

UDC 339.187.6:355.61

Review paper

Received: -

Accepted: November 18, 2021.

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EFFECTIVENESS OF THE PROCESS OF CONVERSION OF NON - PROSPECTIVE MILITARY PROPERTY

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Abstract: *On the territory of European countries, there is a large number of unpromising facilities that were once used by the army. Part of the state management strives to carry out the process of conversion of these facilities for civilian needs as successfully as possible, with adequate compensation. The conversion of former military property is a very complex process that depends on many different factors. The very concept of attracting significant investments in this way, which should again contribute to the development of both local communities and the states themselves, has so far not fully resulted in the fulfillment of this development role. Conversion processes have become time-consuming, so that a large number of objects is getting delapidated and certainly loses part of their value, which makes the whole concept meaningless. Even in developed countries, where Germany stands out, the process of conversion of military property has lasted for over twenty years. The aim of this research is to provide a model for undertaking more expedient actions in the conversion of military property, based on foreign as well as one's own experience.*

Keywords: *expediency, conversion, military facilities, unpromising military assets, conversion model.*

INTRODUCTION

The process of conversion of military property is designed so that unnecessary and unpromising military property is advertised as such, and then offered to local communities and other stakeholders to meet the needs and interests of that community or third party, in order to be used in the most efficient way. In most cases the owner of this property is the state.

The process of conversion of the military sector includes several different, although interconnected, processes. In a general sense, we can find different uses of the concept itself, starting from the approach which by conversion implies the process of transformation of the defense industry from a military-oriented market to a civilian market and production. It goes further to an approach that seeks to encompass the transformation of all types of military resources to those in which the concept is used in the broadest possible sense and which includes all kinds of consequences of the reduction of military resources on society.

1. THE PROCESS OF CONVERSION OF NON-PROSPECTIVE MILITARY PROPERTY IN GERMANY

From 1990 onwards, it can be said that Europe has gone through a fundamental transformation of the military. The completed processes of disarmament and transformation arose as a consequence of the end of the confrontation between East and West, which arose during the Second World War in 1945, and which ended with the reunification of Germany in 1990. Only some figures, which we will present here, describe the scale of these processes of military disarmament in Germany. Namely, between 1989 and 1995, observing the number of soldiers stationed in Germany, it was reduced from 1.4 million to 0.5 million, and through further phases of reorganization that number was reduced to 185,000 soldiers, while the number of civilian workers reduced from 75,000 to 55,000 people. (Bundesministerium für Verkehr, Bau und Stadtentwicklung, 2013) As a further result of that process, the area used exclusively by the army fell in that period from 9,680 km² to 6,400 km². (Bundesministerium für Verkehr, Bau und Stadtentwicklung, 2013) Since 2011, with the decision of the Federal Minister of Defense of Germany, the latest phase of the reorganization of the German army has begun, which has led to an even more significant reduction of military facilities. It should be emphasized that this is, among other things, a consequence of the continued withdrawal of allied visiting forces from Germany. All this speaks in favor of the fact that the needs of the army for certain facilities and infrastructure have been significantly reduced. According to estimates, at that time, there were about 150 properties with different purposes, which were not needed by the army (Bundesministerium für Verkehr, Bau und Stadtentwicklung, 2013):

- about 50 barracks,
- approximately 60 service or ancillary facilities and service buildings and
- about 40 other facilities (including warehouses, airports, military training grounds, etc.).

Estimates at the time predicted that by 2020, military property covering more than 37,000 hectares would be declared unpromising for military use. (Bundesministerium für Verkehr, Bau und Stadtentwicklung, 2013)

In the process of conversion, which, as we have seen, has been going on since the beginning of the 1990s, the local authorities faced numerous challenges for the reconstruction of military facilities, which remained vacant and made available to them for civilian use. For the first time, in practice, local authorities encountered the conversion of military property, so their citizens as well as investors had a great need for information and advice regarding this process. This is supported by a large response and active participation in information events, congresses, meetings at the federal level, conversion conferences and the like. As a result, a high level of social

interest in the process of conversion of military property has been achieved, which in practice will prove to be a key moment for the success of that process.

Observed in recent times, the conversion process in Germany is facing a changed macroeconomic and demographic situation, as well as changed administrative conditions. These changes are particularly pronounced in the following areas: real estate market development, the state of municipal and local budgets, the possibility of financing certain projects arising from the conversion process as well as changes in regulations in the field of urban and spatial planning. (Bundesministerium für Verkehr, Bau und Stadtentwicklung, 2013).

In short, military assets that are becoming unpromising, especially in recent times, are largely located in structurally weak regions, so the upcoming conversion process is a huge challenge for local authorities. When it comes to the state of local budgets, the fact is that an increasing number are in the so-called. acute condition so that in these municipalities it may be subject to restrictions, ie that almost no investments will be possible. Funding opportunities have also been narrowed due to significant financial constraints, but the federal government and the provinces are also working together to provide funds for urban development to support projects related to the conversion of military property. When it comes to urban, ie spatial planning, in the last ten years there have been several changes and additions to the so-called the Building Code, some of which are relevant to the conversion. Also, in the field of climate protection, certain changes have occurred that can significantly affect the course and outcome of the conversion process. (Bundesministerium für Verkehr, Bau und Stadtentwicklung, 2013)

The described dependence on urban planning and cost estimation shows the necessity of systematization of these costs and planning of their financing. So, one of the first steps is to review the costs and financing in order to assess the profitability of a particular project. Profitability is discussed when the development of a certain area can be financed by itself, ie. when the costs of development and dismantling, remediation of contaminated sites and other are covered by the income from those assets. Profitable conversion projects are present in high-demand locations. If the conversion is classified as cost-effective, city subsidies for construction can be used, as well as other state support programs. There are basically two different models of conversion financing:

- Financing models for profitable projects: when profitable conversion projects expect development by third parties. Thus, the property is sold to the investor and he is bound to the goals of urban development through land use plans and urban development contracts. It is possible to achieve added value by hiring external experts to assess the market value factor and it as such belongs to the investor or is divided proportionally depending on how it is regulated

by the sales contract. In case the municipality or municipal enterprise develops property, then the profit from the project is used to finance public infrastructure projects. If urban objectives have not been achieved or the public interest cannot be ensured, the possibility of using the instruments of a special urban construction law should be considered.

- Models of financing non-profit projects: where profitability is not expected, there are in principle similar options for action, namely that regardless of whether the development of property is carried out by private individuals or companies or by the municipality itself, financing such a project can be non-cash if the appropriate purpose of the area is defined and if that area is included in the program. For the private sector, there is a possibility of tax relief as financial assistance. (Bundesministerium für Verkehr, Bau und Stadtentwicklung, 2013)

Almost throughout the whole process of conversion of military property in Germany, significant transparency was provided, which, in our opinion, among other factors, significantly influenced the success of the process. A 1997 study by the Bonn Institute for Conversion (BICC), based on an analysis of the process of 30 conversion projects in Germany, sought to identify and group some of the most commonly observed factors that had positive, neutral and negative impacts on the entire conversion process. The researchers divided these factors into three categories depending on the manipulative possibilities. Default factors that we cannot influence, and which have proven important for the success of the conversion, include geographical location, economic condition of the region, history of military use and size of space, and fine location factors such as landscape values, cultural offer and the like. Semi-variable factors that we can influence, but only with significant financial expenditures, include the condition in which the constructed facilities are located, the equipment and the condition of the infrastructure, and the level of pollution. Variable factors include factors that depend entirely on the activities of the participants in the conversion. They concern the issues of project management and organization of the conversion process, which includes work on coordination of various participants (public and private sector, national and local authorities, etc.), then issues of planning and development of space (development concepts, zoning, removal of administrative barriers, etc.), then financial mechanisms that will enable investments in the renovation or conversion of space, and finally advertising and gaining the attention of investors and involving the public in the processes of conversion. (Kardov, 2014)

The importance of the conversion of military property in Germany can be seen, above all, by giving the opportunity to civilian structures to use the real estate and infrastructure of the army, which has greatly accelerated urban and regional development. This fact is supported by the concrete results visible from the reports

of the provinces, as well as the analytical assessment of selected aspects of the conversion. Military conversion projects, starting in the 1990s, have launched a large number of urban development projects in German cities as well as a wide range of innovation processes. One of the conclusions, derived from practice, is that the processes and projects of military conversion require intensive basic research. This is especially related to certain types of terrain, ie land used by the military. Therefore, only a thorough examination of a certain location (eg building, infrastructure, pollution or contamination of the place, the existence of residual munitions, etc.) and its results, indicate the existence of a certain perspective for the use of that location for civilian purposes. (Kardov, 2014)

2. THE PROCESS OF CONVERSION OF SURPLUS MILITARY PROPERTY IN SLOVENIA

The process of converting military property in Slovenia began in very unfavorable conditions. During 1992, the Ministry of Defense began to form a register of military real estate, practically from scratch. A collection of YNA real estate from 1964 and 1981 was used, which described the total area by individual location. The archival documentation was later supplemented with available cadastral plans, title deeds and data collected in the field by the then Territorial Defense and the Defense Administration. In such a situation, there were cases when the administrative records of military real estate did not match the real situation, while the technical data for certain military facilities in the records were almost meaningless. As a consequence of the inconsistency of real estate records with the actual situation, major problems arise, especially land registers, and thus the land cadastre. The harmonization of real estate records with the real situation and their modernization are important factors in Slovenia, ie for its entry into the international real estate market. According to the Ministry of Defense, 5,616 hectares of military real estate and approximately 2,000 different buildings became the property of the Slovenian state at the time of gaining independence. According to the purpose of military facilities, viewed superficially, Slovenia inherited 524 hectares of barracks from the Yugoslav army; 736 acres of warehouse; 539 hectares of airport with ancillary facilities; 111 acres of shooting range; 2370 hectares of training ground; 953 hectares of shooting ranges with training grounds and 110 border facilities. The rest are accompanying facilities such as garages, workshops, pumping stations, air defense facilities and positions, communication facilities, administrative and summer facilities, hospitals and health resorts, YNA centers, land, transformers, catchments and bunkers. (Smolnikar, 2001)

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from 1964 and 1981 was used, which described the total area by individual location. The archival documentation was later supplemented with available cadastral plans, possession sheets and data collected in the field by the then Territorial Defense and the Defense Administration. In such a situation, there have been cases of administrative records changes.

We have already pointed out that at the beginning of this process, Slovenia encountered many problems, especially in the area of property relations and real estate registration. However, in the further course of the process, there have been significant changes, both in the regulation of this area and in its implementation in the process of sale or conversion of military facilities.

Thus, the Ministry of Defense was authorized to "replace or sell individual military real estate that is not permanently intended for defense or protection purposes, provided that it provides real estate or premises that will be used for defense or protection purposes." Replacement and sale of military real estate is performed according to the procedure applied to the sale, ie replacement of state property. (Government of the Republic of Slovenia, 1995, 1999, 2010, 2012)

One of the examples of unregulated property relations is the military complex "Korea", which is located in the municipality of Brežice, which is a slum in Slovenska vas, right next to the border with Croatia, built by the Yugoslav army during the Korean War and for the Repair Institute. The Ministry of Defense of Slovenia could not simply demolish the military "architecture", because the owners of the land on which "Korea" is located are mostly Croatian citizens. (Smolnikar, 2001)

On the other hand, there are numerous examples of successfully converted military property. The Slovenian Ministry of Defense, for example. "JNA centers" in luxury locations in Maribor and Tolmin were handed over to the municipalities, and on the basis of "exchange agreements" they received land in other locations. The barracks, some of which were built in the time of Austro-Hungary, were emptied and above-standard residential and business buildings were built on their plots, the price of which per square meter broke the previous "dream limit". The "Ljube Sercera" barracks in Ljubljana was among the first to be razed to the ground. The Ministry of Foreign Affairs took over "Mladika", a former military hospital in Ljubljana, and turned it into a central building of the new state administration and diplomacy with lucrative architectural interventions. (Smolnikar, 2001)

The thing that can be considered a positive side of the conversion process in Slovenia, is the functioning of the real estate service in the Ministry of Defense, which cares not only about the past and present, but also about the future of that area. As a result of such work, the Ministry of Defense sent two documents to the government entitled: Records of Long-Term Necessary Assets and Records of Long-Term Unnecessary Assets. (Republika Slovenija, Predlagam Vladi, 2011) In the long run,

this meant that by 2010 the business assets needed (military real estate and ownership) by the Armed Forces of Slovenia, the Ministry of Defense, the Defense Administration and the Protection and Rescue Administration would be precisely defined and delineated for long-term use.

According to such a division, there are 166 military locations recorded as the long-needed assets, and slightly less than 300 in the records of unnecessary assets. (Smolnikar, 2001).

Thus, it was already obvious that the number of military locations in Slovenia would be significantly reduced in the future, which primarily depends on the reorganization of the Slovenian Army or the defense system. During that time, the Ministry of Defense manages 18 barracks, and their number will be further reduced in the future. The Slovenian army also plans to reduce regional centers, but on the other hand plans to build new ones. Some new construction projects have already been made and are in line with NATO standards. As for the future of military locations on Slovenian territory, it should not be overlooked that the former military airport in Cerklje was handed over for civilian use.

With the entry into force of the Law on the Public Real Estate Fund of the Republic of Slovenia, certain real estates of the Ministry of Defense, including military apartments, were transferred to the management of the Public Real Estate Fund, which enabled economical management of real estate.

The sale of state-owned real estate is possible after determining the value of the real estate based on the assessment of the value of the real estate. The assessment will take into account the valuation standards adopted by the International Valuation Standards Board.

Therefore, the process of conversion of military property in Slovenia began in extremely unfavorable circumstances, but they have changed over time and, observed through practice, there have been many successful steps and moves. However, as in most former republics, the conversion process has not been brought to an end because of the wide range of circumstances that make it difficult.

3. THE PROCESS OF CONVERSION OF SURPLUS MILITARY PROPERTY IN CROATIA

The conversion of military facilities in Croatia began in 1992. The first cycle covered the period from 1992 to 1994, when most real estate was transferred to other bodies, with 1992 being the year with the most transfers of former military real estate. From 1995 to 2000, the process slowed down with a significantly lower number of transfers (according to some documents of the Ministry of Defense, there were 22 properties in this period). (Kardov, 2014).

The second major cycle of conversion of military real estate in Croatia takes place after 2000 and lasts with varying intensity until today. Only after 2000 can we see early attempts to structure the whole process and establish the first institutional arrangements and organizational models. Since 2000, significant reform processes have begun within the defense system, covering all sectors, including the asset management sector, where more intensive work on real estate inventory, bookkeeping and other reforms has begun. It is a time of intensive work on the process of joining NATO, which gave a significant impetus to the implementation of various reform measures, including the development of the first strategic and planning documents. (Kardov, 2014)

During the last twenty years, the Ministry of Defense has used various data on the number of real estate it manages, and the final number was determined only in 2013, with work on the introduction of an integrated system of state property management. The Ministry of Defense then, by combining various records, established that 976 properties were under management, of which 358 were handed over to state bodies responsible for the management of state property, 101 properties in the period from September 1992 to December 1999, and 257 properties from January 2000 to the end of 2013. Of the remaining number, the Ministry of Defense defined 226 properties as promising for defense purposes, while 392 properties were defined as unpromising, which are planned to be transferred to the management of the State Office for State Property Management (data from the Ministry of Defense from 2013). (Kardov, 2014).

The Strategic Defense Review, adopted in 2005, clearly defined strategic and reform guidelines for the first time. The document expresses the need to leave urban areas, the overall reduction of the number of military facilities, their unification and rationalization of use, and establishes the basic categories of military real estate: prospective, temporary, non-perspective and those that need to be acquired. (Kardov, 2014)

Based on that classification, the Ministry of Defense decided to keep 203 of the 336 military facilities.

On the other hand, in the civil sphere, significant changes in institutional relations in the field of state property management are also taking place in this period. The State Property Office, which was established in 1998 and was abolished in 1999, was re-established in 2000. That body was replaced in 2004 by a new Central State Office for State Property Management. In addition to this institution, there was at the same time the Privatization Fund and the Government Commission for Property Management (composed of representatives of the Government and state secretaries), which made decisions depending on the value of the state property in question.

In such an institutional configuration of various civilian bodies that made decisions on the transfer of the right to manage and use or change the ownership, ie privatization of former military real estate, the competencies were never fully clarified. The whole process was non-transparent, which opened the door to political influences and political clientelism, and which was shown in the later period. At the end of 2011, the State Office for State Property Management (DUUDI) was established as a body with the function of strategic management and coordination of state property management. Thus, that body takes over the independent responsibility of managing former military real estate after being released from the defense system. (Kardov, 2014)

Obviously, the whole process of conversion of military facilities in Croatia took place in the circumstances of insufficiently developed system of state property management, unclear institutional competencies of civilian bodies in charge of state property management and generally insufficiently transparent and coordinated action. The entire system of conversion of former military real estate was organized around the issue of transfer of management, and not around the wider problem of conversion.

Unsystematic emptying and handing over of military real estate, and then transfer of it to other bodies and end users, were guided primarily by short-term goals of budget savings on real estate maintenance, ie transferring these costs to other bodies, either state property management bodies or local communities to which real estate was mostly handed over for use or ownership. Also, there were no control mechanisms in the whole process, and evaluations and analyzes of the actual use and compliance with the grant agreement and the transfer of management or ownership rights were not conducted. (Kardov, 2014)

Since many military locations are located in underdeveloped areas affected by the war, the Croatian state must take into account several factors and not exclusively military ones. Closure of bases can have serious consequences in such regions. Perhaps a partnership with one of the international development agencies could be beneficial. Certain programs and projects of the European Union offer funds for the conversion of military bases for agricultural purposes, which requires ecological development of seedlings and ecological agricultural production, with the obligation to raise seedlings for the one who takes over the location.

Perhaps these programs and projects will ensure the employment of more people, which is certainly the general goal of the society. (Ilic, 2013)

It is up to the Ministry of State Property to promote non-perspective military real estate as a driver of development of local and regional self-government units, with an emphasis on the model of disposing of building rights, leasing or renting, as well as allocating them for use. Unpromising military real estate is a variety of former

military real estate (barracks, airports, shooting ranges, villas, training grounds, ports, warehouses, training grounds, monuments, shelters, business premises, garages and garage spaces, tunnels, underground shelters, etc.) available to the Ministry of State Property and which are given to that Ministry for management and disposal by the Ministry of Defense. (Croatian Parliament, 2019)

The subjects of unpromising military real estate are still mostly formed on the basis of requests from local and regional self-government units and legal and natural persons, who are required to obtain a certain type of disposal from the Ministry of State Property with regard to certain unpromising military real estate. In the previous period, an increased number of requests from local and regional self-government units and legal and natural persons was evident, according to all regulations envisaged by disposal models. The most common forms of disposing of unpromising military real estate are allocation for permanent use, donation, leasing and sale in accordance with the provisions of the Law on State Property Management. (Croatian Parliament, 2019).

For a large number of subjects, ie a large number of non-perspective military property facilities available to the Ministry of State Property and given to it for management and disposal (by the end of April 2018, according to the Ministry of Defense, 458 unpromising military real estate was taken over as well as 3,300 business premises, garages and garage spaces) complex legal procedures are carried out in order to bring non-perspective military property into a state of property-legal, spatial-planning and functional-market capacity. (Croatian Parliament, 2019).

It should be emphasized that so far no system of adequate implementation has been established which, after the adoption of spatial plans and spatial acts, would immediately announce public tenders for collecting bids for the implementation of the project by establishing building rights.

4. THE PROCESS OF CONVERSION OF SURPLUS MILITARY PROPERTY IN SERBIA

The master plan for the disposal of real estate on the territory of the Republic of Serbia consists of military real estate that is not necessary for the functioning of the Serbian Army and is intended for alienation by the conclusions of the Government of the Republic of Serbia.

Real estate offered as surplus military property can be used in terms of their commercial use, but also for the purpose of their conversion and use for the whole community (as cultural institutions, school and university centers, etc.), depending on the nature and location of the facility, but also depending on the perceived needs of the local community. (Imamovic, Pajic, 2019).

We can state that the Master Plan was adopted with the primary goal of supporting the reform of the defense system, improving the material position of employees in the Ministry of Defense and the Serbian Army. So, initially, no further goals have been set in terms of contributing to the general development of the social community. The sale of real estate in Serbia, and thus military property, in the period from 2008 until today takes place mainly in unfavorable conditions, having in mind, above all, the socio-economic, financial, political and demographic climate. (Imamovic, 2016)

The thing that is important for our further considerations is that obviously we should keep in mind the experiences and positive examples of other countries, primarily Germany, where the importance and contribution of conversion to both urban and local and regional development is elaborated and explained in detail. When it comes to experiences, what is indicative of a large number of countries is the early involvement of a large number of direct and indirect participants. (Imamovic, 2016)

By looking at and analyzing the Master Plan, it is evident that non-perspective military facilities are located throughout Serbia and that they represent an exceptional potential in terms of possibilities for their future purpose and use. Large complexes are generally well preserved in central locations and there is often debate as to how these abandoned facilities could be used. (Dimitrijevic-Miskovic et al. 2012)

The key moment in the realization of the process of conversion of surplus military property in the Republic of Serbia is the realization of concrete projects that will contribute to a better process of rehabilitation of these facilities, certain reconstruction programs and development plans for future investments in all regions of our country. (Imamovic, Pajic, 2019).

One of such projects is the FATE (From Army to Entrepreneurship) project, which is co-financed by the EU and implemented by the SMER Regional Center from Subotica, within the SEE Program. The aim of the project is to develop, implement and disseminate concrete strategies and operational plans for strengthening and diversifying urban and regional economies, by transforming military assets into production structures. So, it is about the possibilities of the Subotica barracks, and SMER is the leading partner from Serbia in the implementation of this project, in cooperation with the main partner from the Friuli Venezia Julia region, and other regions and regional agencies that had experience in restructuring military property: Murska Sobota (Slovenia), Kavala (Greece), Zala district (Hungary), etc. Thus, a business plan will be made in Subotica for institutions supporting entrepreneurship in the rehabilitated former military facility. The project is funded by the European Union budget. (Kovacevic, 2010)

Who and in what way participates in the procedure of selling military property?

1. Ministry of Defense - decides which facilities will be sold, submits the necessary documentation, announces a tender for the sale and forms a commission that evaluates the received bids (if it is a case of selling the facility through a tender);
2. Republic Directorate for Property - manages the sale process;
3. Tax Administration - estimates the value of the facility, which must then be approved by the Ministry of Defense;
4. Government of the Republic of Serbia - approves the proposal of the best offer if it is a matter of selling the facility through a tender;
5. Local self-government - participates in case it is the buyer of military property. (Dimitrijevic-Miskovic et al. 2012).

Data on the success of the process of conversion of military property in our country so far show the following: from about 400 unpromising or unnecessary military complexes (barracks, warehouses and other military real estate), from the adoption of the Master Plan, ie beginning of the process in 2006 to date, just under a hundred have been sold. By selling unpromising military property, the state earned around 180 million euros in money, apartments and other real estate in that period, which is significantly less than expected. Such a modest effect of the sale of surpluses, as well as low interest in the market, but also high costs, forced the Ministry of Defense to once again review the list of unnecessary assets and after analysis make a list of "facilities without a buyer", which will be returned to the Republic Property Directorate. . When the Directorate sells state-owned property, it first offers the facilities at the estimated price, and then it drops to 80 percent of the estimated value. Potential buyers are waiting for the last, third round of sales, because then, in accordance with the Law on Public Property, real estate can be bought for 60 percent of the value.

By analyzing the structure of facilities (68 properties that are not necessary for the functioning of the Serbian Army), which the state offered for sale in the spring of 2020, we see that a large part of them are in underdeveloped areas - municipalities, that the area of these facilities ranges from several tens of meters square (business premises and garages) up to tens of hectares of total area, as well as the initial purchase prices of these facilities - space range from several tens of thousands of euros (business premises) to 922,905.12 euros as required for the military complex in Sremcica.

Individually, regardless of a number of successful projects of conversion of military property (barracks July 4 - now residential area Stepa Stepanovic; barracks Jakub Kuburovic in Zemun, barracks Jugovicevo in Novi Sad; on the former military land in Subotica, an industrial zone has sprung up) - Serbia has not achieved the long-term goal of this process for the reasons already mentioned.

If we talk about the perspectives of this process, they lie in the possibility that the National Alliance for Local Economic Development (NALED), the Ministry of Defense and all other relevant factors will intensify work in this area which will be aimed at simplifying procedures for conversion of military assets. at about 1.5 billion dinars. (Imamovic, Pajic, 2019) New technologies, innovations and human capital - these are the parameters that will in the future separate the successful from the unsuccessful, both at the level of the whole society and at the level of each individual. Significant positive effects that every country, including Serbia, could have from such a course of development include accelerated economic growth that strives for stable and sustainable growth due to the paradigm: global initiative and potential - regional cooperation and development. (Krmopot, Gajdobranski, 2019).

Based on previous experiences of both domestic and foreign, the possibilities of transferring the facilities for use to other interested parties (non-governmental organizations, non-profit organizations, citizens' associations, etc.) should be considered until an offer for sale appears. This is exactly how the long-term deterioration and devaluation of these facilities would be prevented. This, in essence, means a different approach of all sales entities, because the compensation received for the facilities must not be a priority goal. We have seen that setting ambitious goals by the Ministry of Defense (sales for profit and financial support to the process of reforming the defense system or the army) is difficult to achieve. Therefore, it would be useful to give "decaying objects" for use to those who have the idea and knowledge of how to revive them and use them for something purposeful. The practice of converting military facilities, warehouses, factory halls and other abandoned buildings into social and cultural centers is a reality and a need of the community.

Creative resources have taken the place of production structures. Now the future of economic growth is being intensively sought and found in the creative sector. (Krmopot, Gajdobranski, 2019).

The value of unused buildings will be preserved by changing their purpose and by investing in their adaptation. (Dimitrijevic-Miskovic et al. 2012)

Thus, the state of Serbia would save multimillion amounts that are spent every year on basic maintenance and provision of those facilities, and that money would be redirected to the renovation of promising barracks and facilities, that is those that can be better used. Otherwise, we have seen that hundreds of thousands of square meters of abandoned barracks and other military facilities are collapsing and losing their value, and the opportunity is growing.

Among the experiences on which the process can be built in our country, the following are also significant: the process of closing military bases in South Africa and the Brandenburgische Boden in East Germany. In addition, the existence of the Bonn International Center for Conversion (BICC) should be noted, which is an

independent, non-profit organization dedicated to promoting peace and development through the efficient and sustainable transformation of former military assets. BICC implements projects of international development institutions (GIZ, KfW Development Bank, EUROPEAID and UNDP), and its advisory services include physical studies, trainings and expert workshops. (Imamovic, Pajic, 2019).

To this end we have the recommendations provided by Conversion Handbook for the Baltic Sea Region - Project Development of a Central/Eastern European Conversion Network (CONVERNET) according to the following hierarchy (Kardov, 2014):

1. it is necessary to develop cooperation between civil and military authorities in order to solve problems related to documenting previous use, arranging various documentation and preserving space,
2. Early planning is important, if possible before the departure of the army,
3. fast transfer to local authorities,
4. protection of the area from uncontrolled devastation,
5. building a local culture of mutual understanding and trust,
6. public participation in the planning and development of conversion concepts because public involvement in the development of models and visions for future use increases the acceptance of conversion plans,
7. in cases of lack of own capacities, it is necessary to rely on external expertise (eg development agencies with experience in conversion processes can effectively manage complex conversion processes, as well as mobilize private capital),
8. partial conversions can serve as temporary measures and are a good way to avoid long-term stagnation, which is often the result of large initial projects that later prove unmanageable,
9. Conversion is more successful in urban areas where there is a greater demand for infrastructure, housing resources and construction land (eg larger cities can generally benefit from the departure of the military because they are generally less dependent on military presence and have greater absorption power),
10. Cross-border and interregional cooperation can help certain places and regions to change the previous position of peripheral border areas, as well as various European funds can serve as significant sources of assistance (although there are no specific funding lines for conversion of former military premises, plan within other programs such as environmental protection programs, preservation of cultural and historical values, urban regeneration, reduction of regional and social inequalities, etc.).

A number of interesting projects refer to abandoned barracks, so it turned out that the commercialization of military property is extremely suitable for brownfield projects. Similar projects have been done in Croatia and have already been implemented in Rijeka and Zadar. In Rijeka, the barracks area has been converted into a university and recreation center, and in Zadar into a tourist and recreational area. (Đorđević, 2007)

Since a significant number of municipalities in Serbia have "recognized the potential" for the use of unpromising military property in the process of local economic development, it is necessary to provide them with additional support in this process. Support is manifested in the following: institutional support to the Standing Conference of Towns and Municipalities (SCTM) in the process of negotiations with the competent ministry and other state institutions; institutional support in building the capacity of municipalities with the aim of their creditworthiness and providing funds for the financing of these projects, as well as institutional support to municipalities for capacity building for the establishment of private-public partnerships. We should be improving communication between the Ministry of Defense and other line ministries - SCTM - municipalities in order to implement individual projects of regional importance. (Damjanovic, 2008)

Project implementation includes both the strategic and operational level of the partnership. Partnerships have been established between regions, cities and municipalities at the strategic level, but also there is cooperation and partnerships between regional development agencies, regional SME development centers and consulting companies at the operational level.

Activities during the project include analysis of the economic and entrepreneurial environment, mapping and assessment of military assets, and definition and application of transformation models and conversion of former military assets. Feasibility studies and pilot activities define the path for establishing strategies for entrepreneurship development and investment encouragement, and for determining operational plans and investment projects for the rehabilitation and transformation of military assets into business support centers or incubators. The results focus on the transfer of methodologies, the adoption of programs and recommendations for the reconstruction of military assets, urban planning, as well as the creation of business support centers with high technological and management standards. (Imamovic, Pajic, 2019).

The tools, developed during the project implementation, were applied to 8 specific cases of rehabilitation of abandoned military property in the regions involved in the project. The general goal of the project was economic growth and diversification of the economy, through the establishment of specific measures for the conversion of military assets into Business Incubators or Business Support

Centers in the region, which should contribute to promoting entrepreneurship and creating innovative companies that should be the main driver of the local economy. (Imamovic, Pajic, 2019)

Transformation and rehabilitation of military property is a priority for regional and local authorities. Subotica is the first city in Serbia that has successfully resolved the issue of conversion of military property and land, and today it has two million square meters of attractive construction land.

Table 1 analyzes some models of military property conversion in selected countries, as well as their positive and negative sides.

Table 1 Comparative analysis and possibilities of individual conversion models

Country	Advantages the applied model	Negative sides of the applied model	Perspectives and opportunities
Germany	High level of social interest in the process; Military conversion projects have initiated a large number of urban development projects in German cities; The state or public agencies invest in that property		The model should be adapted to changes in the macroeconomic and demographic spheres, as well as changes in administrative conditions
Slovenia	Forming records of necessary and unnecessary facilities in the long run; Certain Mo properties (including military apartments) have been transferred to the management of the Public Real Estate Fund, enabling economical management of real estate	Problems in the field of property relations and real estate registration	With clearly defined plans and a good strategy, depending on the next reorganization of the Slovenian Army or defense system, we can be ready to see an additional reduction in the number of military facilities, but on the other hand, the planned construction of new ones as well
Croatia	Precise classification of military facilities; Ongoing analysis of the management of unpromising military assets by the highest authorities	Poor systematization of procedures and procedures related to the conversion of military facilities and bases; Lack of coordination between the bodies or organs that should jointly implement the process; Limited conversion and conversion of military facilities;	Access to European Union programs and projects that offer funds for the conversion of military bases for agricultural purposes is provided, which is a great chance for facilities that have not been sold or repurposed.

		Lack of institutional and centralized approach to the process by responsible ministries and state agencies	
Serbia	Master plan which includes all military real estate that is not necessary for the functioning of the Serbian Army; the right of pre-emption that applies to local governments	Complex procedure of transfer and sale of military property; Of the 531 complexes, whose estimated value is over a billion euros, only about seventy facilities have been taken over	With the simplification of procedures, as well as more active participation of all relevant factors, the process should be innovated and intensified.

(Note: table created by the authors according to available data)

CONCLUSION

Conversion, commissioning, development and use of military facilities offer a range of opportunities for the general benefit of society and the local economy, which cannot be measured by profits alone. Therefore, the approaches of all countries that are in the process of conversion of military property must be constantly adapted to changes in society (macroeconomic, demographic, administrative, etc.). Only in this way it is possible to ensure that the conversion process follows the development of the real estate market, the state of local budgets, the possibility of financing certain projects arising from the conversion process, reducing opportunity costs and changes in regulations in the field of urban and spatial planning.

Promoting examples of best practices that local governments throughout Serbia would follow is one of the key indicators and in which direction this process should go. Renewed public spaces can completely change the image of cities and municipalities and promote economic and social development and minimize missed opportunities. Innovatively revitalized former military locations are becoming interesting, giving synergy, which is manifested, among other things, through new investments and job creation. For this reason, more work should be done with cities and municipalities in order to achieve greater efficiency, which would also result in faster commercialization of military assets.

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