that Serbia is a country in transition and that its sports system is characterized by insufficiently developed standard market institutions in this domain, there is high demand for innovative solutions and accesses to management of sports organizations and organizations in sport (Dugalić, 2006).

State has always meddled into sport, whether to use it to promote positive social values, or to manipulate masses, which is evident in the saying “bread and circuses”. The state strives to include sport (as a significant social phenomenon, suitable to influence masses, youth, culture) into important social frameworks which will serve it for its own affirmation, and which it will be able to fully control. Precisely because of sport’s great significance for a country, the existing problems in Serbia’s sports system must be solved radically and professionally.

It can be concluded that hardly any problem can be solved without state’s intervention. The road of sports system transformation can be like those implemented in developed Western European countries. That does not mean to “copy” the examples of successful transformations, because every problem is unique and cannot be solved by universal formula, and its solution depends on social-economic and political situation in the country (Krsteska, 2013).

The reason why Serbia is behind developed sports practice is not lack of human resources in the field of sports management, but rather the fact that professionals with the best education and competencies are unable to take over professional work in sport (Dugalić, 2012). The state has to use inspection to prevent people who do not possess necessary education in line with the law to manage its valuable property and infrastructure. Another disputable matter is the role of state institutions which through the Rulebook on Nomenclature of Sports Vocations and Titles (The Official Gazette of the Republic of Serbia 52/96 and 101/05, art. 2) stimulate the acquisition of amateur titles and do not prevent professional training by organizations that do not perform such activities in line with the Law on Sport, Law on High Education and the Rulebook itself. This Rulebook is not harmonized with the Law on High Education, for example, in terms of the degree of high education (for over a



decade, Serbia has educated PhD Managers in Sport – III degree, on accredited study programs, while the rulebook adopted after the Law on Sport and the Law on High Education entered into force, envisages that the highest title is - specialist manager, which is acquired on the II degree of studies). Also, amateur titles within which the state does not conduct inspection are favoured, so these trainings are often conducted illegally (in terms of space, equipment, misuse). That is how traditional values in sport collapse; instead of enabling competent sports managers to create efficient strategies to maintain competitive advantages of the Serbian sport, and capitalize on the realized sports result in favor of sportspeople, sports organizations, the state and its citizens.

It is known that the most numerous category, after sports coaches, is the profile of professionals for administration and management in sport – sports organizations, various types of sports manifestations and competitions of all levels (Dugalić, 2013). Management in contemporary sport is a highly professional activity, which does not only imply wide knowledge of sport, but also knowledge of economic and management disciplines in sport itself and around it. That is why some academic institutions have realized and recognized on time the need to educate managers in sport. Study programs with tradition of almost 2 decades, based on the most modern global and European findings in the field of sports science, professional teaching staff (with the highest scientific titles) who realize it and the conditions in which instruction is conducted guarantee quality of future professionals in the field of management in sport, and thereby sport and society as a whole (Krsteska, 2013).

## **CONCLUSION**

Modern management in sport, sports facilities and projects, demands acquisition of knowledge, skills, abilities and competencies which are gained through professional and academic education in line with the law. Management in sport is an activity which demands multidisciplinary knowledge and professional education and specialization. What should characterize every sports manager, apart from their formal education acquired at a relevant academic institution or faculty, are reasoning skills, decision-making ability and clear insight into the issues of administration and management of sports organization and infrastructure.

Also, a modern sports manager must be capable of applying the acquired knowledge from the field of management and other sciences in given situations; to improve sport through scientific-research work: to analyze problems; be critical towards a situation; to make adequate conclusions when making decisions; to treat organization structures and managers on certain levels of the structures in a polite manner; to possess communication skills crucial for

their role as managers; to know organization and its culture, and in line with that, to perform his/her work; to be familiar with different management styles; to work on good and productive interpersonal relations in the organization; to be capable to work on administrative, technical and other similar positions in sports organizations, associations, societies, clubs, etc.

The appearance of private entrepreneurship in the field of education created possibilities for future faster and clearer definition of the space of sports managers' education, which at present has very sparse program structure. These ideas and educational contents can be considered a major step forward. However, sports trade and practice of sports management left to randomness and improvisations, in near future faces qualitative and major changes by means of establishment of a special market of sports products and services in competitive conditions. By drawing experiences from developed countries, new generations of educated sports managers in Serbia should create assumptions for the creation of more successful systems and institutions of sport, faster and more energetic transformation of sports trade into sports industry and its approaching and inclusion into global flows.

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