

Tourism Education in Austria and Switzerland:
Past Problems and Future Challenges

Klaus Weiermair

Center for Tourism and Service Economics, University of Innsbruck, Austria

Klaus.Weiermair@uibk.ac.at

Thomas Bieger

Institute for Public Services and Tourism, University of St. Gallen, Switzerland

Thomas.Bieger@unisg.ch

Content

1	Introduction	5
2	Structural changes in the tourism industry	5
3	Tourism education – the case of Austria	10
3.1	Apprenticeship training	11
3.2	Vocational Tourism Schools	12
3.3	Post Secondary non university tourist programmes	12
3.3.1	Polytechnic tourism education	12
3.3.2	University Study Programmes (Diploma Courses)	13
3.4	Specialised Tourism education at the University level	13
3.5	Facts about the Austrian tourism industry	14
3.5.1	Education and Employment in the Austrian tourism industry	14
4	Tourism education – the case of Switzerland	17
4.1	The history of tourism in Switzerland	17
4.2	Types of tourism in Switzerland	18
4.3	Labour market situation	18
4.4	Supply side of the Swiss tourism market	19
4.5	Educational system of tourism in Switzerland	19
4.6	Analysis of the development of the education system	21
5	Comparison Switzerland - Austria	22
6	Future challenges and developments	23
7	Bibliography	25

Index

Figure 1: Competitive Factors of the “old tourism” (based on Porter, 1993)	7
Figure 2: Competitive Factors of the “new tourism” (based on Porter, 1993).....	8
Figure 3: Development in tourism education from 1997 to 2003 (source: WKÖ, 2004)	14
Figure 4: Employees in Tourism from 1997 to 2003 (source: WKÖ, 2004)	15
Figure 5: Overnight stays in Austria from 1998 to 2003 (source: BMWA, 2004)	15
Figure 6: Overnight stays per Category (source: WKÖ, 2004).....	16
Figure 7: Horizontal Model (Müller, 2002)	20
Figure 8: Vertical Model (Renner-Bach)	21

Abstract

Both Austria and Switzerland are small countries with a long tradition hosting tourists. Irrespective of high levels of economic development the two countries also have high levels of tourism intensity when measured either in terms of number of tourists per native population or in terms of tourism receipts per population (e.g. per GNP). Consequently, both countries also display a long tradition and evolution in their development of their systems of tourism education and training albeit under differing market conditions and pressures (Weiermair et al., 1996; Bieger, 1997; Bieger & Lehar, 1997). Both countries provide similar products like in the field of cultural tourism and alpine tourism. The tourism structure is also comparable. Both countries are dominated by very often family owned SME businesses. However their political structures are very different.

The paper shows how each country under the three forces of labour market pressures and industry requirements on the one hand and tourism education policy initiatives on the other hand has evolved two slightly different tourism education systems.

Furthermore an attempt will be made to provide, based on the discussion in the first part of the paper, a more general explanatory with respect to the response of tourism schooling / training supplies to varying conditions in tourism product markets, tourism employment and labour market systems, public choice decisions and general economic conditions (Weiermair and Fuchs, 1997; Fuchs and Weiermair, 1998; Bieger and Lehar, 1997).

Finally, the paper discusses the paradigmatic shift (i.e. structural change) of tourism factor and product markets from the “Old to New Tourism” and discusses its implications for new types of tourism schooling and training in these two countries (Weiermair, Peters and Reiger, 2001).

Keywords: Tourism education, Austria, Switzerland

1 Introduction

Tourism is one of the world's most labour intensive industries. The quality of the tourism product is therefore not only dependent on the quality of the natural resources tourists ask for, but on the quality of the people working in the tourism industry. Today, quality is more than ever a guarantee for successful tourism development. Good Management in service organisations and tourism enterprises certainly qualify as strategic success factors of destinations and regions, foremost a consideration for the dynamics of markets in terms of changing consumer behaviour and skills in choosing, maintaining and developing effective teams of human resources are required (Heskett, 1988). Assuming, that it is often entrepreneurs who concern themselves with business logistics and environmental scanning, the conclusion is driven, that staff and entrepreneurs must constitute the most critical factors of success and / or competitiveness in tourism in general and in alpine tourism in particular. In many parts of the alpine tourism industry, e.g. in Austria and Switzerland a long tradition exists in human resource development in the tourism sector.

Qualifications and qualified manpower, which are offered to the hospitality industry, largely depend on the process of human capital formation. In SME dominated industries this qualified workforce and the respective training systems can be considered as a kind of public good. Therefore political influences are decisive.

2 Structural changes in the tourism industry

Tourism has developed into and has until recently been considered a "fragmented industry". A fragmented industry typically consists on the supply side of many small- or medium-sized enterprises producing and selling very competitive or slightly differentiated products or services which face on the demand side small regional markets with buyers displaying strong local and locational preferences. Fragmentation has been far stronger and more prevalent in vacation tourism as compared to business tourism and has also played less of a role in underdeveloped or newly developing economies where tourism arrived late and with the helping hand of multinational and / or transnational enterprises (Clegg, 1987).

In the mid 80ies to the mid 90ies new competitive forces have radically changed the structure and functioning of the tourism industry towards a “new tourism” subject to new forms of governance. Before these new competitive forces will be described the competitive forces of the old tourism will be explained. In the main there are two forces which shape the patterns of growth and development in any industry, e.g.

- a) the quantity and quality of entrepreneurs forming new tourism businesses and / or sustaining and developing existing ones and
- b) the existence and / or development of competitive forces shaping the competitiveness of entire regions and / or industries as can be analyzed with Porter’s diamond (1993).

Entrepreneurs and entrepreneurship have always played an inordinate role in the alpine tourism industry. From all apprenticable occupations and / or apprenticeship schooling programs, among those specializing in accommodation and food related businesses the largest percentage number of graduates usually went into forming their own businesses and / or taking it over from their parents (Tschurtschenthaler, 1998).

In the wave of the post war II build up of mass tourism covering the period 1955 to 1975/80 many resource owners in the primary sectors of the economy such as agriculture converted their resources into tourism properties and became owners / managers of small hotels, restaurants and other tourism related businesses. Among them only a small proportion was true entrepreneurs in the Schumpeterian sense (e.g. individual entrepreneurship, focus lies on the development of new products or services) who single-handedly transformed little fishing villages or sleepy alpine farming communities into mega-destinations or resorts. Next to these tourism pioneers the remaining great majority of tourism entrepreneurs entered the tourism sector in the 60ies and 70ies at a time when a sellers’ market existed in many European regions. The latter enabled them to enter the market with absolute and relative low entry barriers in terms of physical, financial or human capital, technology and management know-how. Also the ease of entry into the industry was not matched with a symmetrical ease of exit for reasons of high net opportunity cost of market exit for tourism entrepreneurs (Weiermair, 1997). Thus, many entrepreneurs in tourism enjoyed local monopolies and could afford to pursue satisfying instead of maximizing behaviour yielding what might be termed a “life style entrepreneur” (Weiermair, 1998). The conditioning and functioning of entrepreneurship fitted

very well the remaining competitive environment for tourism at the time. It could best be analyzed and described using below Porter’s diamond of competitiveness:

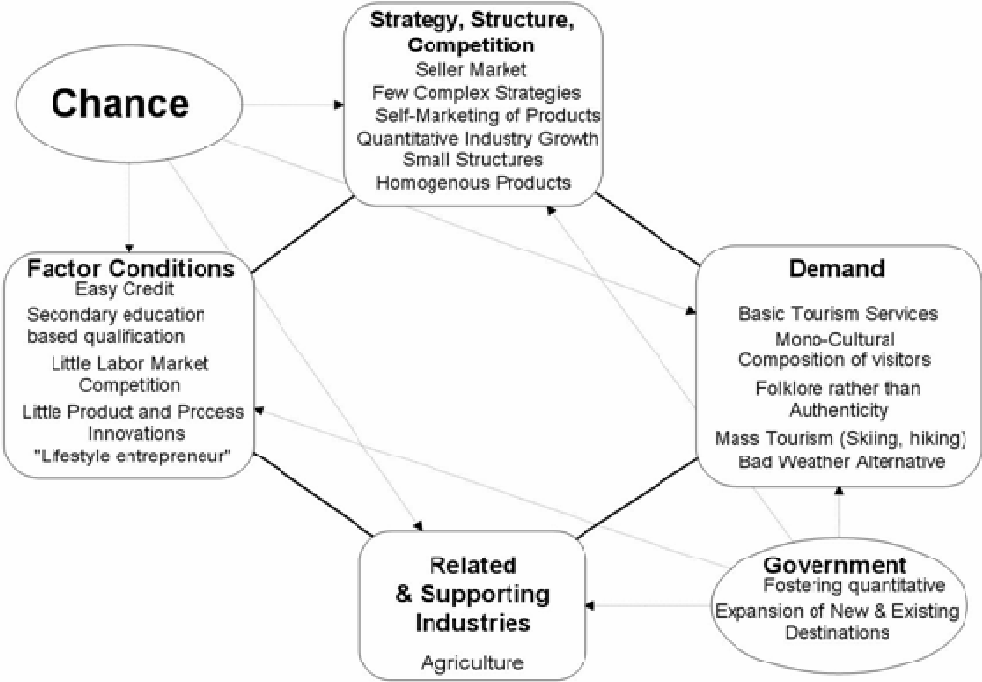


Figure 1: Competitive Factors of the “old tourism” (based on Porter, 1993)

The four corners or determinants of the above diamond model are shown to simultaneously codetermine competitiveness and thereby dynamically reinforce competitive processes. Thus, the dominant form of mass tourism consisted largely of conservative inexperienced tourists who generally wanted traditional holiday products at affordable (low) prices. As long as holiday products provided the right location (e.g. mountain or sea side) at low perceived risk, in terms of financial and information uncertainty or food habits, customers easily turned into loyal repeat visitors vacationing in the limit their entire life at the same destination and / or in the same accommodation. This led to little pressure towards tourism entrepreneurs from the demand side to innovate their products / services or marketing of traditional holidays. As long as traditional tourism services were offered at the right location and at the right time a competitive equilibrium prevailed. The latter was helped by the low cost and availability of traditional production conditions in terms of nature and tourism infrastructure, low cost and sufficiently qualified labour (usually a mix between unqualified seasonal guest workers from neighbourhood countries and vocationally trained indigenous workers) financial capital (usually provided through conventional financing in the form of mortgage finance) and the existence of small scale tourism enterprises. Only very few other sectors could be considered or treated as related industries namely agriculture and food processing.

Starting in the mid seventies / beginning eighties the competitive conditions conducive to the traditional form of tourism and hospitality have radically changed (Poon, 1993).

A number of these dramatic changes occurred starting in the 70ies which moved the tourism industry much closer to the characteristics of the new economy. On the demand side the undifferentiated conservative and economizing mass tourist gave way to a much more travelled, experienced and quality conscious individualist: mass tourism seemed to have been replaced by the individualized mass (Poon, 1993; Weiermair and Peters, 2000).

This new customer thereby exercised pressure upon the tourism industry and enterprises to develop new products, services and experiences. Thus, global companies very quickly began penetrating formerly fragmented and local tourism markets. This process involved and benefited from a new set of factors of production and an enlarged and better integrated clusters of tourism-related businesses and industries. These new competitive conditions re-enforce each other in the same competitive diamond to create the “new tourism” as can be seen in the Figure 3:

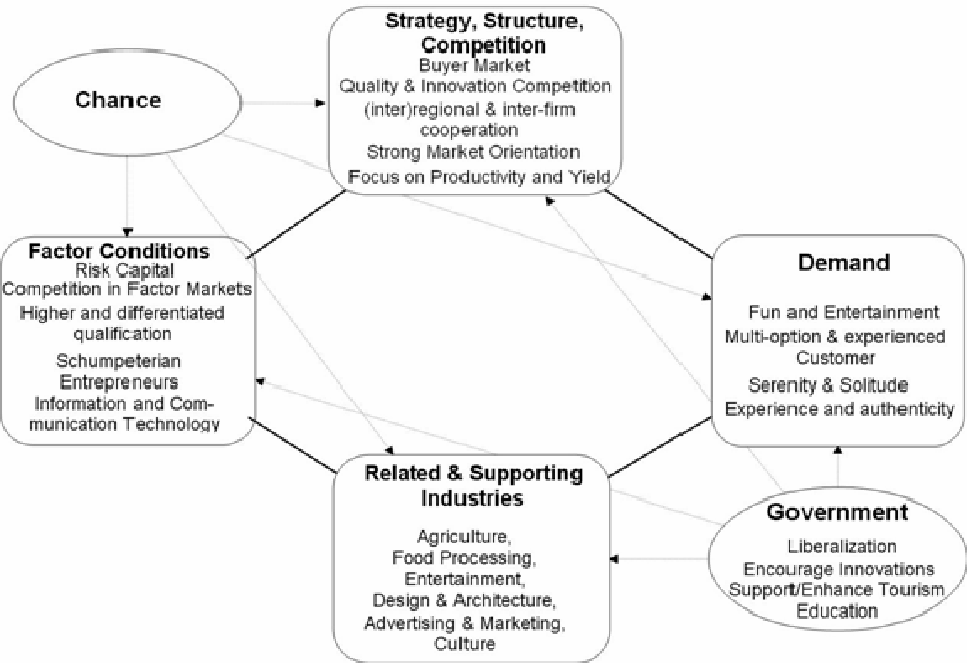


Figure 2: Competitive Factors of the “new tourism” (based on Porter, 1993)

The new competitive conditions can be interpreted as follows: Novel information and communication technologies changed the competitive conditions through, often specifically

designed technology for the tourism industry, e.g. CRS (computer reservation systems) or DIS (destination information systems), tourism websites, etc. Labour in tourism become much more human capital intensive and was generally considered by enlightened management and tourism entrepreneurs as an asset rather than a cost item (Tschurtschenthaler, 1998). As a consequence there has been a fundamental change in the schooling and education system for the tourism labour force (Weiermair and Fuchs, 1997). Location and climate still remain important factors of production for tourism products / services but share their importance now with other man-made factors, e.g. design or entertainment (Pine and Gilmore, 1999).

Therefore in alpine tourism training systems for home demand developed relatively late. Whereas big international companies run their own training systems and programs, very often in form of company universities, SME's have to rely on publicly available training systems. These systems can be offered by the government, by industry associations, by employee associations or trade unions. These public accessible training systems therefore are subject of powerful interest groups.

Tourism education is sector specific. According to labour economic one can conclude that the closer an education program is related to the needs of the employment system the more internal gains can be expected for the employer and the smaller the resulting positive externalities. There are even negative externalities as for example when people with narrow qualifications are laid off in times of structural change. Therefore public education has to be considered as a part of an industry specific policy. According to public choice theory (Buchanan, 1999), all public spending is subject to the influence of lobbying organizations and power groups. In the case of tourism education we have to mention regional politicians who try to found schools in their region, industry associations who try to get as much specialized schools as possible to create the above mentioned benefits for their members and thus create exit barriers for employees or trade unions that view schools as means to qualify employees, e.g. their members, for better jobs (and salaries) but who also to create barriers to exit from the industry.

Therefore the following hypotheses can be derived:

- H₁: High influence of industry associations tends to result in specialized schooling
- H₂: High influence of general politics tends to result in decentralized schooling

H₃: High influence of trade unions emphasize on schooling for lower qualified staff

H₄: International education (e.g. tourism education as export goods) is mainly based on private entrepreneurship

Austria and Switzerland despite their similarities in culture, tourism products and company structure shows in this regard important differences:

- In Austria industrial and employee associations are much more powerful than in Switzerland, where these latter due to the working of a more direct democracy have less importance.
- In Switzerland due to its neutral and liberal past international and especially intercontinental tourism has a long tradition.

Therefore based on the above mentioned hypothesis and the differences in structure it can be expected:

- That thanks to its long tradition in international tourism, international study programs especially in the accommodation and hospitality sector developed earlier in Switzerland than in Austria.
- That due to the influence of branch and employee associations in Austria more specialized and lower skill training programs has been developed.
- That due to the strong general political support and subsidies a more decentralised system should have emerged in Switzerland.

3 Tourism education – the case of Austria

Austria's tourism and leisure industry plays a vital role in the Austrian economy. In 2002, the total foreign currency earnings from tourism amounted to approximately 14.13 million € (+ 5.5 percent compared with 2001). Thus, tourism accounts for 18.6 percent of Austria's total export earnings and employs some 500,000 people.

Since 1992 Austrian tourism has been declining in terms of arrivals and bed nights. Tourism to Austria from the USA, Italy, Spain and the UK was negatively affected by weakening currencies in the early 1990s. Austria has also been adversely affected by growing

competition from Eastern Europe and a revival of tourism in some of the republics of former Yugoslavia.

Austria boasts two main tourist seasons with different customer profiles. The summer season extends from May to October and the winter ski season runs from December to April. Tyrol is the leading tourism region, followed by the province of Salzburg. City tourism (Vienna, Graz) has grown in the last decade, bringing in a wider variety of international visitors.

Traditionally grown, the main market for Austria is Germany. Between 1990 and 1996 the UK fell from third to fifth place in terms of overnights, pulling back to fourth in 1997.

By international standards Austria holds an excellent position in the tourism industry. The advancement of quality in the Austrian tourism industry is of course only possible with a highly qualified workforce.

The Austrian system of tourism education and training is made up of the following components:

- Traditional Apprenticeship education and training (dual system)
- Full time Vocational (secondary) Tourism Schools
- Post secondary non university degree programmes
 - Polytechnical tourism education
 - University Study Programmes
- Tourism education at the University level

3.1 Apprenticeship training

Company-based vocational education and training. It is based on the principle of the dual system. It combines educational and employment systems and is called “dual” because vocational training is carried out at two parallel levels: by the employer and by vocational schools. On the job training within the company and theoretical school-based instruction at vocational compulsory schools complement each other. Apprentices receive their practical training mainly at work, while being taught the theoretical aspects of their occupation as well as general-interest subjects in vocational schools.

3.2 Vocational Tourism Schools

The educational goal of secondary level schooling for the hotel industry and the catering occupations is to provide students with branch-specific, basic knowledge and skills enabling them immediately to exercise a profession in the field of the hospitality and catering industry, with special emphasis on hotel operations. For this reason focus is placed on practice-oriented instruction as well as on trying out learning contents within the framework of accompanying practical seminars. Training usually ends with a final examination. It is also possible to change over from an intermediate school for the hotel industry and the catering occupations to a higher technical and vocational school (Berufsbildende Höhere Schule) with the same training focus - or vice versa - is in principle possible. A simultaneous moving up to a higher grade at the end of the year is possible only after successful completion in all subjects which were taught at the respective school type. Under certain preconditions, examinations will be also held to reach this goal.

These vocational schools, normally two-year post secondary course in tourism provides similar knowledge and skills as provided in vocational schooling programmes. It is supplied for students who have successfully completed high school and wish to pursue industry specific education related to hospitality and tourism. Practical work experience in companies and institutions of the tourist industry lasting twelve weeks during main summer holidays before the third semester is compulsory. A five-year training in high schools for tourism is still part of this specialised secondary educational system which is intended to provide students with the theoretical and practical knowledge and skills necessary for starting a career in tourism and hospitality. Upon successful completion, students have “Reifeprüfung” (qualifying examples) entitling them to study at a university. An essential part of the educational goal of vocational school type is to obtain a high qualification for advancing into leading positions in hotel, restaurant or travel enterprises as well as in institutions of tourism administration.

3.3 Post Secondary non university tourist programmes

3.3.1 Polytechnic tourism education

In 1994/95, Austria has opened a new full time educational programme path for a variety of fields: study programme at polytechnic colleges (i.e. non-university institutions of higher education). Because of the shorter duration of studies and their job-oriented learning content they represent a supplement and an alternative complement and / or substitute to studies at university. Apart from the Federal Government of Austria, regional provinces, public organisation, institutes such as chamber of commerce, and / or private firms can be the operating authority of these polytechnical universities (Fachhochschule).

Every polytechnical study programme is completed with a diploma (non university degree). Successful completion of a polytechnical study programme entitles graduates to hold the academic degree of "Magister"/Master (Mag.) FH or "Diplomingenieur"/Graduate Engineer (Dipl.-Ing.) FH, with an additional specification characterising their respective field of work. The education at polytechnicals is more practice-oriented. Graduates from a polytechnical university are entitled to continue their education at the university leading to the degree of a PhD at university, with the duration of the study prolonged by at least four semesters. In the field of tourism and leisure, four such polytechnical colleges exist in Krems, Innsbruck, Salzburg, and Vienna. The duration of the study is between 7 and 8 semesters respectively. At the present time all tourism polytechnical universities have received the autonomy from the Austrian government to establish master level programmes making them comparable to education at the university level.

3.3.2 University Study Programmes (Diploma Courses)

The aim of the University Study Programmes for Tourism as extension programmes provided by universities is to convey and deepen the students' knowledge with the most modern, state-of-the-art management tools for activities in the hotel industry, in tourism associations (non governmental organisations) as well as in tourism related branches of economic activity. Apart from conveying skills purely connected to business administration and management, tourism specific knowledge and skills are required and are communicated to the participants of these programmes. In Austria there are several such diploma programmes: one is provided by the University in Klagenfurt, one by the Vienna Economic University and one is provided by the Center for Tourism and Service Economics at the University of Innsbruck.

3.4 Specialised Tourism education at the University level

Two universities in Austria provide specialized programmes in tourism, e.g. the Vienna Economic University and the University of Innsbruck. During the last portion of graduate studies, students have the option to specialise in tourism within designated institutes and to qualify themselves in the field of tourism.

As shown below in section 3.5 *Facts about the Austrian tourism industry*, Figure 4 there has been a strong and increasing demand for post secondary higher tourism education, one the one hand at the level of polytechnic colleges and on the other hand at university levels. Tourism related higher education recorded an increase of 36 % in the years from 1997 to 2003. In the same period, the demand for mid-level education in tourism decreased by 6 %. This development emphasises the general trend towards higher education and the disappearance of mid-level educations.

3.5 Facts about the Austrian tourism industry

This chapter presents some facts about the Austrian tourism industry regarding education and employment in the Austrian tourism industry.

3.5.1 Education and Employment in the Austrian tourism industry

In the Austrian tourism industry, strong trends exist towards higher education with apprenticeship training. Throughout the past 5 years we can observe an increase of 15 % for apprentices and an increase of 36 % for graduates of postsecondary tourism education, such as universities and colleges. On the other hand the number of graduates from secondary tourism schools declined in the same period by 6 %.

	1997	1998	1999	2000	2001	2002	2003	+/- %
Apprenticeship training in tourism	11.589	12.145	13.031	13.515	13.233	12.974	13.330	+ 15 %
Vocational (secondary) tourism schools	2.549	2.642	2.804	2.802	2.659	2.446	2.396	- 6 %
Postsecondary tourism education	5.247	5.921	6.623	7.002	7.313	7.373	7.137	+ 36 %

Figure 3: Development in tourism education from 1997 to 2003 (source: WKÖ, 2004)

Using these figures, the trend towards higher education, especially at university level can be identified. But there has not only been an increase of tourism graduates: as mentioned before, tourism is one of the most labour intensives industries, which can be supported by the development of the numbers of employees in the tourism industry as shown in the next table:

	1997	1998	1999	2000	2001	2002	2003	+ %
Employees in tourism	161.817	163.322	167.028	168.806	170.400	173.643	173.942	7,5 %

Figure 4: Employees in Tourism from 1997 to 2003 (source: WKÖ, 2004)

In the years from 1997 to 2003 an increase of 7,5 % of employees in the Austrian tourism industry was recorded which reflects the importance of this industry for the Austrian labour market. By the same token, Austria's unemployment rate has remained at a very moderate level of 4,3 %, the 4th lowest unemployment rate in the European Union (EU 15, average 7,6 %). The next figure shows the development of the overnight stays in Austria (summer and winter season) and thereby highlights the Austrian development of the tourism industry:

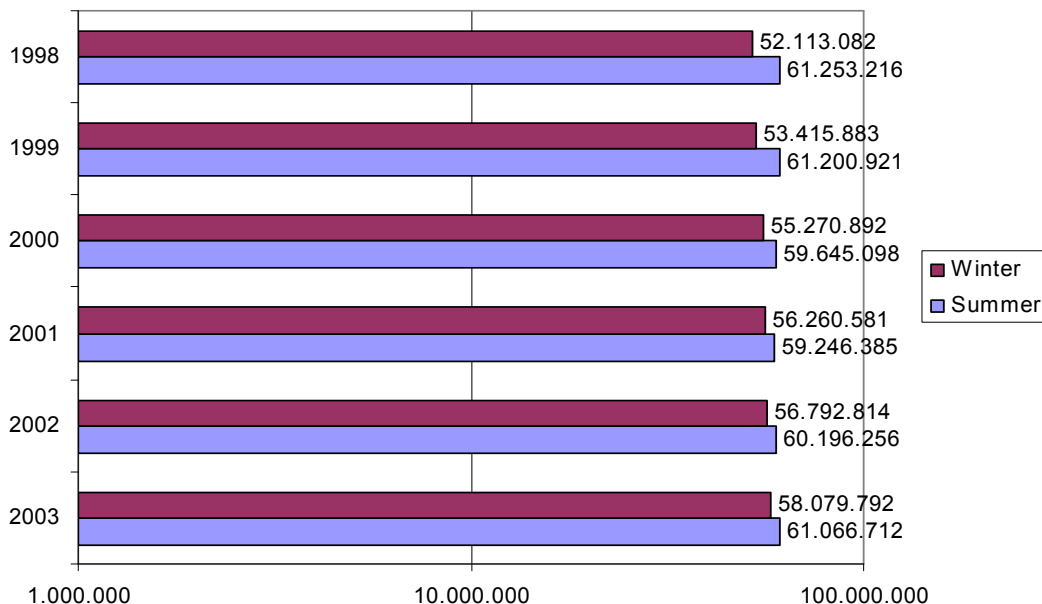


Figure 5: Overnight stays in Austria from 1998 to 2003 (source: BMWA, 2004)

According to the development of overnight stays in Austria in the period from 1998 to 2003 two different developments can be identified: winter tourism in Austria shows a continued increase in overnight stays. The growth rate over this period is about 11,4 %. Summer tourism had a large decrease in the years after 1998 reaching the lowest level in 2001. Since then summer tourism has recovered slowly. In total summer overnight stays per year showed an increase of 5 % from 1998 to 2003.

Next we show in figure 6 the distribution of tourists across different hotel / star categories for the period 1999 to 2003:

	1999	2000	2001	2002	2003	%
Cat. 5/4 St.	29.667.664	31.533.579	32.513.666	33.628.559	34.494.451	+ 16,3
Cat. 3 St.	26.300.641	26.494.930	26.916.762	27.153.923	27.074.967	+ 2,9
Cat. 2/1 St.	14.396.045	13.620.342	13.123.095	12.740.992	12.298.265	- 14,6
Total	70.364.350	71.648.851	72.553.523	73.523.474	73.867.683	+ 5,0

Figure 6: Overnight stays per Category (source: WKÖ, 2004)

As shown in Figure 6 especially the 5 and 4 stars hotels recorded an enormous increase of over 16 percent in overnight stays. In contrast to the 5 and 4 star segment the other categories showed rather disappointing results: The 3 star hotel category was in a position to hold their level from 1999 respectively showing only a small increase of overnight stays of less than 3 percent. A high decrease of overnight stays or loss of customers was registered by the 2 and 1 star hotels. In the years from 1999 to 2003 they lost nearly 15 percent of their clientele.

This development – the increase of 5/4 star categories and the stagnancy and / or decline of the 3 stars and 2/1 star categories – stresses the general development for more or higher (service) quality on the part of the customer. This trend is not only reflected in the increase of the demand to 5/4 star hotels but also in the increase of higher qualified employees, as shown in figure 4, where an increase of 36 percent of postsecondary tourism education could be identified in the time from 1997 to 2003.

Thus developments in the markets for tourism products and tourism education seem to converge suggesting that the education types and education policies by the government have moved in the right direction.

4 Tourism education – the case of Switzerland

4.1 The history of tourism in Switzerland

Tourism has a long tradition as an economic branch in Switzerland. The first steps were done in the 19th century. The emergence of industrialisation and the improvements in mobility and accommodations boosted the development of tourism. The number of guest beds were tripled to 211'000 from 1880 to 1912 wherefore this time is also called "Belle Époque" (Swiss Tourism Federation, 1999; Bieger, 2004). The lion's share of this capacity was provided by the hotel industry. Since at that time Switzerland was a neutral and peaceful country with excellent tourism infrastructures like the concept of the palace hotel or the first mountain railways of Europe (for example 1871 on Mount Rigi) it became very popular among the noble and wealthy people of Europe. At that time and also after World War Two, when Switzerland was the only country in central Europe not affected by war, it was one of the most important tourism countries of the world, measured in arrivals as well as in overnight stays (Bieger, 2004). The quantity of beds provided by the hotel industry has just moderately increased up to 258'700 since that time. The total number of beds has increased enormously up to approximately 1'053'000 (Federal Statistical Office, 2004). The rise is attributed to a shift from the hotel sector to beds in supplementary accommodations (like apartments or group accommodation), which has taken place during the last 40 years. Governmental intervention and support did increase in the period of the world economic crisis prior to World War Two but even more with the competitiveness problems of the tourism sector in a very developed and expensive country at the end of the last century (Keller, 2001).

From the beginning until now tourism has been an important factor in and one of the main export branches of the Swiss economy. In 1998, tourism was directly responsible for 3.4% of Switzerland's gross domestic product, placing it into the sixth position among branches of the Swiss economy, previous to the telecommunication and insurance sector (Federal Statistical Office, 2004). In the ranking of export revenue by industry, tourism is placed as third (Federal Statistical Office, 2004) with a total of export revenue of 12.6 billions. The important emotional role tourism plays for some peripheral regions in Switzerland like Grisons, Bernese Oberland, Central Switzerland etc., or its image factor in the marketing of places should also be considered.

4.2 Types of tourism in Switzerland

Related to the origin of tourists, Swiss guest account with 36 millions overnight stays account the lion's share, followed by Germans with 16 millions in 2003. With 31.6 millions, the European tourists are dominant in the group of foreign tourists which counts 37 millions in total. In the seasonal view there is only a slight difference between winter (46.2%) and summer season (54.08%) (Federal Statistical Office, 1999). Many Swiss destination and hotel managers claim that the average duration of all stays in Switzerland is declining, which is a statistically proven perception (Bieger/Laesser, 2002). A reason could be the decrease of foreign visitors combined with fewer overnight stays of Swiss tourists but also new travel patterns with more and shorter vacations.

4.3 Labour market situation

The tourism sector plays an important role on the labour market. The direct tourism employment in Switzerland counts 165'500 full-time equivalent employment. Including the indirect employment effect one person in twelve is involved directly or indirectly in the tourism sector. The main employers are the accommodation (34%), the food and beverage (19%) and the passenger transport industries (Federal Statistical Office, 2004).

Recently the tourism labour market is in a tense situation and it is difficult to attract new workforce to the sector. The branch struggles with image problems and tough work conditions like work hours. On the one hand it is difficult to get qualified workforces for common jobs, whereas on the other hand there are not enough jobs for the highly qualified graduates of the higher vocational colleges. The working conditions are considered to be unattractive and the average wage is low compared to other branches (icg, nzz 23.1.2002). Very often tourism jobs serve as training possibilities. After having acquired enough qualification in the field of social competencies employees leave the sector which leads to a high cross industry mobility (Bieger/Laesser/Boksberger, 2004). A consequence of this image is the attraction of unqualified workforces which has a negative impact on the service quality.

On the market for highly qualified employees the situation is contrary. There, the relation of graduates to job vacancies is 4:1. Since 2002 the supply of high and middle cadre positions is declining. The problem is impaired by the desiderative flexibility of the applicants to accept a

job in a peripheral region (Stampfli, 2004). All together, the current situation is characteristic for a branch during a structural change.

4.4 Supply side of the Swiss tourism market

The supply side of the Swiss tourism economy can be characterised as very heterogeneous. Especially in alpine regions, the main tourism regions in Switzerland, small and medium sized enterprises dominate (Bieger, 1997). As mentioned above, the quantity of beds hasn't changed considerably the last forty years (Swiss Tourism Federation, 1999). The expansion of guest beds during that time was caused by supplementary accommodations such as vacation apartments, camping sites, group accommodation and for a small part by youth hostels. Vacation apartments account for the lion's share (42%) (Federal Statistical Office, 2004). Despite these changes the hotel industry is still the major factor in Switzerland's tourism industry. Despite the fact that the number of overnight stays is even equal in both types of accommodations, the hotel industry generates a much higher added value.

The hotel industry is dominated by small and medium-sized hotels and in 61% of all hotels the average overnight stay ranges between CHF 50 and 150 (Federal Statistical Office, 2004). The heterogeneous structure has been one of the major sources for the problems which the industry is struggling with. It is expected that structural changes will force the restructuring of the hotel industry and strengthen the consolidation at the level of business units (Bieger/Laesser/Caspar, 2002). Other tourism sectors like the cable car sector are equally dominated by SMEs.

4.5 Educational system of tourism in Switzerland

In Switzerland like in Austria the apprenticeship system has a strong and traditional position. Tourism education in Switzerland started with the very famous hotel schools in Lausanne or Glion in the aftermath of World War Two. These schools did target very soon international markets. At the time of the first structural crisis in tourism and the emergence of new tourism contrary to other countries, Switzerland did not have a comprehensive tourism training system including higher educational institutions outside the classical hotel industry. Within the nineties this gap has been filled by the opening of higher college type schools as development in the field of formal education (Greuter, 2000). These schools in the main focused on general

tourism management and have been strongly subsidised by the federal and state government. The tourism education will be restructured during the next years. The new federal law containing vocational training (Neues Berufsbildungsgesetz, nBBG) became operative as from 1. January 2004. A reorganisation became necessary because of the complex structure caused by an uncoordinated development of different educational institutions and the fast changes of the economy which demands new and different competencies (Müller, 2002). The new structure of tourism education introduces apprenticeships in tourism/hotel/gastronomy/, travel agencies and public transportation and increases the transparency.

Since tourism is a cross sectional branch, tourism education can be described in a horizontal and vertical model. Within the horizontal model tourism education can be divided into four parts: the hotel and restaurant industry, tourism organizations, experience sectors and transport and mobility, as shown in Figure 7:

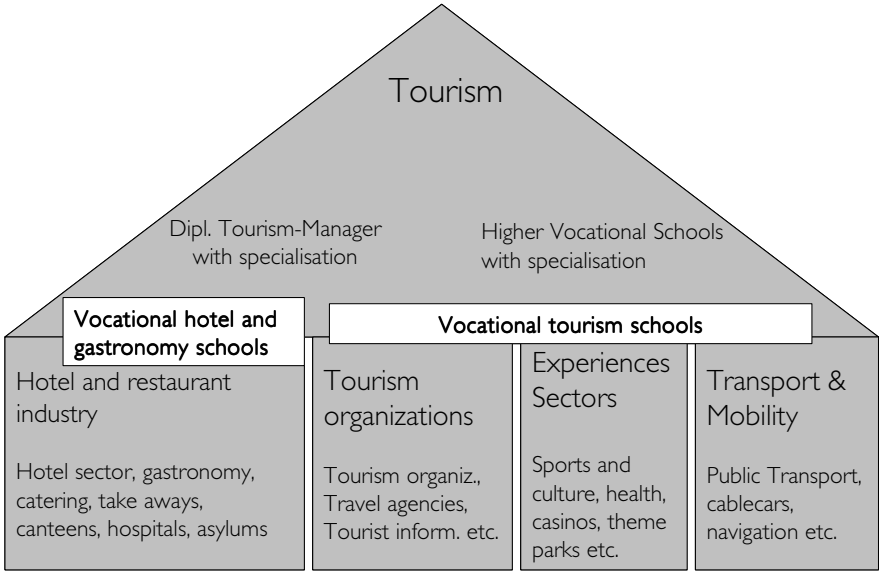


Figure 7: Horizontal Model (Müller, 2002)

The model shows the different tourism relevant areas of the educational system which have to be considered. The vertical dimension points out different ways to obtain tourism education in Switzerland and equally shows that programs are now available at all levels of education.

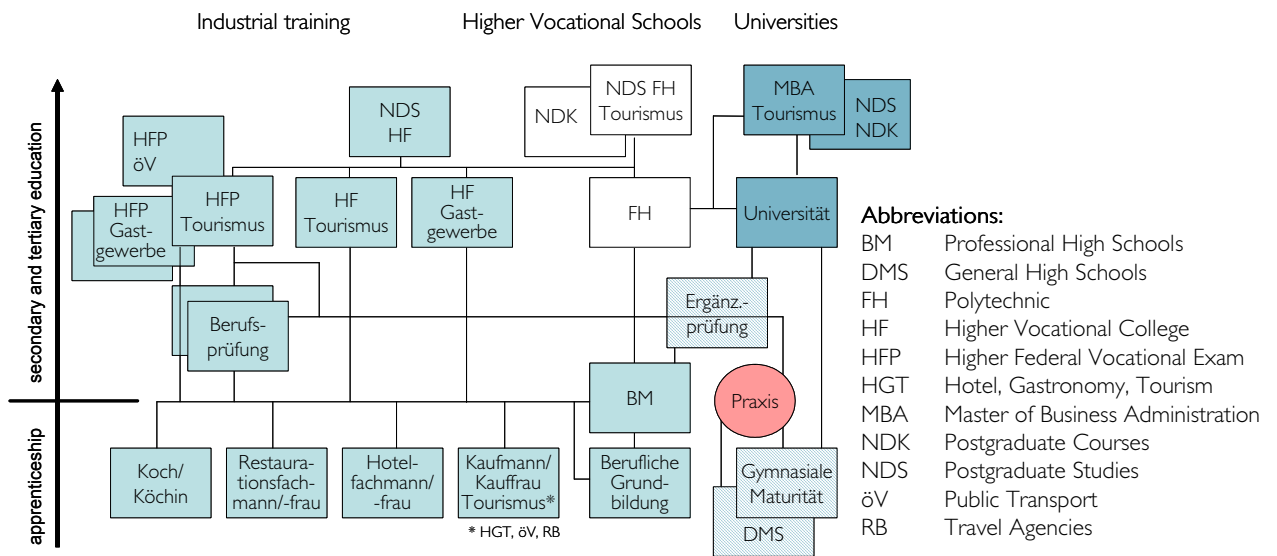


Figure 8: Vertical Model (Renner-Bach)

Typically, there are different ways to obtain higher education in Switzerland. The most important ones are: the higher vocational Diploma "dipl. Tourismsexperte", the vocational college schools of tourism, the polytechnical schools with a major in tourism and the universities with a mayor or minor in tourism. The lion share of graduates comes from vocational colleges of tourism. Around 600 graduates leave these schools each year.

4.6 Analysis of the development of the education system

The evolution of the tourism education system can be characterized by the following changes:

- From private to governmental: The first schools in the 50s and 60s have been founded as private schools of industry associations and private companies. Eventually more government intervention in terms of educational and structural policy came to the fore by creating new degrees and diplomas as well as governmental schools.
- From tourism education as an export service to supplying the home market:

The first hotel schools, as they still exist in Lausanne and Glion today, as printed out earlier on international markets and exported Swiss hotel management know how internationally. Governmental schools mainly served the national market. The by far biggest numbers of tourism diplomas granted, e.g. the Diplomas of higher vocational colleges, cannot even be accredited internationally nor do they fit into a bachelor/master system of education.

- From specialised hotel schools to a wide variety of programs for all tourism sectors: With the emergence of new sub branches of tourism, new programs for general tourism, event management, cable cars etc. have been developed.

These developments are in line with apriori theoretical reasoning:

- As a result of growing governmental influence, regulations and subsidisation there are now less incentives to focus on international markets
- With the weakening of the sector and associated economic problems and the increasing influence of the government uses tourism schools implicitly become also used as means of regional development (cp. map of places of tourism schools) and therefore as an instrument to collect votes in the widest sense (cp. public choice theory). Tourism schools therefore can be found in all peripheral areas of Switzerland, the upper Engadin, the Valais or the Ticino
- The emergence of schools with a subcritical size and strong lobbying a situation which yields much institutional inertia.

5 Comparison Switzerland - Austria

The biggest differences among the Swiss and Austrian Educational System can be described as follows: In Austria the social partners particularly trade unions still exert a strong influence on the structure and content of vocational education in tourism particularly at the level of dual type apprenticeship training. Because of the highly fragmented tourism industry in Austria with its absence of large hotel or travel intermediary chains there has been less innovation, experimentation intensions and privatisation than in Switzerland. Also the Swiss tourism education system started much earlier with internationalization and globalisation. In contrast to the Austrian type which is driven to a large extent by the social partners, in Switzerland governments (in terms of regulations) and the private sector have been the driving forces. Both systems share in common:

- A strong regional focus and / or concentration in terms of decentralised provision of tourism education and training at the regional level.
- Education is thus carried out in relatively small units.

- As distinct from the U.S and other western models of tourism schooling, Austria and Swiss tourism education / training systems continue to be narrowly specialising towards industry requirements rather than to provide more general type or generic education such as e.g. management knowledge related to all branches of economic activity or at least the service sector. This can according to the theories mentioned above be explained by the strong influence sectoral interests compared to general educational interests.

6 Future challenges and developments

With the advance of new information technologies, globalisation of the industry and more quality conscientious tourists the tourism education / training system in both countries have seen an uncontrolled mushrooming of education / training initiatives and developments, leading to governmental intervention and regulation. This still begs though the question of restructuring and cooperation between different educational suppliers (Renner-Bach, 2004). An indication of this challenge can be gathered from the ratio between job vacancies and graduates in different skill and job categories.

A possible situation e.g. in Switzerland could be the limitation of tourism specialized vocational schools and a harmonisation of the hotel industry certificates (Müller, 2002). To increase the level and to gain efficiency it is necessary to create bigger units in tourism education and to assure the quality in teaching content. By taking such measures, the international recognition of Swiss or Austrian tourism education would also increase. Another problem area is the lacking horizontal mobility of tourism graduates into other service based jobs in the economy. Education reforms under way in both countries and movements towards higher more general types of learning will hopefully address this question. Whether this in the end will work in tourism depends on the industry's working conditions and its image on employees.

Movement towards higher quality and more complex tourism products will no doubt reinforce the upgrading endeavours of the education system; however this process is a tedious one in many tourist destinations populated by SME enterprises where the future could be characterized by a mind change of all tourism stakeholders.

In general with the emergence of the new tourism and the respective requirements like more individualised products, higher productivity etc:

- Broader and more general public programs combined with internal company training will appear.
- More international mobility especially on higher educational levels will get strengthened.
- In this process new structures of the school in form of newly defined public private partnerships as well as bigger units will appear.

7 Bibliography

- Bieger, T. (1997). Tourismusausbildungsland Schweiz (Tourism education country Switzerland). *Neue Zürcher Zeitung*, 6.3.1997, 75.
- Bieger, T., & Laesser, C. (2002). *Travel Market Switzerland 2001*. St. Gallen: IDT.
- Bieger, T., Laesser, C., & Boksberger, P. (2004). Fluctuation and retention factors of tourism professionals – An analysis of the cross-industry mobility in Switzerland, St. Gallen, unpublished working paper, St. Gallen.
- Bieger, T., Laesser, C., & Capar, P. (2002). Branchenmobilität von Kadermitarbeitern - Das Fallbeispiel Tourismus (Cross-industry mobility of core employees - the case of Switzerland). *Jahrbuch der Schweizerischen Tourismuswirtschaft 2001/2002*, St. Gallen, 55-74.
- Bieger, T. (2004). *Tourismuslehre - Ein Grundriss (Tourism studies - A layout)*. Bern: Haupt.
- BMWA. (2004). *Datenblatt Tourismus (Tourism Statistics)*. Wien
- Buchanan, J. M. (1999). *Public finance and public choice: two contrasting visions of the state*, Mass. Cambridge: MIT Press
- Clegg, J. (1987). *Multinational Enterprises and World Competition*. London: Macmillan
- Federal Statistical Office. (2004). *Swiss Tourism in Figures*. Bern
- Fuchs M., Weiermair K. (1998). Arbeitsmarktverhalten und Beschäftigungssystem im Tourismus (Labour market behaviour and employment system in the tourism industry), Internationale Tagung zur Europäischen Tourismus- und Freizeitforschung. St. Wolfgang, Austria, October 1998
- Greuter, F. (2000). Bausteine der schweizerischen Tourismuspolitik – Grundlagen, Beschreibung und Empfehlungen für die Praxis (Building blocks of the Swiss tourism policy - Principles, description and recommendations for the practice). Dissertation der Universität St. Gallen, Bern.
- Heskett, J. (1988). *Management von Dienstleistungsunternehmen (Management of service enterprises)*. Wiesbaden: Gabler.
- Icg. (2002). Ein Berufsstand in Bewegung / "Qualitäts- und Bildungsoffensive" im Gastgewerbe (A profession in move / "Quality and Education Offensive" in hospitality). *Neue Zürcher Zeitung*, 23.1.2002, 69.
- International Labour Organisation (2001), *Human resources development, employment and globalization in the hotel, catering and tourism sector, discussing report (TMHCT/2001)*, at

- the Tripartite Meeting on the Human Resources Development, Employment and Globalization in the Hotel, Catering and Tourism Sector, Geneva
- Keller, P. (2001). Tourism growth and global competition, reports 51st Congress 2001 Malta, Editions AIEST, St. Gallen, p. XI-XXV
- Müller, H. (2002). Grundlagen zu einem touristischen Berufsbildungskonzept (Principles of a tourism education concept). Jahrbuch der Schweizerischen Tourismuswirtschaft 2001/2002, St. Gallen, 93-113.
- Pine, J.B., Gilmore, J.H. (1999). The experience economy. Bosten: Harvard Business School Press
- Poon, A. (1993). Tourism, Strategy and Competitive Strategies. Wallingford: C.A.B International
- Porter, M. E. (1993). Nationale Wettbewerbsvorteile: Erfolgreich konkurrieren auf dem Weltmarkt (National Industrial Competitive Advantage). Wien: Ueberreuter Special Edition.
- Renner-Bach, J. (2003). Bildung hat Konjunktur - auch im Tourismus (Education is booming-also in tourism). Montagna, No. 4, 2003, Bern.
- Swiss Tourism Federation. (1999). Tourismus in der Schweiz (Tourism in Switzerland). Bern: Schweizer Tourismus-Verband.
- Stampfli, D. (2004). Absolventen sollten flexibler sein (Graduates should be more flexible). Hotel + Tourismus Revue, No. 27, 2004, 3.
- Tschurtschenthaler, P. (1998). Humankapitalentwicklung als tourismuspolitisches Instrument zur Bewältigung der Tourismuskrise. (Human Resource Development as instrument to accomplish the crisis in tourism). In Weiermair, K., Fuchs, M. (eds.). (1998). Rettourism III: Strategiekonferenz: Zukunftsstrategien für eine optimale Humankapitalentwicklung/-verwertung in der Tourismuswirtschaft. Innsbruck: ITD Eigenverlag, S. 16-39
- Weiermair K. (1996). Human Resources in the Alpine Tourism Industry Workers and Entrepreneurs. Paper presented at International Congress on Alpine Tourism-Sustainability: Reconsidered and Redesigned, Innsbruck, May 2-5
- Weiermair K. et al. (1996). Research on Education and Training in Tourism (RETTOURISM) on behalf of the European Commission. Bruxelles, October (unpublished)
- Weiermair, K., & Fuchs, M. (1997). (Eds.), RETTOURISM II Strategiekonferenz, Zukunftsstrategien für eine optimale Humankapitalentwicklung/-verwertung in der Tourismuswirtschaft. conference proceedings, Innsbruck: University Press.
- Weiermair, K. (1998). Personalmanagement im Tourismus. (Human Resource Management in Tourism) Limburgerhof. FBV-Medien-Verl.-GmbH.

Weiermair, K., Peters, M. (2000). Tourist attractions and attracted tourists: How to satisfy today's fickle tourist clientele? *Journal of Tourism Studies*, No.1, forthcoming

WKÖ. (2004). *Tourismus in Zahlen (Tourism in figures)*. Wien.