

**HNS IS IN AN OFFSIDE POSITION,  
WILL THE FLAG GO UP?**

Policy brief

# THE CROATIAN FOOTBALL FEDERATION IS IN AN OFFSIDE POSITION, WILL THE FLAG GO UP?

## INTRODUCTION

While football business thrives unstoppably at the highest levels we would like to point out to the consequences of bad management which has brought Croatian football to the edge, and the leading men of the Croatian Football Federation ignore this fact in a systematic manner, or fail to notice it due to their own incompetence. Behind the qualification of the Croatian national team to the World Championship lies non-transparency, bad conditions, corrupted referee organization, absence of strategy and failure to include the stakeholders in the functioning of the Federation.

Football as a social activity attracting enormous interest results in a permanent focus on the events taking place in it. A large number of stakeholders follows football and participates in it on a daily basis which shows its importance within the public domains of sport and the country as a whole. After an analysis of the functioning of the football federation we have come to a revelation that the people leading it are not guided by the principle of good sports management. By pointing out the issues, we have placed them on the agenda once again, but we have also created recommendations which we would like to communicate to the decision makers with the aim of creating a more just, open, and inclusive football, adjusted to the needs of its stakeholders, instead of narrow interest groups. Moreover, we have discovered that the system functions in an extremely vertical way, ignoring horizontal influences which would provide it with a different perspective of the general status, precisely the one it constantly ignores.

## ENTERING THE OFFSIDE POSITION

We would like to stratify the issues in the management of HNS through the implementation of the Sports Act, which is both a means and a prerequisite for introducing order in football, and through two connected problems. The problems consist in lack of order and systematicity in the Federation, as well as the non-respect and failure to include the stakeholders and their needs which never seem to become part of the agenda.

Amendments to the Sports Act were brought in August 2015. HNS refused to implement the said modifications deeming that they did not refer to the Federation, which revealed a clear lack of power by the government institutions which needed to ensure the rule of law at the time, and not allow an establishment of a parallel system<sup>1</sup>. The most emphasized amendments in the Sports Act are:

- 1) A person who has committed an offense in sports cannot organize and conduct sports competitions or participate in the work of the assembly or perform any sports activity.
- 2) Article 24 of the Sports Act amends the manner of forming the Assembly for those sports federations which have at least 50 percent of professional clubs in the highest ranks of the competition.
- 3) Legal persons in the sports system are obliged to publicly display annual financial reports in accordance with the provisions of this Act and the special regulations that govern the area of financial operations and accounting.<sup>2</sup>

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1 <https://www.zakon.hr/z/300/Zakon-o-sportu>

2 <http://www.nogometplus.net/index.php/naslovna/od-danas-na-snazi-novi-zakon-o-sportu/>

The non-functioning of the system itself, as well as the relationship to the stakeholders stems from the failure to comply with the legislative framework. Despite the adoption of the Act, there has been no progress whatsoever in football.

The inner problems of the Federation affect the situation in football which requires a reform of the Federation. The reform should address a series of problems the Federation has, such as:

- Absence of strategy
- Lack of ethics
- Absence of care for the stakeholders and their involvement
- Lack of democracy
- Inequality
- Bad management
- Inequality of stakeholders
- Inadequacy of the legal-regulatory system
- Lack of responsibility and transparency

We would like to point out to some of the mentioned issues and the consequences of the failure to resolve them:

**a) Lack of a developed strategy/lack of a strategic management**

The only document of HNS containing strategic elements is the Statute<sup>3</sup> which on the other hand is too general to serve as a ground for action. Without a strategy it is impossible to set criteria and create concrete operational planning documents upon which development would be based, and which would be possible to monitor and evaluate in line with transparency principles. We think that football is adrift since there is no available action plan, as corroborated by the research performed by the Transparency International in 2015<sup>4</sup>. Some of the most important consequences of the absence of strategy are the unsuitable sports infrastructure, lack of investment in professional staff, lack of involvement of the supporters in the Federation's functioning. Most of other existing problems which are merely a product of an *accidental* Federation lay within the problem of the non-existent strategy.

**b) Non- transparency**

The issue is evident from a number of aspects: e.g. rather sketchy financial reports<sup>5</sup> which provoke controversy among the general public. Moreover, the decisions of arbitrary bodies are not made public, which affects the perception of the Federation. An example lies in the scandal called Fair refereeing "*Pošteno suđenje*", where the referees had been convicted by a final judgment, and the Federation has not carried out an internal inquiry, or has not published it, which speaks enough for the issue of non-transparency. In addition to this, it is important to underline the non-transparent distribution of the public money reaching HNS via the county Federations. The stakeholders are never consulted on any decisions adopted by the Federation.

**c) Not politically independent which leaves harmful effects on football**

Even though politics should be operatively separate from sports offering merely a legislative framework, football as an extremely popular and lucrative sport attracts politics at management levels. Politics should ensure that football develops independently without any harmful effects. When the structure of persons employed in county federations, as well as the Executive Committee of HNS is examined, it becomes evident that the members of *HDZ* (Croatian Democratic Party) dominate it. Eight out of eleven members

3 <http://hns-cff.hr/files/documents/118/Statut%2005.06.%202017.pdf>

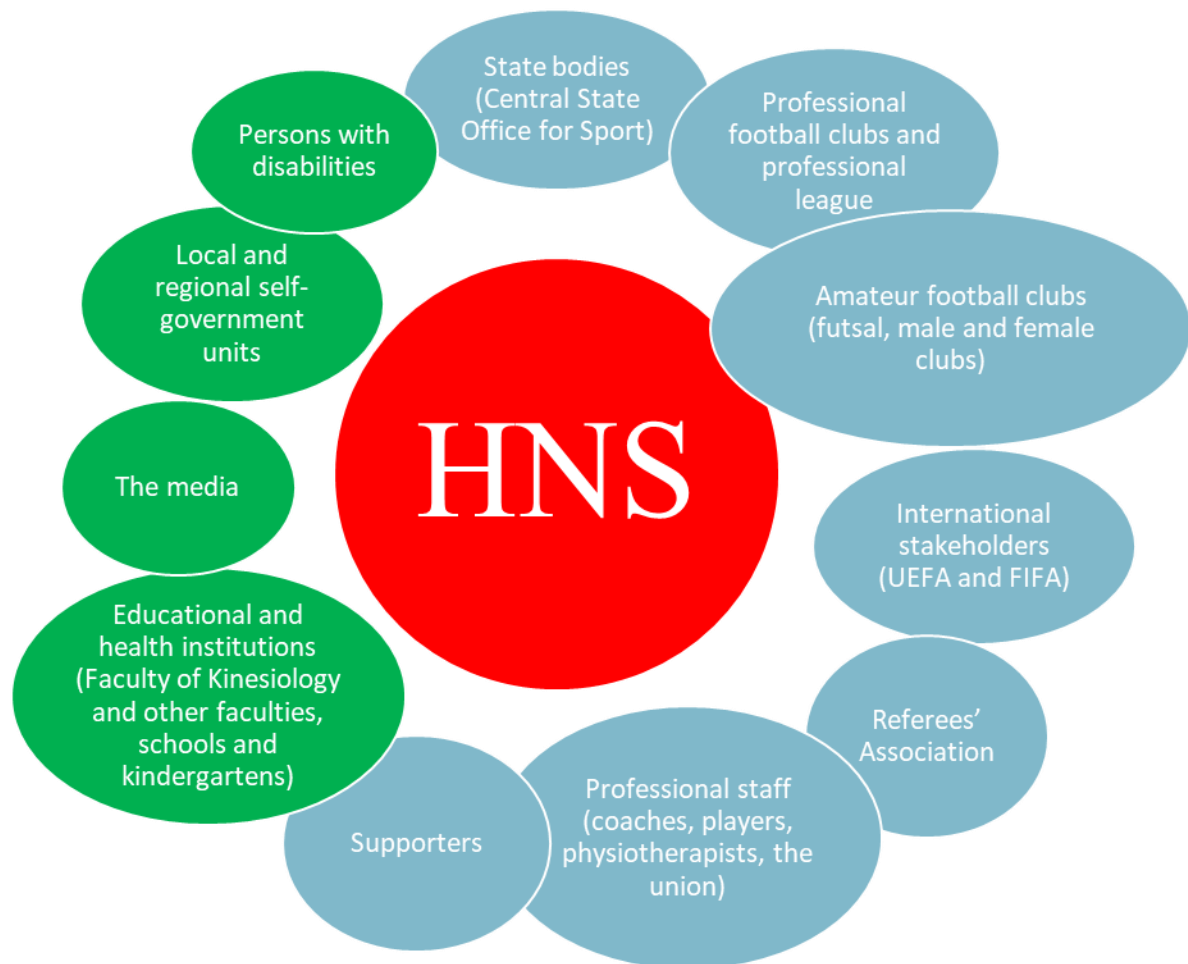
4 [http://issuu.com/transparencyinternational/docs/2015\\_footballgovernanceleaguetable\\_?e=2496456/31444500](http://issuu.com/transparencyinternational/docs/2015_footballgovernanceleaguetable_?e=2496456/31444500)

5 <http://hns-cff.hr/files/documents/12213/Financijski%20izvje%C5%A1taj%20za%202016.%20godinu.pdf>

of the Executive Committee are the members of *HDZ* and perform functions at county level<sup>6</sup> which is highly indicative in the context of managing Croatian football.

Another issue of the Federation lies in its relation towards the stakeholders which are of key importance for the development of football in line with the recommendations given by the European Commission, and which are to be included in the process and their needs met, following good management principles<sup>7</sup>.

The stakeholders in the Croatian football are represented by: the Croatian Football Federation, government institutions (Central state office for sports, professional football clubs and the professional league, amateur clubs, international stakeholders (UEFA and FIFA), referee organization, professional staff in football, supporters, educational and science institutions, media, regional and local governments and disabled persons.



One of the large problems of the Federation is its vertical management and non-involvement of the above-mentioned stakeholders into its functioning which leads to failure to meet their needs. The involvement of the stakeholders was necessary during drawing up of the Statute, proposition modifications (6 to 8 foreigners), TV rights for broadcasting football, name modification of the Croatian First Football League, choice of locations and

<sup>6</sup> <https://gol.dnevnik.hr/clanak/nogomet/hdz-drma-hrvatskim-nogometnim-savezom-a-danas-suti-zasto---497399.html>  
<sup>7</sup> [http://ec.europa.eu/assets/eac/sport/library/policy\\_documents/xg-gg-201307-dlvrbl2-sept2013.pdf](http://ec.europa.eu/assets/eac/sport/library/policy_documents/xg-gg-201307-dlvrbl2-sept2013.pdf)

partners for construction of camps and other fields etc. Since there is no strategic management the requirements of the stakeholders like the ones listed below are not taken into consideration:

- 1) Sports infrastructure is of key importance for the functioning of core business and ensures the quality of a competition. At an amateur level the problem lies in lack of football fields and pertaining infrastructure which would allow for development of football in small local communities.
- 2) The second element consists in non-investing into professional staff, resulting in a small number of coaches of good quality. The players also make part of the football staff, and since registered as self-employed persons<sup>8</sup>, they often face financial difficulties, as is pointed out by the Football Syndicate.
- 3) The supporter, as a stakeholder who is an actor and end-user at the same time, should be in focus, and due to his systematic neglecting, we have come to a situation where the 17<sup>th</sup> round of the 1<sup>st</sup> Croatian Football League was visited by 11,743 viewers during 5 matches, 86% out of which visited the match between Hajduk and Osijek<sup>9</sup>.

## RAISING THE FLAG

From the analysis of the issue it is evident that HNS needs a thorough reform at all levels, therefore we would like to give our recommendations on the grounds of which the development of football in Croatia should be based.

The basic prerequisite is the respect of laws governing the frameworks within which the Federation should develop. This implies respect of amendments to the Sports Act, because no other institution should be allowed to become a *state within a state*.

Harmful effects of the politic influence on football should be separated through the Act's implementation, thus allowing for the influence of politics on the operative decisions in football to be completely stopped. In order for the change to take place the state authorities have to demonstrate their political will through a consistent law enforcement and removal of harmful effects caused by their own actions. The people do not trust the persons in charge of football management because they were involved in a series of scandals.<sup>10</sup> With the aim of reducing this issue it is necessary to ensure greater transparency. This can be done through detailed financial reports, public displays of decisions brought by arbitrary bodies, adoption of Ethical code and a better cooperation with the media on unbiased reporting on the Federation's activities.

After ensuring independence and integrity within the Federation it is of key importance to set a strategy, implement it operatively in the functioning of the Federation, and to monitor and measure its efficiency in a transparent manner. The example of Germany shows that it is useful to study the examples of the good practice and to implement it with the help of consultants. The management of the Federation has always been very vertical, by involving different actors it would cover a much larger network of people and enable progress<sup>11</sup>.

One of the responses to the **stakeholders'** needs is investing in sports infrastructure. There are three possible ways of investing. The first one consists in HNS investing money from their own programs into infrastructure, depending on the strategy. The second response is withdrawal of funds from the Hattrick<sup>12</sup> fund which finances infrastructure

8 <https://www.porezna-uprava.hr/obrtnici/Stranice/Slobodna-zanimanja.aspx>

9 <https://www.facebook.com/hajducki.proizvodi/photos/a.687576254770016.1073741839.220039504857029/723235607870747/?type=3&theater>

10 <https://sportske.jutarnji.hr/nogomet/hnl/afeta-offside-15-orici-ukupno-123-mjeseca-zatvora-moraju-vratiti-i-165.000-eura/4317753/>

<https://www.jutarnji.hr/vijesti/hrvatska/suker-zao-mi-je-nisam-znao-da-zlatnici-toliko-vrijede...-sudac-jos-se-sjecam-sto-ste-napravili-nijemcima-1998/1723503/>

11 Petek, Ana (2008) Policy mreže i proučavanje javnih politika – nedostaci i prednosti, Politička misao, Vol. XLV, br. 2, str. 55–72

12 <http://www.uefa.com/insideuefa/football-development/hattrick/index.html>

renewal, and the third one is the use of financial resources from the EU funds<sup>13</sup> which enable construction of sports infrastructure in smaller local communities.

Investing in the professional staff would make way for an expansion of football and working with children in a quality manner<sup>14</sup>. Financing from the Federation should be redistributed and decentralised in order to realise the potentials of the Croatian football. The players, as part of professional staff, should be protected by their clubs which should guarantee for payment of their salaries. It might also be necessary to remove the football players from the list of self-employed professionals which pay for their own contributions until the financial situation is stabilised.

The stakeholders who follow football and participate in it and are its **supporters**. They need to be involved in the processes within the Croatian Football Federation following the European example, and the associations **Supporters direct Europe (SD Europe)** and **Football supporters Europe (FSE)** which have a role in shaping the policies of UEFA.

By non-implementing these recommendations the Croatian football enters yet a new circle of ignoring, self-sufficiency, confirming it is a closed system, unsustainable in the long run, which will give in sooner or later, under the pressure of national and international stakeholders. The stakeholders have been criticizing the *camping* of the Federation *in an offside position*, and everyone seems to be waiting for the state to *raise the flag* so that we can start setting up *new tactics* together for the sake of a better and fairer football.

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13 <https://www.vecernji.hr/sport/hajduk-je-pokrenuo-incipiativu-gradnje-nogomentih-objekata-u-dalmaciji-bespovratnim-sredstvima-iz-fondova-eu-1144864>

14 <https://www.theguardian.com/football/2015/sep/05/germany-football-team-youth-development-to-world-cup-win-2014>

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