FINANCING SPORTS FROM THE BUDGET OF THE REPUBLIC OF SERBIA

Boban Dašić

Abstract: Sport as a free human activity focused on the development of psychophysical abilities is expressed through competition with others and the pursuit of achieving the best possible results. Sport is a category of great importance for the development and prosperity of the entire society. The level of sports involvement is the best indicator of a society’s development. The economic and other benefits that sport brings to the state require the state itself to create favorable conditions for the development of sports and, of course, to support them financially. The state does this by allocating a certain amount from the budget intended for the financing of all aspects of sports and other related segments of sports. This paper specifically analyzes the funding of sports from the budget of the Republic of Serbia. In Serbia, sports are largely financed from the budget of the Republic of Serbia, although the responsibility for funding sports also lies with Autonomous Provinces and local self-governments. The goal of this paper is to emphasize the importance of funding sports from the budget of the Republic of Serbia, as well as to promote and seek additional non-budgetary sources of funding.

Key words: Sport, economic benefits, Serbia, funding, budget.

Introduction

Sport is one of the sectors of the economy. Globalization has contributed to the development of the market-economic position of sports today, its social impact in all main directions of socio-economic and socio-political structures, indicating that it occupies an increasingly broader social space and acquires a very significant social position (Šiljak et al., 2022, 133). Currently, sport is one of the more significant social activities, primarily motivated by economic reasons and profit potential, followed by

1 Professor, PhD, Kosovo and Metohija Academy of Applied Studies, D. Obradovića, bb, Leposavić, Serbia, ORCID ID (https://orcid.org/0000-0003-1980-8707); Phone number: +381656265211, E-mail: bobandasickg@gmail.com
its positive impact on the health of individuals and society as a whole (Dašić, 2016; Dašić, 2018; Dašić et al., 2020; Rockerbie, 2021; Acquah-Sam, 2021).

According to the Constitution of the Republic of Serbia (Constitution of the Republic of Serbia), the field of sports falls under the jurisdiction of:

The Republic of Serbia, as it "regulates and ensures, among other things, the system in the field of sports (Article 97, paragraph 10),

Autonomous Provinces, as they regulate matters of provincial importance in accordance with the law, including in the field of sports (Article 183, paragraph 3), and

Municipalities, which, through their organs, in accordance with the law, take care of meeting the needs of citizens, including in the field of sports and physical culture (Article 190, paragraph 4).

Sport is defined in the Constitution of the Republic of Serbia as a category of special interest for the development and prosperity of the entire society. Its contribution is reflected in social cohesion, overcoming prejudices, increasing positive influence on public opinion, and spreading ethical and general principles transmitted through it. The right to engage in sports is a fundamental human right for all citizens (young, old, persons with disabilities) regardless of social status, religious and national affiliation, or any other preference, and its realization is guaranteed by the Republic of Serbia.

Rights and obligations of athletes and other individuals in the sports system, issues related to the legal status, organization, and registration of entrepreneurs and legal entities in the sports system, the general interest and needs of citizens in the field of sports, financing, categorization in the field of sports, the national strategy for the development of sports in the Republic of Serbia, school and university sports, and physical education for preschool children, sports facilities, organization of sports events, national recognition, and awards for a special contribution to the development and promotion of sports, record-keeping, and supervision of the work of organizations in the field of sports are regulated by the Sports Law.

In addition to legal provisions, the implementation of strategic documents in the field of sports is of great importance for creating a better, higher-quality, balanced, and consistent sports system in the Republic of Serbia. The goal is to achieve a quality sports system in which all levels of government, sports organizations, and other stakeholders directly or indirectly influencing the regulation and functioning of the entire sports system are connected (both vertically and horizontally).

To achieve the set goals in the field of sports, a quality sports financing system plays a crucial role in the Republic of Serbia. The tasks of sports financing include its financial management at all levels and all types of sports organizations. Many researchers have addressed the analysis of sports financing (de Castro et al., 2023;
Varmus et al., 2023; Moulard et al., 2022; Asványi et al., 2022; Becker et al., 2023; Hammond, 2022; Stewart, 2017; Moore, 2019; Solntsev et al., 2019).

The research (Škorić, Kodak, 2011) showed that the level of sport development (measured by the number of registered participants) depends on the level of economic development.

Given the complexity of sport and the range of social functions it serves, it is evident that all nations, regardless of their level of development (as indicated by their gross national product per capita or other indicators), face the challenge of funding sports, which calls for community involvement. This is primarily demonstrated by the fact that because of its objectives and social roles, sport, or at least some types of sport, may be viewed as public goods. Since there is a genuine risk that public goods will not be produced to a level that is socially desirable, investments in them cannot be fully entrusted to private ventures. Thus, it is necessary for the public sector to step in and guarantee that everyone has access to these kinds of services. Put another way, while ensuring that everyone has the chance to participate in sport and physical leisure is a major objective of sports organizations throughout the world, equitable opportunities and access to athletic events for everyone can only be guaranteed with the help of the public sector. Therefore, it is quite logical that public sources appear as an integral part of the sport financing system.

Financial support for sports in Serbia

The size of sports funding is a crucial determinant in positioning sports as a means of development, both socially and economically. When discussing sports financing, this encompasses funding for all forms of sports (competitive, recreational, school sports, sports for people with disabilities, etc.), as well as other segments of sports (sports infrastructure, publishing, diagnostics, etc.).

Financial support for sports plays a vital role in the overall development of athletes at both the amateur and professional levels. It is essential to provide financial assistance to athletes as it allows them to focus solely on their training and performance. Additionally, this support helps in promoting sports activities, fostering a sense of community, and creating opportunities for young athletes to excel in their chosen field.
Sports financing is most concentrated on professional team sports as they represent the most prominent and commercially lucrative forms of sports. However, sports financing is crucial for all other forms of sports organization as well (Ratković, Dašić, 2018).

Due to the significant role that sports play in a country, it is largely funded from the budget of the Republic of Serbia. The allocation of funds in the budget of the Republic of Serbia is done to achieve the general interest in the field of sports. Article 112 of the Law on Sport regulates the general interest in the field of sports.

The sports financing system in the Republic of Serbia requires the establishment of more order in this area. There are cases of various abuses, where the same project receives funds from the Republic, the Autonomous Province, and the municipality, with the justification of funds being made with the same account (http://sio.mycpanel.rs/sio.vojvodina.gov.rs/images/Dokumenta/Sport/StrategijaRazvojaSporta/11.%20Finansiranje.pdf, October 25, 2023). It is necessary to prevent overlapping in the financing of various sports projects at multiple levels of state administration.

Figure 1: Financing needs in sport

Financing of regular annual activities of sports organizations

According to Article 116 of the Law on Sport, where we have financing of regular annual activities of sports organizations, the national branch sports federation and organizations in the field of sports submit a proposal for an annual program that realizes the general interest in the field of sports to the Sports Federation of Serbia or the Olympic Committee of Serbia. The proposed program is processed and forwarded for further competence to the Commission formed by the minister of sports, consisting of representatives of the Olympic Committee of Serbia, the Sports Federation of Serbia, the Paralympic Committee of Serbia, the Institute for Sports and Sports Medicine of the Republic of Serbia, and the Ministry of Sports. Based on the proposal of this Commission, the Ministry of Sports makes a decision on the amount of approved funds for financing the regular annual program of the relevant national sports federations. The Sports Federation of Serbia, the Olympic Committee of Serbia, and the Paralympic Committee of Serbia submit their annual program proposal directly to the Ministry of Sports.

Every year, the Ministry of Sports makes a decision on the amount of approved funds for the regular annual programs of the relevant national sports federations, the Olympic Committee of Serbia, the Paralympic Committee of Serbia, and the Sports Federation of Serbia, funded from the budget of the Republic of Serbia for a specific year.

Table 1: Approved funds for regular annual programs of relevant national sports federations, the Olympic Committee of Serbia, the Paralympic Committee of Serbia, and the Sports Federation of Serbia, funded from the budget of the Republic of Serbia, in billions of dinars, 2021-2023.

<table>
<thead>
<tr>
<th>No.</th>
<th>Organization</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Olympic Committee of Serbia</td>
<td>280</td>
<td>290</td>
<td>260</td>
</tr>
<tr>
<td>2.</td>
<td>Paralympic Committee of Serbia</td>
<td>60</td>
<td>90</td>
<td>86</td>
</tr>
<tr>
<td>3.</td>
<td>Sports Association of Serbia</td>
<td>150</td>
<td>160</td>
<td>150</td>
</tr>
<tr>
<td>4.</td>
<td>Basketball Association of Serbia</td>
<td>117</td>
<td>127</td>
<td>129</td>
</tr>
<tr>
<td>5.</td>
<td>Volleyball Federation of Serbia</td>
<td>113</td>
<td>121</td>
<td>123</td>
</tr>
<tr>
<td>6.</td>
<td>Water Polo Association of Serbia</td>
<td>100</td>
<td>110</td>
<td>111,2</td>
</tr>
<tr>
<td>7.</td>
<td>Handball Federation of Serbia</td>
<td>65</td>
<td>79</td>
<td>81</td>
</tr>
<tr>
<td>8.</td>
<td>Tennis Association of Serbia</td>
<td>72</td>
<td>75</td>
<td>76</td>
</tr>
<tr>
<td>9.</td>
<td>Football Association of Serbia</td>
<td>57</td>
<td>65</td>
<td>66</td>
</tr>
<tr>
<td>10.</td>
<td>Serbian Athletics Federation</td>
<td>57</td>
<td>62</td>
<td>63,5</td>
</tr>
<tr>
<td>11.</td>
<td>Association for School Sports of Serbia</td>
<td>55</td>
<td>61</td>
<td>61</td>
</tr>
<tr>
<td>12.</td>
<td>Kayak Association of Serbia</td>
<td>55</td>
<td>57</td>
<td>58</td>
</tr>
<tr>
<td>13.</td>
<td>The others</td>
<td>767</td>
<td>978</td>
<td>967</td>
</tr>
<tr>
<td></td>
<td>In total</td>
<td>1.948</td>
<td>2.275</td>
<td>2.231</td>
</tr>
</tbody>
</table>

Looking at the total amount of approved funds for regular annual programs of all relevant sports organizations over the years, it is noted that in 2022 (2.275 billion dinars), there was a 15% increase in sports allocation compared to 2021 (1.948 billion dinars). In 2023 (2.231 billion dinars), there is a nearly 2% decrease compared to 2022 (2.275 billion dinars).

Out of a total of 85 sports organizations, 12 listed in Table 1 have a higher share in the amount of approved funds for regular annual programs than all other sports organizations, namely associations, listed in the decisions. In 2023, the percentage in favor of these 12 sports organizations compared to others in the total approved funds is 76%:24%. In 2022, this ratio was 75%:25%, while in 2021, it was 65%:35%.

The Olympic Committee of Serbia leads in the amount of approved funds for regular annual programs. This amount ranges from 280 billion dinars in 2021 to 290 billion dinars in 2022 and 260 billion dinars in 2023. The decrease in 2023 compared to 2022 is about 10%.

The Sports Federation of Serbia is immediately behind the Olympic Committee of Serbia in the amount of approved funds for regular annual programs, with amounts of 150 billion dinars in 2021, 160 billion dinars in 2022, and 150 billion dinars in 2023.

The Paralympic Committee of Serbia is in third place in the amount of approved funds for regular annual programs, with amounts ranging from 60 billion dinars in 2021 to 90 billion dinars in 2022 and 86 billion dinars in 2023. Interestingly, in 2022, there is an increase in the amount of approved funds compared to 2021 for the Olympic Committee of Serbia, the Sports Federation of Serbia, and the Paralympic Committee of Serbia, while in 2023, there is a decrease in the amount of approved funds for all three sports organizations.

As for national sports federations, in 2023, the Basketball Federation of Serbia has the highest approved funds (129 billion dinars). It is followed by the Volleyball Federation of Serbia (123 billion dinars), Water Polo Federation of Serbia (111.2 billion dinars), Handball Federation of Serbia (81 billion dinars), Tennis Federation of Serbia (76 billion dinars), Football Association of Serbia (66 billion dinars), Serbian Athletics Federation (63.5 billion dinars), School Sports Federation of Serbia (61 billion dinars), and Canoe Federation of Serbia (58 billion dinars). All other federations, associations, associations, and organizations in the field of sports receive a smaller amount of approved funds, less than 50 billion dinars. The least amount of approved funds for regular annual programs in 2023 is for the Skateboarding Federation of Serbia (400,000 dinars), Darts Federation of Serbia (550,000 dinars), and Cricket Federation of Serbia (550,000 dinars).
Financing of international and national competitions of significance to the Republic of Serbia

In the context of financing international and national competitions of significance to the Republic of Serbia, Article 116, paragraphs 1 and 2, of the Law on Sport (Sports Law) stipulates that the national branch sports federation submits a proposal for an annual program aimed at realizing the general interest in the field of sports related to international and national competitions of interest to the Republic of Serbia, the Sports Association of Serbia, or the Olympic Committee of Serbia. This proposal is reviewed and forwarded to the competent Commission established by the Minister of Sport through a decision. The Commission is composed of representatives from the Olympic Committee of Serbia, the Sports Association of Serbia, the Paralympic Committee of Serbia, the Institute for Sports and Sports Medicine of the Republic of Serbia, and the Ministry of Sport. Based on this proposal, the Commission makes recommendations, and the Ministry of Sport issues a decision to finance the annual program of the national branch sports federation related to international and national competitions of significance to the Republic of Serbia.

Table 2: Approved funding amounts for programs of international competitions financed from the budget of the Republic of Serbia, in millions of dinars, 2021-2023.

<table>
<thead>
<tr>
<th>Year</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>In total</td>
<td>220</td>
<td>220</td>
<td>150</td>
</tr>
</tbody>
</table>

Source: Decision of the Ministry of Sport number 451-02-34/2022-01 dated December 29, 2022 (for the year 2023); Decision of the Ministry of Sport number 451-02-940/2021-03 dated December 30, 2021 (for the year 2022); Decision of the Ministry of Sport number 451-02-1971/2020-03 dated December 29, 2020 (for the year 2021).

The approved funding for international competition programs remains the same for 2021 and 2022 (at 220 million dinars each), while a decrease of over 30% is observed in 2023 (150 million dinars). The difference in the approved funding between 2022 and 2023 is attributed to the number of activity holders. In 2022, there were 46 activity holders, whereas in 2023, the number decreased to 35. In 2021, there were 34 activity holders, a lower number than in 2022 and 2023. However, the disparity is due to the competition of the School Sport Association of Serbia at the ISF World School Game U15-Serbia 2021, for which 75 million dinars were allocated. In 2022, the highest amount of funding (12 million dinars) was approved for the Rafting Association of Serbia for the European Cup Organization.

In 2023, three sports activity holders received funding exceeding 10 million dinars:

- Water Polo Association of Serbia for the Champions League Final Tournament in water polo (20 million dinars);
Swimming Association of Serbia for the European Junior Swimming Championship 2023 (15 million dinars); and

Synchronized Swimming Association of Serbia for the LEN European Youth Artistic Swimming Championships 2023 (10 million dinars).

The remaining 32 activity holders have approved funding for international competition programs below 10 million dinars. The least funding was allocated to the Skating Association of Serbia for the Aple Adria Trophy – Serbia Open 2023 (200 thousand dinars).

Financing of sports camps:

Based on Article 116, paragraph 3, of the Law on Sport, the relevant national branch sports federation submits a proposal for an annual program aimed at realizing the general interest in the field of sports related to the organization of sports camps for promising athletes of interest to the Republic of Serbia. Upon the proposal of the Commission, formed by the Minister of Sport and composed of representatives from the Olympic Committee of Serbia, the Sports Association of Serbia, the Paralympic Committee of Serbia, the Institute for Sports and Sports Medicine of the Republic of Serbia, and the Ministry of Sport, the Ministry of Sport issues a decision to finance the annual program of sports camps for promising athletes of interest to the Republic of Serbia.

Table 3: Approved funding amounts for sports camp programs financed from the budget of the Republic of Serbia, in millions of dinars, 2021-2023.

<table>
<thead>
<tr>
<th>Year</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>In total</td>
<td>50</td>
<td>50</td>
<td>50</td>
</tr>
</tbody>
</table>

Source: Decision of the Ministry of Sport number 451-02-35/2022-01 dated December 29, 2022 (for the year 2023); Decision of the Ministry of Sport number 451-02-941/2021-03 dated December 30, 2021 (for the year 2022); Decision of the Ministry of Sport number 451-02-1972/2020-03 dated December 29, 2020 (for the year 2021).

From the provided table, it is noticeable that the approved funding for sports camp programs remains constant for the years 2021, 2022, and 2023 (50 million dinars). In 2021, the Water Polo Association of Serbia has the highest approved funding for financing sports camps (4.75 million dinars). In 2022, there is an increase in approved funding (5.5 million dinars), while 2023 is characterized by a decrease in approved funding for sports camp programs by over 30% (3.7 million dinars).

Conclusion

The financing of sports at the level of the Republic of Serbia is primarily carried out from the budget of the Republic of Serbia, under the conditions and criteria outlined in the Law on Sport. The financing of the general interest in the field of sports in the
Republic of Serbia, as prescribed by Article 116 of the mentioned law, is done by the competent national branch sports federation submitting a proposal for an annual program that realizes the general interest in the field of sports related to: financing regular annual activities of sports organizations, financing international and national competitions of importance for the Republic of Serbia, and organizing sports camps for promising athletes that are of interest to the Republic of Serbia. The analysis has determined that there is a slight decrease in approved funds for the financing of regular annual activities of sports organizations in 2023 compared to 2022. In 2023, there is a 30% decrease in approved funds for financing international and national competitions of importance for the Republic of Serbia compared to 2022 and 2021. The amount of approved funds for the organization of sports camps for promising athletes of interest to the Republic of Serbia has not changed over the last three years (50 million dinars).

Conflicts of interes
t
The authors declare no conflict of interest

References


