

Influence of the Centralization of Public Services on the Crisis of Tourist Services

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For the previous eight years, there have been trends in Slovenia to centralize state institutions in bigger towns, as opposed to smaller ones. State institutions are typically placed in bigger urban environments. One part of this environment is the Municipality of Brežice, which is ranked among the top four among Slovenian municipalities offering overnight stays and is seen as a critical administrative and employment centre in its region. The tourist service market in urban environments also depends on local consumers and civil servants that use these services in and outside the tourist season. The purpose of the research is to determine the dependence of tourist service providers on local consumers and civil servants. The tourist sector is often subjected to seasonal variations that cause significant risks for tourist providers. In this research, we are attempting to determine to what extent the use of services by civil servants allows tourist service providers to survive throughout the year, in particular during the off-season. The results of the research show that the centralization of public services affects the change of location of service use, which is significantly connected with the workplace location. The data collected show that civil servants' service use throughout the year enables the survival of tourist service providers outside the tourist season. The centralization of public services can consequently cause a crisis of tourist services in the urban environment since the locals and those employed in urban centres provide constant, even non-seasonal, demand and enable providers to survive throughout the whole year.

Keywords: centralization, civil servant, Municipality of Brežice, tourism and travel-related services

Introduction: Centralization of Decentralized Public Services

For the previous eight years, there have been trends in Slovenia to centralize state institutions in bigger towns, as opposed to smaller ones. In regards to territory, Slovenia has introduced double decentralization. In other words, in addition to local authorities, there are also state authorities in one unit, meaning that cen-

tralized matters are dealt with by one type of authority, whereas decentralized matters by others in the same unit. Slovenia is divided into 212 municipalities and 58 administrative units, which are regulated by statutory functions or management competences as part of administrative decentralization. There are also different branch offices of the civil service (tax administration, surveying and mapping authority, inspections,

defence branch office). The Slovenian public administration is rather decentralized, which is particularly the case for local as well as state authorities (Ferfila, Brezovšek, & Grizold, 2011).

Pusić (Ferfila et al., 2011) defines decentralization as each attenuation of a certain centre of influence of one organized system on its parts.

Andrews, Boyne, Law, and Walker (2009) say that the level of centralized or decentralized decision-making is a key factor in the organization when distributing means and imposing guidelines and goals. A highly decentralized level of decision-making and implementation of public functions is usually a sign of system democracy, which provides political and administrative proximity for its citizens.

In contrast, it has been possible, since 2009, to follow proposals of the government that advocate the rationalization of the civil service via different working groups of ministries:

1. The document 'Rationalization of maternity hospital network in Slovenia,' dated 23 September 2009, suggests the integration of smaller maternity hospitals and the structural adjustment of subject matters in other maternity hospitals due to the basic rationalization of staff capacity and use of equipment (Meden-Vrtovec et al., 2009).
2. Since 1 June 2011, a new organizational structure of the police on the regional level has been active as Project Libra. The purpose of the police reorganization on the regional level is to join the least burdened (concerning the scope of work, quantity, types of objective safety phenomena) police directorates with the bigger ones. The number of the police directorates in the Republic of Slovenia has been reduced to eight (from 11). The common number of systematized workplaces in Police has been reduced by 57: 54 in administrative units and three in operating units. The Police Directorates that have been abolished are those in Krško, Slovenj Gradec, and Postojna (Ministrstvo za notranje zadeve, 2011).
3. Advance-noticed tax reorganization in 2013 when the Government of the RS wanted to join tax and customs administrations in order to also reduce

indirectly the number of local tax administrations. On the basis of information in the daily newspaper Delo, seven out of 15 administrations should be abolished at the Ministry of Finance (Božič, 2013).

Public opinion constantly opposes the previously mentioned reorganizations, saying that higher centralization strengthens bigger centres. Local communities blame the ruling class that (aside from the regionalization law) weaken individual regions, impoverish their long-term employment potentials, create an additional outflow of personnel, and weaken the position of economic activities. For the local environment, these branch offices of state and public administrations are significant employers that (via secure employment in the public sector) increase the level of quality of life in the community as well as attracting organizations with other complementary market services.

Tourist Service

Today, one clear global trend is the extensive growth of services and products with little or no physical content. In most developed countries, services represent the majority of gross domestic product. However, the service economy is not limited solely to developed countries. In developing countries, for example, most of the non-agricultural working force is employed in catering or the travel industry, which are part of the growing service sector (Kotler, Bowen, & Makens, 2014).

The service-oriented economy has replaced the product-oriented economy in which human relations among market participants are more important than the products themselves. Consequently, we can talk about a new economic revolution or service revolution (Potočnik, 2004).

Nowadays, as the largest service sector in the world, tourism includes two main industries: catering and the travel industry. Catering success depends on the travel industry in general. Organizers select destinations according to travel costs to the destination, hotel prices and restaurant quality, evening activities for tourists, etc. (Kotler et al., 2014).

Tourism, like civil service, is a significant employer, but it also has a recreational effect which is of great

value for employees and other inhabitants. It is about the physical and mental shape and mood that create a positive atmosphere and give feedback results seen in increased productivity. Workers employed in tourism have taken upon themselves a large part of the moral and material responsibility to protect the environment (Andrejčič et al., 1997) and, as such, make an additional contribution to the quality of life in their environment.

Andrejčič et al. (1997) define tourist service as part of a tourism organization in satisfying tourists' needs or realizing tourist promotions. These services are carried out by restaurant facilities, hotels, camp grounds, local households, mountaineering and holiday lodges, cultural institutions, sports teams, banks, urban facilities, insurance funds, crafts workshops, state authorities, tourist guides, and other citizens with their kindness, respect, and help.

The link between service sector development and quality of life is strong and positive. Approximately 90% of all new employment positions are in service activities. When creating service activities, the following elements play an important part: the role of women, art, standard rate of education, and inhabitants' habits. Moreover, tourism has extreme growth in international exchange, and is also the only branch that shows constant and stable growth despite the recession (Andrejčič et al., 1997).

According to statistical data (Eurostat, 2015) tourism has a crucial role in the European Union due to its economic and working potential as well as its social and environmental consequences. In 2012, one of ten companies in European non-financial economic sectors belonged to the tourist industry. In the same year, the tourist sector had 2.2 million companies, which employed 12 million people.

Companies involved in branches connected with tourism employed 9% of all employees in the economy as a whole and 21.9% of people working in the service sector (Eurostat, 2015).

The economic value of international tourism can be measured by examining the ratio of international travel benefits with regard to GDP. In 2014, the ratio of tourist benefits in GDP was the highest among EU members in Croatia (17.2%), Malta (14.4%), and

Cyprus (12.3%). This is an indicator that tourism is essential in these countries. However, in absolute terms, the highest income inside EU in international tourist sector was seen in Spain, France, Great Britain, Italy, and Germany (Eurostat, 2015).

In recent years, Slovenia has made its mark in tourism. In 2015, based on Slovenian Tourist Board data (Slovenian Tourist Board, 2016), tourism employed 13.0% of all employees and generated 8% of the total amount of Slovenian exports, contributing 13% to GDP. For the first time, over 10 million overnight stays of tourists were recorded, of which over 6 million were in hotels. Foreign tourists generated 12.3% more revenue and 8.6% of overnight stays of tourists than in 2014. Growth was also recorded in overnight stays of domestic tourists, namely by 6.5%. Regarding overnight stays by type of municipality, those with spa facilities were again predominant. The number of overnight stays in these municipalities increased by 1.2%. At the most popular tourist accommodation, i.e. hotels, 6.2 million guests stayed overnight, which is the highest number to date, and it increased by 5.6% compared to 2014. Unlike 2014, the number of overnight stays of tourists in camps also increased (+10.3%). At an export rate of 40%, it is the biggest exporter of services and provides 13% of all workplaces (103,500), directly and indirectly connected with tourism. According to Bank of Slovenia information, the value of travel exports reached €2.2 billion in 2015, which is the highest score achieved so far in Slovenia. In addition to the absolute record in the field of travel exports with 8.8% growth compared to 2014, the Bank of Slovenia recorded another record in the relative terms in the last seven years. In 2015, the export of travels increased by 22% compared to the excellent year of 2008 (Slovenian Tourist Board, 2016a).

Tourist services are an important pillar of the economy in Brežice. In 2015, there were 631,241 overnight stays in the municipality, which ranks Brežice, according to the analysis of tourism turnover, in the fourth position among 25 municipalities with more than 100,000 overnight stays in the 2012–2015 period (Milič, Sedej, & Javornik, 2016).

The number of overnight stays in 2015 meant €453,232 of budget funds for the municipality of Brežice

from the tourist tax. The town of Brežice is also a significant regional administrative centre. One of the most critical sectors is the service one that, according to Bole (2008), combines tertiary and quaternary sectors. It can also be called the fifth sector, including top management in the private sector and society, mainly covering the areas of public administration, science, health, culture, and media (Bole, 2008).

Next to Postojna, Dravograd, and Tolmin, the town of Brežice can be counted among those with a prominent orientation towards public services. These are the towns that had been planned as administrative centres (Bole, 2008).

The purpose of the research is to determine the dependence of tourist service providers on local consumers and civil servants. The tourist sector is often subjected to seasonal variations that cause significant risks for tourist providers. Great seasonalization is typical also for Brežice as a destination, where three summer months, with a peak in August, are in the forefront concerning arrivals and overnight stays. From the data obtained from the Statistical Office of the Republic of Slovenia, a three-fold difference in crowds of tourists is evident between the strongest and weakest tourist months of the year (Statistični urad Republike Slovenije, 2016). At the peak of the tourist season in August, arrivals range between 20,000 and 28,000, whereas in March, in recent years, there are approximately 10,000 to 11,000 tourist arrivals. In relation to this information, differences are also evident in incomes. Based on information about tourist tax collected it can be evaluated that incomes in the peak season and in off-peak months differ three-fold or even more (data are obtained from the municipal administration and are available from the authors). This shows that tourist service providers during the off-season face decreased demand and sales. In addition, the local inhabitants, civil servants who commute to Brežice from other municipalities, also represent a critical off-peak demand. In this research, we are attempting to determine to what extent the use of services by civil servants enables tourist service providers to survive throughout the year during the off-season. Consequently, the presence of a constant, large number of daily service consumers encourages a growing supply

that is simultaneously available to visitors and tourists. The town itself is promoted and attractive for guests; competitiveness and service quality are stimulated. The research is intended to determine the influence of presence/absence of civil servants on the use of services or economy in the Municipality of Brežice.

The objective of the research is to find out whether the centralization of public services has an influence on the changed location of service use and consequently on a tourism crisis in an urban environment. The goal is to affect (with the research results) decision makers concerning the further centralization of public services.

Van Leeuwen and Rietveld (2001) studied consumers' behaviour in smaller and medium-sized towns. The results show that towns remain important centres of purchase: 60–80% of town dwellers and 40–60% of inhabitants from the outskirts make product and service purchase in towns. They also discovered a strong bond in the effect of workplace location on place of purchase.

Another important article for our research, in order to compare empirical data, is by Reynolds and Darden (1972). They published a psychological study of consumers that make purchases outside their place of residence. The results of 304 subjects involved in the study show that a person who makes purchases outside his/her town of residence is, compared to the one who does this very rarely, more educated, has a better salary, is middle-aged, likes shopping in the evening, is not loyal to any specific stores and shows urban-orientation.

Employment Structure of the Inhabitants of Brežice: Purpose of Public Services

Following the example of the Municipality of Brežice, we will show the importance of public services for the local environment. On the basis of information from the Employment Service of Slovenia (Zavod Republike Slovenije za zaposlovanje, 2016), there were 21,854 economically active inhabitants in November 2015 in the area of the Regional Unit Sevnica (administrative units Brežice, Krško, Sevnica): in other words, 462 people or 2.1% fewer than in November 2014 (in Slovenia 0.6% increase). In the January–November 2015 period,

there were on average 21,900 people in work or 0.9% fewer than a year before (in Slovenia 0.9% increase). In November 2015, the level of registered unemployment was 13.0% (in Slovenia 11.7%).

On the basis of information from the Employment Service of Slovenia (Zavod Republike Slovenije za zaposlovanje, 2016) concerning the active working population in the public and private sectors in the selected municipalities (taking into account the workplace on March 31, 2016), the town of Brežice takes the first position according to the number employed in the public sector. The Municipality of Brežice was compared to municipalities with a similar number of inhabitants. In that municipality, 33% (2208 civil servants) of the active working population is employed in the public sector. Two other municipalities that can be compared to Brežice according to the number of employed in the public sector are Krško and Jesenice.

A total of 2208 civil servants are employed in local and state institutions with their offices located in Brežice. Most services are concentrated in the old town centre in Brežice, which is treated as a cultural monument area. The old town centre is a cultural as well as a tourist point of interest, which attracts numerous tourists because of the castle there. The supply of tourist services, which also depends on local consumers and civil servants, who use services in and out of the tourist season, is adjusted to tourist demand. Public local and state institutions contribute to the exterior of the town, whereas civil servants represent constant (non-seasonal) demand for services, which in turn creates a higher bid which is at the same time also available to visitors and tourists during the tourist season.

Method of Research

Since we know that economic activities are necessary for the provision of public goods, needed for the life and development of individuals, we wanted to answer the following question – *Does the centralization of public services affect the change of location of service use and consequently on the crisis of tourist services in urban environments?*

The research question was tested on the example of the Municipality of Brežice, which is, as previously

presented, an appropriate area to study the use and dependence of tourist services on local consumers and civil servants, because it is a regional administrative centre, whereas its economy is based on service activities (tourism, trade). On the basis of that fundamental question, three hypotheses have been tested:

- H1 *The centralization of public services in Brežice changes the location of service use.*
- H2 *The change of location of service use consequently causes a crisis of tourist services in urban environment.*
- H3 *The centralization of public services in Brežice has a negative impact on tourism development, which is economically significant in Brežice.*

On the basis of the relevance of the information gathered, we used qualitative (semi-structured in-depth interview) and quantitative (questionnaire analysis) research in the empirical part. The centre of the research is the implementation and discussion of quantitative research (data collection with questionnaire). The research was based on the use of descriptive and analytical approach, quantitative nature, and qualitative nature with the research method of in-depth semi-structured interviews.

The data were processed using the statistical method for quantitative data analysis, the so-called chi-squared test statistic, because we wanted to verify whether the two variables were interdependent or linked. A total of 111 civil servants took part in the research, involving civil servants with permanent residence in Brežice and those who commute there because of work. Interviewing took place between 29 May 2016 in 3 June 2016, and it was carried out by the article authors. Anonymity was provided. On-line interviewing and data collection via questionnaires were used as interviewing techniques. Questionnaires were personally distributed to all headquarters of national and municipal services in the Municipality of Brežice, and the distribution of them was discussed with the managers. This is also how we collected data from those civil servants who migrated to work outside the municipality in times of public service restructuring. The completed questionnaires were left in an envelope later collected by the authors.

A total of 2208 people are employed in the public sector in the municipality; 50 civil servants must be added to this group. Due to public service restructuring, they had to change the place of their employment to outside the municipality. All survey sheets were delivered to all previously mentioned civil servants. Only 111 (or 4.9% of the whole population) responded. The number of answers received provides a 95% confidence level.

The questionnaire had two parts. In the first part, we were interested in the habits of civil servants with regards to service use. In the answers to five basic questions, services were classified, according to Lovelock and Wirtz (2011), into tangible and intangible, meant for people and their assets. We had four service categories: material and tangible services, oriented to the human body, services oriented to a person's assets, non-material or intangible services, oriented to human perception and services oriented to information processes. In all the mentioned fundamental questions, we attempted to determine what sort of service was most often used in the town of residence or in the town of work, what services were used in the employment or the residence municipality, and what sort of services were first used in the employment municipality. The other five questions of the first part were used to determine the connection between a service user or his organization with tourism. The importance of eight service characteristics (supply quantity, discount, service close to the workplace, etc.) were tested. Civil servants had to evaluate the answer on a measurement scale (not important at all to extremely important). While preparing the questionnaire, we followed the research of Addis and Grunhagen (2014), Van Leeuwen and Rietveld (2011), Reynolds and Darden (1972), all of whom conducted research about out-of-town shopping.

In the second part of the research, we used a qualitative paradigm: opinions and attitudes of civil servants concerning services and the position of public services were collected by use of semi-structured personal interviews. The role of qualitative research was more supplementary. In the preliminary phase, before questions were formed, in-depth interviews were used to introduce the research area; in the explanatory

phase, results were presented in greater detail with the help of the qualitative research. The research question is thus the same as the one set in the quantitative work. Three relevant individuals (civil servants) took part in the research:

1. the organization of Civil Servant A was in the list of those organizations that should rationalize business by integration of workplaces or their relocations;
2. the organization of Civil Servant B was relocated outside Posavje;
3. the organization of Civil Servant C has its office in Brežice, but he comes from another municipality.

The guidelines for in-depth interviews were formed according to thematic emphases in the questionnaire and based on questions of our own preliminary research. Interviews included 20 open-ended questions and took place between May 10 and June 10, 2016. Interviews with relevant individuals lasted approximately two hours and were carried out by the article authors.

Open-ended questions were classified into six sets:

1. purchase habits with emphasis on service use,
2. types and intensity of service use in town of residence and in town of work,
3. service classification according to Lovelock and Wirtz (2011),
4. experience/connection with tourism in the Brežice municipality,
5. evaluation of supply in the Brežice municipality, and
6. considering public service restructuring.

Before the formation of questions for the quantitative analysis, we received proper knowledge with in-depth interviews and investigated the area in order to prepare survey questions. The explanatory role of qualitative research allowed a wider interpretation of quantitative results.

Demography

In the analysis, demographic variables had the role of control variables. The research dealt with change of workplace location in connection with service use.

Demographic variables also allowed comparison with other previous research concerning purchasing in other towns.

Out of 111 respondents, 44.5% were men and 55.5% women. The respondents are divided into four age groups: (i) to 29 years, (ii) 30–39 years, (iii) 40–49 years and (iv) 50 years and over.

All 111 respondents answered the question about their municipality of residence. In addition to Brežice, they come from 18 different municipalities (Bistrica ob Sotli, Celje, Grosuplje, Ivančna Gorica, Kostanjevica na Krki, Kozje, Krško, Laško, Ljubljana, Maribor, Novo Mesto, Poljčane, Ptuj, Radeče, Sevnica, Šentjernej, Šmarje pri Jelšah, and Trebnje).

The results of their education reveal that 35.5% have a two-year higher education or higher education degree, 32% have university degree education or more, and 26.5% have finished secondary school. The lowest degree of their education is a vocational secondary school with 6% of respondents. The results concerning their final education degree differ significantly from the educational structure of the whole Slovenian population (Statistični urad Republike Slovenije, 2015) where: 5.2% have two-year higher education or higher education degree, 11.4% have university degree education or more, and 52.7% have finished secondary school. This shows that the active working population in the public sector is more educated than that in the private one. In our research, only civil servants were interviewed.

Research Results and Discussion

The results of the research show that *the centralization of public services with the office in the Brežice municipality affects the change of location of service use*. Another finding is that service use is significantly connected with the workplace location because supply quality and workplace location are equally important for the choice of service use. Furthermore, the fact is that the more time a service consumer spends in the new working environment, the more services he uses there.

Among those who chose types of services most often used in the town of residence, catering was chosen by 47% of respondents and bank services by 18%.

Table 1 Use of Services in the Municipality of Employment According to Sex (%)

Category	Male	Female
Catering services	71	65
Personal services	26	40
Health services	16	45

Less than 10% use personal services (9.72%) and health service (8.33%). Other types of services were used by less than 2.77% respondents. The results show that the largest number of civil servants at workplace uses human-oriented services.

Chi-squared test statistics indicates that the sex of respondents is significantly connected with catering, personal and health services in the employment municipality. As depicted in Table 1, men (71%) in the municipality of their employment more often use catering services than women (65%) do, whereas women prevail in the use of personal (40%) and health services (45%). In general, men rarely use other types of service (except catering) in the town of their employment. Only 16% of men use health services and only 26% use personal services in the town of their employment.

The research also indicates that a change of the location of a service use can consequently affect crisis of tourist services in an urban environment because the presence of public services in Brežice has a strong impact on the structure and level of employment. Of the active working population, 33% are employed in the public sector, which affects the structure of employment. Consequently, public services as important employers have an influence on the level of employment/unemployment. According to the data from the Employment Service of Slovenia (Zavod Republike Slovenije za zaposlovanje, 2016), the rate of unemployment in Brežice was 13.0% in November 2015 (in Slovenia 11.7%). The unemployment rate in Posavje is still higher than the Slovenian average, but it can even increase because of possible centralization and rationalization of public services. There is a rather alarming fact that civil servants are, on average, more educated, whereas on the other side the data of the Employment Service of Slovenia (Zavod Republike Slovenije za zaposlovanje, 2016) in Posavje show that jobs with lower

Table 2 Evaluation of Incomes of Tourist Service Providers (%)

Service providers	(1)	(2)
Service provider 1	30	70
Service provider 2	40	60
Service provider 3	20	80
Service provider 4	70	30
Service provider 5	60	40

Notes Column headings are as follows: (1) summer tourist season, (2) out of tourist season.

educational level (workers for simple work: civil engineering construction, waiters, toolmakers, drivers of heavy trucks and towing vehicles, cooks, bricklayers) are needed. In case of the centralization of public services, the Posavje market will face an extremely distinctive imbalance between the knowledge of job seekers and market opportunities. The chi-squared test statistic also shows that the frequency of service use in the employment municipality is significantly connected with the employment municipality.

It can be determined that the centralization of public services with offices in the Municipality of Brežice has a negative influence on tourism development, which is the driving force of the economy in Brežice. The data collected show that civil servants' service use throughout the year enables the survival of tourist service providers outside tourist season. Based on the evaluations of tourist providers in an urban environment, it can be concluded that the increased income during summer tourist season (July and August) and service use throughout the year enable economic survival outside the tourist season. Table 2 shows five tourist service providers. The first three are active in the field of catering services; the fourth one deals with marketing in sports tourism, and the fifth one is an event organizer. It is also obvious that the last two providers depend on the summer tourist season, which is true for caterers in Brežice. Their economic survival is enabled by civil servants who use their services throughout the year.

It has been found that organizations of 37% of civil servant respondents are in some way associated with tourism: (i) counselling concerning issuing approvals

Table 3 Types of Services in the Municipality of Employment

Service providers	A	B	C
Catering services	×	×	×
Bank services	×	○	×
Library	○	○	×
Personal services	○	○	×
Car repair services	×	○	×
Education	○	○	×
Health services	○	○	×

to work, (ii) education before entering the tourist sector, (iii) service potential research, (iv) help in creation of tourist services, (v) help in co-financing development of new activities, (vi) administrative support. The presence of public educational institutions in tourism in the Municipality of Brežice enables a transfer of knowledge to the existing tourist providers and, consequently, economic growth. Chi-squared test statistics also indicate that the municipality of residence is significantly connected with the transfer of knowledge and skills to the existing tourist providers. In addition, the municipality has a wide area of knowledge and skills transfer to the existing tourist providers.

The research analysis data were compared to analyses of interviews carried out by reference individuals. Regarding the purchase habits of the reference individuals, a drastic difference can be observed in answers of men and women, especially concerning service use in the employment municipality. As depicted in Table 3, Person C (female) uses seven types of services in the town of her employment: catering, bank services, library, personal repair services/car service, education, health services, Person A (male) uses only three types of services: catering, bank services, and repairs, whereas Person B (male) uses only catering services.

In conversation with the reference individuals about tourism and their experience with public service centralization, they all agree that tourism plays a vital role in the Municipality of Brežice. Even if they come from very different areas of work, they all notice the

connection with tourism, either via work or personal life.

The final part of interviews with the reference individuals deals with of state institution relocations. Their answers concerning public service centralization on change of location of service use and consequently on crises of tourist services in the urban environment have confirmed the results of desktop research and the interpretation of quantitative data:

1. crucial deterioration of access to services;
2. savings of the state funds, but higher payments of travel expenses;
3. decay of buildings and degradation of environment;
4. loss of life in urban environments;
5. lower incomes for local service and product providers;
6. loss of workplaces;
7. reduced possibility of further development of the Municipality of Brežice; and
8. lower purchasing capacity.

Van Leeuwen and Rietveld's findings (2011) can be confirmed by the results of the empirical part of our research. Chi-squared test statistics show that the ratio of size between the municipality of employment and the municipality of residence is significantly connected with more frequent service use in the employment municipality; 41% of civil servants that come from smaller municipalities more often use services in their employment municipality than in the municipality of their residence.

Part of the findings from Reynolds and Darden's study (1972) can also be confirmed by the results of our empirical part:

1. Chi-squared test statistics show that education is significantly connected with the more frequent use of services in the municipality of employment, outside the place of residence; 64% of those who do purchase outside their place of residence have higher or university degrees.
2. Chi-squared test statistic shows that average net personal salary is significantly connected with

the more frequent use of service in the employment municipality, outside the place of residence; 60% of those who often purchase outside the place of residence have an average net personal salary of more than €1000.

3. Chi-squared test statistic shows that age is significantly connected with more frequent use of services in the employment municipality, outside place of residence. Among that 80 % who often purchase outside the place of residence are the respondents aged 30 to 49.

Conclusion

We have conducted research concerning the problem of the centralization of state institutions, which has been strongly experienced by inhabitants of smaller urban centres in recent years. We have defined the decentralization of the Slovenian public administration on one side and its opposition (the proposals of the government) on the other side. Since 2009, the government has been advocating the rationalization of civil service and public service centralization via various working groups of different ministries.

Taking into account the fact that production-oriented economies are changing into service-oriented economies throughout the world and that tourism in Slovenia offers great possibilities (it currently provides 13% of all workplaces), further centralization of public services can cause a crisis of tourist services in an urban environment. The fact is that the locals and people employed in urban centres represent constant, non-seasonal, demand and enable providers' survival throughout the whole year. Therefore, public (administrative) services hand in hand with private offers create the whole service sector of an environment and its tourist attraction.

The improvement of civil service efficiency and the adjustment to new European standards are the bases for the necessary, planned reorganization of the Slovenian civil service. However, this should be implemented consensually, via the integration of economy, local population, local politics and by strategically adopted decisions that will be the result of integrated financial and development analyses. European standards, but especially European systems of

financing, are indicating, even today, the need to reorganize Slovenia, whereby regions will strategically develop the most efficient economic sectors, in connection with public services.

Limitations of the study are, first, its sample size; for further research it is necessary to carry out a study on a more representative sample in order to make a conclusion with higher certainty, and second, a lack of prior research studies on the topic.

It has been determined in the research that the centralization of public services could cause even more oscillations between seasonal and non-seasonal demand. Crucial off-season demand is represented by civil servants who commute from other municipalities because of public institutions, situated in the Municipality of Brežice.

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