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LEGAL FRAMEWORK FOR TOURISM: NECESSITY OR NECESSARY EVIL

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Abstract

Tourism consists of activities related to travel, hospitality and entertainment that are partly determined by state regulations. The purpose of this paper is to a) explore the existing legal framework for tourism; b) to present a critical view of private tourism sector on the state's regulation. The research was carried out in 2017. Data were obtained a) from relevant secondary sources (laws, bylaws, EU directives, websites, articles, books) and b) from in-depth semi-structured interviews. We utilize an approach of a mixed-method research design. First, we conducted a review on existing regulations for running tourism business in Slovenia. We supported our findings with empirical data, obtained by interviewing eight representatives of private tourism entities and two state representatives, responsible for tourism. In the results, we presented the legislation framework for running tourism business and highlight some challenges on practical application of legal framework in tourism sector. This research adds a new dimension to tourism research. It contributes to better knowledge and understanding of the influence of Slovenian legislation on running tourism business.

Keywords: tourism, regulation, legal framework.

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Introduction

The motives for preparing this paper lied in the following events in Slovenia in 2016 and 2017 in the area of tourism. Firstly, there was the discussion on the new tourism strategy that was finally adopted in October 2017. Secondly, the key regulation on tourism – the Promotion of Tourism Development Act (hereinafter: ZSRT) has been in the process of change. Thirdly, there was a debate running on the the need for the legal arrangement of short-term accommodation for tourism activities – the Airbnb case. And fourthly, a new classification of hotels in accordance with the present European practice (Hotelstars model) was

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in process of implementation. Those events have an influence on tourism in different ways with varying intensity. However, all above mentioned events have a common issue – they relate directly or indirectly to the impact of regulation on tourism.

The research gives answers to the following questions: a) which areas or activities in tourism are determined by regulations (we focus on tourism-specific regulations), and b) how private tourism entities assess state influence on running their business.

First, we present the theoretical framework of research and the methodological approach of data collection and processing. In results section, we highlight the essential characteristics of the key regulations in the field of tourism and present their effects on running tourism business. Some challenges and limitations related to research are pointed out at the end of the paper.

Theoretical background: law and tourism

Law is defined as "a set of value-based norms with which the state authority regulates those (predominantly) external behaviours and actions of entities which are so conflicting in nature and so important to the social community and its fundamental values that they must be regulated in a legal way, and their disrespect sanctioned" (Korže, 2014: p. 19).

We talk about law only when the set of legal rules as a whole is effective and largely implemented in social practice (Bohinc et al., 2006). In addition to the force of the state, the effectiveness of law is conditioned by its rationality, the actual need for regulation, the conviction of legal regulations, and their usefulness. When judging the effectiveness of the law, the sense and purpose of it have to be considered; furthermore, the relation to the social values, the issues of justice, the coherence between morality and the customs of a society cannot be ignored (Korže, 2014).

The legal system consists of all regulations in particular state at certain period of time (Jerman and Vidic, 2012). Regulations, e. g. the Constitution, laws, by-laws etc., are adopted by the state bodies: the parliament, the government and the ministries (Bohinc et al., 2006). By including Slovenia in the EU, the general rules adopted by the European Parliament and the Council have become an integral part of the legal system of the state, as well.

Constant changes in modern societies create new social relationships. Some of them become so important that they need to be regulated by law, particularly if they relate public and private sphere. As promoting the development of tourism is in public interest (ZSRT, 2004 and on), tourism is regulated by the state as well.

Tourism is the fastest growing economic sector in the world. With a 4 % yearly growth for the last seven years it has overcome the yearly rise of world's GDP in the same period. It represents 10 % of world's GDP, 30 % of the service exports, provides one of ten jobs and has several positive economic and non-economic effects on development in particular countries and society as a whole (UNWTO, 2017). Tourism is not a privilege of the few any more, but a »basic need of modern society« (Yeoman, 2008: p. 19).

Hall and Lew (2009: p. 5) state that »tourism is more easily imagined than defined«. Authors believe that the complexity of the phenomenon is frequently blurred with the mentality of the majority of people, who link tourism only with travel in spare time and vacations. However, tourism can be explained from a number of scientific and technical points of view depending on the research context, purpose and application. Until 1980, researchers of tourism focused only on its economic dimensions. Later, other scientific fields contributed their share in the study of tourism: sociology, ethnology, anthropology, geography, psychology, history and philosophy (Weber, 2009). Thus, it is difficult to put down a definition of tourism, which would satisfy the expectations of all researchers (Burns, 1999).

For our research purpose, we define tourism as a sector¹. We follow researchers who see in tourism a mass phenomenon with a variety of economic activities (Cerović, 2010; Hall and Lew, 2009). Among those activities, the following are the most common: passenger transport, organised travel (hereinafter: OT), tourist accommodation (hereinafter: TAC), food and beverage services (hereinafter: F&B), destinations, etc. In accordance with Lebe et al. (2009), tourism is as a synonym for those activities.

Methodology

The research was conducted from March to November 2017 in Slovenia. The methods of data collection and processing have been adapted to the research goals. Data were obtained from primary and secondary sources.

¹ The standard classification of activities in Slovenia (SKD) does not include the separate field of "tourism".

Secondary sources of data were the following:

- Valid regulations and other relevant materials of the regulator in the field of tourism – they were obtained from the websites of the Ministry of economics, development and technology of the Republic of Slovenia (hereinafter: MGRT), from the Law-information system in the RS, from the Official Gazette of the Republic of Slovenia and from the websites of the Ministry of Tourism of the Republic of Croatia;
- Statements of academics and practitioners on state bureaucracy – they were selected from published interviews in relevant daily press (Delo, Svet kapitala, Finance).

Data from secondary sources were analysed using different methods according to the nature of the data and the purpose of their presentation: selection, description, comparison, content analysis.

Data from *primary sources* were collected using ten in-depth semi-structured interviews conducted from July to October 2017. We interviewed two representatives of the state, responsible for tourism, and eight representatives of private tourism business. The representatives of tourism private sector were all established tourism entrepreneurs: four of them from the field of tourism accommodation, two from organised travel and two from food and beverage services. The interviews were carried out by the author of this research. An interview tool was a reminder with pre-set open-pit questions.

Representatives of the state, responsible for tourism, were asked the following questions:

- What are the Ministry's guidelines on (de)regulation of tourism?
- What are the responses of tourism private entities regarding regulation / deregulation of certain tourism fields?

The representatives of the providers of tourism services answered the following questions:

- Do general regulations (on the organization and operation of companies, labour and tax regulations) restrict the business of tourism companies and if they do, how?
- How do existing tourism-specific regulations govern the business of tourism companies (whether or not restrictive)?
- What could have been changed in order to make regulations more stimulating for tourism business?

The statements of the interviewees were recorded in writing. Qualitative data collected in semi-structured interviews were analysed through

interpretation, comparing features and differences. Some interesting statements are presented in the verbatim form (or paraphrased). Anonymity of participating in interviews is granted by using a tag I (initial for Interviewee) and the number (1, 2, 3 etc.), with exception to the state representatives which allowed to use their names. The maskulin form is used in text for female and male participants.

Results

Results of the study are presented in two parts. In the first part, we present the legal framework for tourism, in the second the critical view of tourism sector on the state's regulation.

Legal framework for tourism

Modes of regulation of tourism in the EU member countries differ; how and in what way depends on several factors: namely, the importance and development of tourism in the country, its internal administrative-territorial organization, the legal system, etc. In most countries, collaboration is established between the institution responsible for tourism at the national level, with other departments, with the economy and associations (Draft on new ZSRT, 2016).

The majority of EU member states define tourism as an activity of public interest. Thus, the states are usually involved in: designing and marketing of tourist offer, promoting tourism, visitor information delivery, financing local levels of tourism with public funds, linking local levels with the private sector etc. In Austria, for example, tourism at the state level is not regulated by a special law, but only at the regional and local levels. Italy regulates the field of tourism with the national law, but it limited itself to basic principles and to tourism policy. The latter provides a legal basis for regulating the marketing of tourism and areas governing consumer protection (ibid.). In Croatia, contrary to Italy, tourism is precisely regulated by several laws and by-laws: Law on Tourist Communities and Promotion of Croatian Tourism, Law on the Provision of Services in Tourism, Tourist Tax Act, Catering Act etc. (Ministarstvo turizma, n. d.). There are differences among countries in regulating organisation and selling the tourist packages (organised travel – OT), and in conditions regarding tourist guidance. Some states require a license, a kind of assurance for the financial ability of economic entity or an individual to perform OT, proof of professional competence, knowledge of foreign languages, etc. (e. g. some federal states in Austria, in Italy, in Croatia). In some other countries, these areas are deregulated (ibid).

We divide the legal framework for tourism in Slovenia in two parts:

- *General¹ regulations applicable to public entities responsible for tourism private economic entities with tourism activities* (public entities responsible for tourism /Government, MGRT, Slovenia Tourism Board – STO and Local tourism boards/ are organized and operate according to general rules of public law; they are not subjects to this study);
- *Regulations on key tourism activities; we named them tourism-specific regulations (legal sector framework).*

A review of regulations referred to running tourism business shows the following results.

Firstly, all tourist companies in private sector have to apply and run business in consistence to general regulations on:

- Corporate status of companies – Companies act (ZGD-1, 2009 and on) and other related regulations (e.g. on compulsory settlement, on accounting etc.);
- Employment – Employment relationship Act (ZDR-1, 2013 and on) and other work-related legislation (e.g. on the labour market, on illegal work etc);
- Taxation – Corporate Income Tax Act (ZDDPO-2, 2005 and on) and other tax-related regulations;
- Contracts – Obligations Code (OZ, 2007 and on);
- Consumer protection – Consumer Protection Act (2004 and on);
- Protection of environment – Environmental Protection Act (2006 and on);
- Fire protection – Fire Protection Act (ZVPoz, 2011 and on);
- etc.

In addition, tourist companies have to follow several other regulations – depending on the content of their activities, e. g. on:

- Smoking ban – Restriction on the Use of Tobacco and Related Product Act (ZOUPTI, 2017);
- Alcohol sales – Restriction on the Use of Alcohol Act (ZOPA, 2013 and on);
- Public gatherings – Public Gathering Act (ZJZ-UPB5, 2011);
- Health and food hygiene – Act Regulating the Sanitary Suitability of Foodstuff, Products and Materials Coming into Contact with Foodstuffs (ZZUZIS, 2000 and on), HACCP – Hazard Analysis

¹ We use this term exclusively for the purpose of this paper. Otherwise, in legal terminology, the term "general regulations" is more widely used.

- on Critical Control Points (Regulation, 2004) and other hygiene of food regulations;
- Copyright protection (music) – Copyright and Related Rights Act (ZASP, 2007 and on);
- etc.

Thirdly, two the most important tourism-specific regulations (sector regulations) are Promotion of Tourism Development Act – ZSRT (2004 and on) and Hospitality Industry act (ZGos, 2007 and on).

The key tourism-specific regulation in the state is the Promotion of Tourism Development Act (ZSRT, 2004 and on). Its first version was passed in 1998; there were some minor changes to the original text in the subsequent years. At the end of 2016, MGRT prepared a draft of a new version, which is still in the phase of public debate. ZSRT is the source of four by-laws that help to implement some of its rules (e. g. on permissions / licences).

The summary of the content of the ZSRT is presented in Table 1. We present separately: a) the rules of public character and b) the administrative rules applicable to private economic entities.

For private economic entities, ZSRT (2004 and on) prescribes a) *the conditions* that must be met by the organizer of organized travel (OT) and their sellers, as well as b) *the manner of insuring the responsibility* for fulfilling the deal. Both, the organizer of OT or the seller must obtain permit from the state to run this activity, a *license*. Tourist guides and accompanying persons (with this type of regulation they both have the status of a regulated profession) have to *obtain a permit* for their job, too. However, the obligation to obtain a permit for carrying out sports activities as tourist activities was abolished in 2017 (ZŠpo-1, 2017).

Table 1: Contents of regulation of ZSRT

Regulation	The rules of public character	The administrative rules for economic entities
ZSRT	<ul style="list-style-type: none"> • planning and implementation of policies (strategy and measures) promoting the development of tourism - long-term objectives; • the way tourism policy is implemented at national level (government implementing document) – short-term objectives; • planning, organizing and implementing the policy of promoting the development of tourism at the level of the tourist area (municipalities). 	<ul style="list-style-type: none"> • conditions for carrying out the activities of organizing and selling an organised travel – OT (definition of OT arrangement, activity of organizing and selling OT, conditions for obtaining a license for the organization and sale of OT, guarantees and insurance); • obligation to provide tourist guidance and monitoring (tourist guide / companion, conditions for obtaining a license, register).
By-laws	<ul style="list-style-type: none"> • Regulation on development incentives for tourism (Uredba 1, 2006 and on). • Rules on the method and procedure for acquiring a license to perform activities of organization and sale of tourism arrangements, and on the content and method of keeping the register of linceces granted (Pravilnik 1, 2005). • Rules on procedure for obtaining the status of a public interestactor for promotion of promotion of tourism (Pravilnik 2, 2004). • Rules on related conditions, criteria and procedure for conferring the public reputation for administrative tasks in the field of tourism (Pravilnik 3, 2008). 	

Source: ZSRT (2004 and on)

The second key regulation in tourism is Hospitality Industry act (2007 and on) (hereinafter: ZGos). Act does not specifically prescribe special permissions (licenses) for various hospitality activities. However, it determines what economic activities hospitality consist of: tourist accommodation (TAC) and food and beverage (F&B) and the types of hospitality units (e. g. hotels, private rooms and apartments, campsites, restaurants, guest houses, bars etc.).

By-laws, adopted on the basis of ZGos, define technical conditions for F&B and TAC activities: each premise for running hospitality business must be classified into a specific type and meet at least the minimum technical and service conditions. In particular, special features apply to TAC, which must be classified according to adequate quality level and entered into the public register.

Table 2: Regulations in ZGos

Regulation	The rules of public character	The administrative rules for business entities
ZGos	<ul style="list-style-type: none"> • definition of hospitality (preparation and serving F&B, TAC); 	<ul style="list-style-type: none"> • who can perform hospitality business (legal entities, associations, if they are registered for this activity, including farmers and owners); • the categories of F&B and accommodation providers; • conditions for F&B and tourist accommodation facilities and services (minimum technical conditions, accommodation categorization, food safety and occupational health); • time of daily operation; • register of accommodation (subscription and deletion).
By-laws	<ul style="list-style-type: none"> • Rules on minimum technical requirements and minimum extent of services with regard to carrying out the activity of hotels and restaurants (Pravilnik 4, 2017). • Rules on criteria for determining operating hours of hotels and restaurants and farms at which the activity of hotels and restaurant is carried out (Pravilnik 5, 1999 and on). • Rules on categorization of the accommodation facilities (Pravilnik 6, 2008 and on). • Rules on the method of registration of landlords in the Slovenian Business Register (Pravilnik 7, 2007). • Rules on the accommodation facilities register (Pravilnik 8, 2016). • Rules on check-ins and check-outs of guests (Pravilnik 9, 2017). • Rules on price indication for goods and services (Pravilnik 10, 1999 and on). 	

Source: ZGos (2007 and on)

Several other laws regulate various activities, which are related to tourism, but, due to their role and importance of area itself, they are not treated tourist-specific regulations. However, those activities are gradually becoming so important in the tourism as well that they become the source of the name for different types of tourism, e. g. gambling tourism, sports tourism, cultural tourism, wellness tourism etc. Examples of this kind of regulations are: Gambling Act (ZIS, 2011 and on), Sports Act (ZŠpo-1, 2017), Mountain Guides Act (ZGV, 2004 and on), Health Service Act (ZZDej, 2005 and on) etc. These regulations impose some conditions to operators that are mostly related to the safety of users (e. g. number of rescuers from the water etc.). The regulations on tourism adopted at the EU level are summarized in different national sectoral laws, e. g. in ZSRT, Consumer Protection Act, Obligatory Code etc. The most important EU regulation in tourism is Directive on package travel, organized holidays and excursions (Council Directive, 1990) which is summarised in ZSRT.

A critical view of the state's regulation of private tourism sector

In April 2017, more than 20.000 general legal regulations were in force in Slovenia: 834 laws and 19.167 by-laws (Mihajlovič, 2017). According to some academics and practitioners, the Slovenian state has become "excessively regulated"; "unconventional, very non-transparent and sometimes also directly harmful legislation" contributes to the strengthening of the bureaucracy in Slovenia; as necessary regulations disable creative businesses, there is a question of their effectiveness and usefulness (Urbas, 2017). Despite some improvements, the barriers imposed by the bureaucracy that businesses have to face, are still many (ibid.). Pahor (2017) e. g., draws attention to the phenomenon of "paternalism of the state", which is the consequence of bureaucratic logic (a wider definition of paternalism includes all measures of the state that limit the choice in free market). By adopting the rules, the state regulates the lives of citizens and corporations; apparently, for the benefit of their citizens, but in fact, it strengthens the role of bureaucracy (ibid.).

Mihajlovič (2017) pointed out few examples of regulatory nonsense from tourism practice: a) example of the guest's registration in a system with letters not allowed by the information system (the operator was sanctioned with a high fine); b) the exact height required for the installation of the fire extinguisher; c) the extensive documentation ("two kilograms") needed to open home cooking activities; d) the refusal to return value added tax for the purchase of white T-shirts as working clothes for chefs (because the bill read "white T-shirts" rather than

"working clothes"); e) limited rental times for accommodation via Airbnb, etc.

On the contrary, some opinion-makers, e. g. ex-minister for public affairs, advocate that the number of regulations is not as important as their content. In certain cases, regulations are even useful for citizens and businesses because they protect them against arbitrariness ("arbitrary actions") of the state administration (Mihajlović, 2017).

The result of the interviews indicate, that private tourism sector, did not has such negative opinion about current legal framework for running tourism business as it might have been thought based on secondary data analysis. Only I1, I4 and I5 particularly emphasized that general legal framework should more support business as it does. Most of the participants partially supported tourism-specific regulations or even advocated certain administrative measures of the state, e. g. permission for running OT business (I5, I6), permission for being a tourist guide (I1, I5), classification of TAC (I1, I2, I3), strict regulation for ensuring food safety (I7, I8) etc. According to their opinion, those rules protect customers – travelers or guests. However, at the same time they represent some entry barriers to “players with unfair business practices” (I5).

I5 strictly advocate the permission for running OT business and for tourist guides. For him, those two permissions are important for those OT operators, who’s “only quality is lowering the price”. For I5, entering OT business without any experience (five years of experience in OT is one of the conditions for getting the permission for running OT business) and being a tourist guide with no certified knowledge is not only unacceptable and harmful for the OT business in general, but will also decrease the quality of the OT service as well. I6 had similar opinion to I5.

I1, I2, I3, I4 – all running the TAC business – agreed, that certain standards are definitely necessary for classification of TAC according to quality level. However, I1 criticized content of the categorization sheets: because they contains provisions that are governed by other regulations (e. g. date of a building permit) or certain "nebuloses about elements that do not have much in common with reality”. He is against self-assessments in classification of TAC, which is at the present state allowed for TAC from 1 to 3 stars.

Similarly to I1, I2 and I3 also supported state regulation of classification standards for TAC, particularly for hotels. However, they thought that the

existing ones are “not flexible enough” and that “some elements necessarily have to be adapted to the real-life situations” (I2). According to I2 (he is a foreigner, running TAC business in Slovenia for 12 years), the classification standards in Slovenia are rather strict; however, they provide higher quality of TAC than abroad, particularly those with 3 stars. Otherwise, I2 praised the recently adopted by-law that link most databases of TA providers to one address.

I3 was bothered with the classification standards mostly due to imbalance between the technical and “soft” quality elements: existing classification system is made up for the benefit of technical ones and does not consider the nature of the tourism services. “Everybody can make a room which correspond to 4 star standards according to the surface; but not everybody can provide 4 star “soft” service” (I2).

I1 was not happy with the fact that even new tourist-specific regulations do not include “the new forms of TAC (e.g. glamping)” and “leave a gap in tourist tax payment”. He was also critical to certain other solutions. E. g. a) rental of residential property for tourist purposes is subject to double taxation and the new regulation anticipates even higher rate of taxation; b) the EU Directive provides the taxation of commissions for reservations from foreign reservation platforms, which requires an entity that is not subject to value added tax to register as an atypical taxpayer. Furthermore, I1 was particularly critical to frequent changes of tourism-specific regulation: “this can be avoided if solutions would have been thoroughly thoughtful in the start”. I3 completely agree to that.

I7 and I8 – both engaged in F&B – did not support entirely the rigid regulations of ZGos. Determination of typology of F&B premises and minimal technical standards are rather strict and the “rules of the game” are the same, no matter if someone runs a big restaurant or small bistro. “There should be a difference, if not otherwise, the inspectors should treat as differently as a small F&B business venture” (I7).

The most critical and unsupportive part of legal framework for running tourism business is – according to all of the participants – regulation of employment. The solutions of the labour act were criticized firstly, due to high costs for employees and secondly, due to inflexible “hire-fire” regulation.

“Taxes on payroll are so high, that we are forced to pay a minimum wage. This is killing tourism in Slovenia and force people to quit the business” (I2). “From the perspective of taxes, regulations discourage the additional employment; the state behaves as ‘malnourished’

administration, all the time fed with new taxes. Additional taxes on students work is clear proof of that” (I5). For I1, the payment of all obligations for the employee is a financial burden, which is necessary “reflected in a higher price of the service; gray economy on the labour market negatively influence the price competitiveness”. “Our service depends on people, but due to high cost related to employees we are limited in hiring them; there is a huge issue in F&B business, how to get a good worker because we are not able to pay them appropriate salary” (I7).

Yet, not only high costs of employees, also the inflexible employment put off the private tourism sector from employment. From the view of employer, a full-time employee enjoys too much legal protection, which makes it difficult to fire him in case of his poor performance (I1, I4, I7). “I can hardly accept the high cost of employees, but I can’t understand the long-lasting and nasty procedure of firing the employee who doesn’t meet the requirements of working standards. In case I announce the firing procedure she/he goes to the sickness leave and procedure looks like never-ending story. We should implement ‘hire-fire system” (I3).

The state has been trying to deregulate some areas of tourism business (e. g. tourist guide should not be a regulated profession any more) (Štravs Podlogar, 2017). In the past, there have been several attempts to do it. However, attempts for deregulations are usually firmly debated within influential interest groups who strongly supports the state involvement in private tourism business with regulations (Podrekar, 2017). The background is mostly of a material nature (e. g. “tourist guide regulation is a very ‘demagogic topic”). Even draft on new ZSRT predicts some deregulations, but due to a constant struggle with the interest groups, the Act has not been accepted yet.

Furthermore, with every trial to change any tourist-specific regulation certain interest group “create another problem of exaggerated dimensions” (e. g. an example of accommodation reporting). Thus, according to Podrekar (2017), the solution is in the change of “horizontal legislation”: in changes of tourism-specific regulations with some other law. There are two examples of deregulation reached with this approach: the abolition of compulsory registration of sups and small boats in inland waters and the abolition of the mandatory license for raft guides who lead groups for entertainment (Grapulin, 2017).

Interviewees – the state representative – stressed that the novelties of certain regulation always cause problems in details that appear in the operational implementation. These situations are difficult to predict in

advance. This is the main reason why tourism-specific regulations often change.

Conclusion

Tourism is an economic sector whose development is in the public interest of the country. It consists of economic activities of organization of trips, tourist accommodation, food and drink and passenger transport. Due to the importance of tourism in state economy and its multiplier effect, the public interest and the private economic initiative are intertwined.

The results of the survey give answers to both research questions: to the legal framework for private tourism business and about the responses to it from practitioners and state representatives.

There are two key laws governing tourist activities – ZSRT and ZGos. In both, there are rules of public and the rules of private character. Together with a number of secondary legislation/by-laws, they constitute the basic legal framework for operating tourism activities – tourism-specific legal framework. However, as tourism activities are performed within economic entities, tourism-specific legal framework can come to life only in general legal framework applicable to all economic operators. Thus, in private tourism sphere, both legal frameworks have to be applied simultaneously. General legal framework consists of regulations on establishing and managing the companies, on employment and other kinds of work, on taxation etc. For the private sector, tourism-specific regulations define a) administrative rules for performing certain tourist activities (e. g. permissions for tour operators, obligatory insurance for carrying out this business, permissions to tourist guides), or b) the technical conditions for F&B and TAC premises.

The research on perception of legal framework from private tourism sector give four important findings. *Firstly*, there is less disparity than expected between the present legal framework and the perception of its rationality and their effectiveness in everyday life of tourism business entities. *Secondly*, the state tries to deregulate some areas of tourism, but the private tourism sector oppose to that. *Thirdly*, there are two reasons for predominant position of private tourism business that certain tourism-specific rules are necessary for tourism business: a) they protect tourists and b) they put off tourism players with unfair practices. *Fourthly*, some solutions from general legal framework, particularly the labour law, do not contribute to effective business. They have to be adapted to modern business operations that need quick and rationale solutions.

Discussion

With this research, we added a new perspective to existing studies of tourism, the perspective of legal framework and its influence on running tourism business in private sector. The relation between the public and the private sphere in tourism is consequently reflected in increased interest of the state in the legal regulation of tourism-related activities. However, in day-to-day business, private tourist entities sometimes encounter situations of irrational legal solutions, which represent obstacles to their business.

The research contributes to better understanding of the legal framework and its consequences on the business of private entities in tourism. It gives an overview on regulations that entities in tourism have to face in practice. We also highlighted some challenges faced by government when trying to deregulate certain area in tourism activities.

The results of this study are comparable to results of the research of World economic forum (WEF) (Jenko, 2017). From the perspective of competitiveness, Slovenia positioned itself on 48th place out of 137 countries. The most critical factors for running business in Slovenia were exposed the following: taxes, inefficient state bureaucracy and restrictive labour regulations.

There are certain limitations of this research that open up space for further research of this field. Due to new perspective on tourism research, there is a limited number of existing literature. Activities of passenger traffic and some other areas that have an indirect, but minor, linkage with tourism activities are excluded from this survey. The qualitative nature of the research limits the generalization of the results.

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