



Czech Republic: Education Sector

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Summary

The United States is home to many of the world's top universities and is a popular destination for students of all subject areas, hosting more than 582,984 international students of higher education in 2007. Out of this total, Czechs account for approximately 900 students. While study abroad programs are quite popular in the Czech Republic, the number of Czech students in the U.S. has experienced a slight decline in recent years largely due to the Czech Republic's entry into the European Union (EU), EU grant programs for studying in the EU and stricter travel procedures to the U.S. following 9/11. Nevertheless, current exchange rates make tuition costs lower for schools in the U.S. . The U.S. therefore has a good chance to regain its former position as a preferred location for higher education.

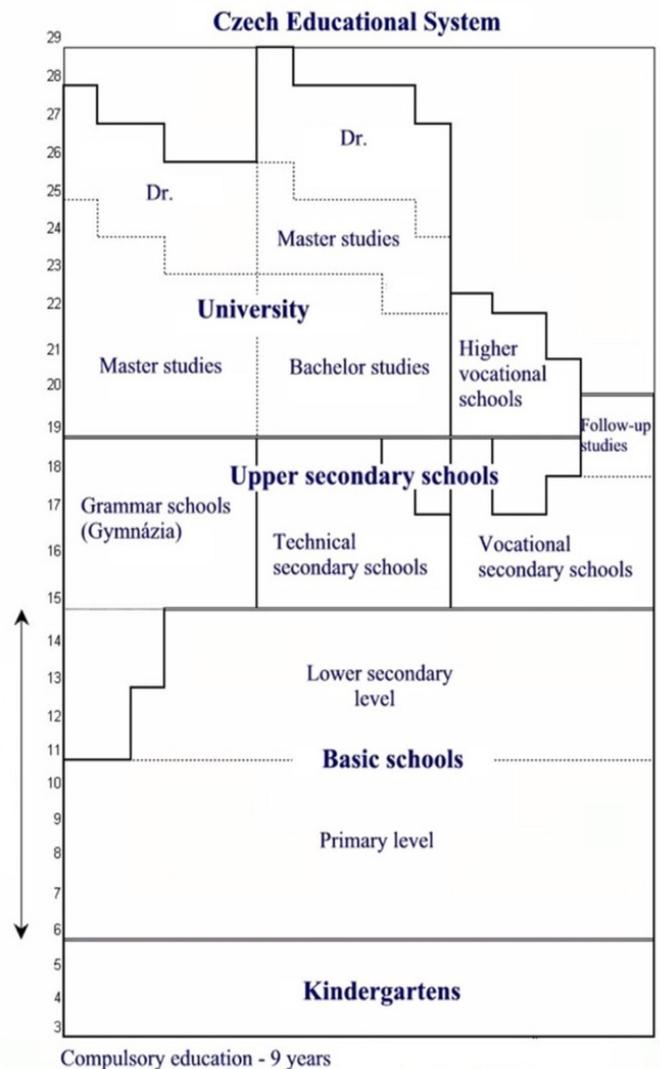
Market Overview

The Czech education system is based on a long tradition dating back to 1774 when compulsory school attendance was first introduced. The education system is publicly financed; education in the Czech Republic is free for students at all levels, although there are on-going discussions concerning the introduction of tuition fees at public universities. Students do pay tuition to attend private educational institutions.

Preschool Education: Children may enter this first level of education before they begin their compulsory school attendance. In recent years, the total number of children born rose rapidly creating a problem for parents to get their children placed in kindergarden. Since the amount of space available in state kindergardens is limited, private kindergardens have become popular and demand remains quite high. It is not uncommon that these privately-operated kindergarden facilities offer English language studies.

Elementary education: Children usually gain basic education at the elementary school level. Compulsory school attendance takes nine years, usually from the age of 6 till the age of 15. However, children may receive this level of education at various types of schools that can also utilize different types of educational programs. In recent years, the system of home schooling has also been experimentally tested. Since the school year 2004/05, the following were established as alternative education programs for a period of testing: Waldorf schools, Montessori nursery and elementary schools, Montessori elementary schools level II.

To evaluate students' progress, there is a classification



scale of grades from 1 (the best) to 5 (the worst) utilized in the Czech Republic. At the halfway point and at the end of each school year, pupils receive a summary classification (report cards) that states the grades received for each subject. If a pupil gets a 5, he/she must be re-examined in the respective subject at the end of summer holidays (usually in August). If the student passes the retake exam, he/she can then enter the next level class in September. If the student fails, then he/she must repeat the last class.

Secondary Education: Pupils who have fulfilled the nine-year compulsory school attendance requirement can apply for study at a secondary school. By graduating from the medium educational level one can obtain a variety of certificates. For example: *Secondary education* signifies that a student gets a report on their final exam after one to two years of study. *Secondary education with vocational certificate* – is completed after two to three years of study by a report on the final exam and a vocational certificate stating professional capability, e.g. in the area of crafts. Graduates in their subjects usually do not continue further in the classical education system but rather concentrate in their selected field of study. *Secondary education with a leaving (we need to explain this with a better term) examination*, denotes that after four years of study a student gets a report on a **leaving** examination. A **leaving** examination consists of several smaller exams – a Czech language exam and other tests based on the study specialization and also the student's choice. After 2008, the leaving exam will consist of two parts, common (state) and profiling (specific for individual types of schools). *Grammar schools, Secondary Vocational schools, Secondary Apprentice Training Centers.* Secondary education can be achieved by students also at eight-year or, more precisely, six-year grammar schools at which they have already completed several classes of elementary education. In addition, secondary schools can institute (extension courses) programs that can be attended by students who have successfully completed at least three years in a related field of study, completed with a vocational certificate. An extension course takes two years to complete when studying full-time.



Tertiary Education: Tertiary education is included in studies following the completion of secondary education with a **leaving** exam. Tertiary education includes advanced vocational and university education. The teaching system is almost identical with the system at colleges and vocational colleges; however, certain rules of secondary education apply (holidays, fixed timetables, etc.). *Higher vocational education* deepens general and professional knowledge and takes three years of full-time study, practice included, and three and a half years for medicine and certain other fields of study. Study is finished by a certificate, a specific exam on selected subjects, a practical exam and the defense of a graduate examination paper. Together with the certificate, students are awarded the title of certified specialist (the abbreviation DiS. is added after a name). *University education* is available to all applicants with completed secondary education (i.e. leaving exam) who successfully pass the entrance exam. The system of entrance exams is specified individually by each college, and serves for testing the knowledge and skills of applicants. Most universities have the following accredited degree programs: *Bachelor's:* Usually a three-year course of study in which students get an elementary survey of highly specialized areas. Students can either finish their studies after these three years, or they can complete it by means of a leaving exam including the defense of a bachelor's thesis, or they may continue into the master's program, where they can achieve a narrower specialization. *Master's:* Operates either as five-year (or, more precisely, six-year), or as a two-year program following bachelor's studies. During the course, students gain both a basic survey of highly specialized subjects and a certain degree of specialization. The program culminates with students taking required state **leaving** exams and defending their diploma thesis. *Engineering:* Relates to technical and economic fields.

After students pass these types of university study, some continue in their specialization through doctoral programs. Passing this program is often conditioned with certain publishing requirements and sometimes also by training. At college, students can study either in attendance form (formerly daily study), distance form (formerly extramural studies), or combine both forms of study (combined study).

Given the growing interest among Czech students, some schools in the Czech Republic also provide study programs leading to a Master's of Business Administration degree.

Continuous Education: The need for further, ongoing education stems mainly from changes in the labor market and the introduction of new technologies. The sphere of ongoing education or, more precisely, the need to

increase participation in further education, is also among the five main priorities of EU policy, defined in 2000 at the Lisbon Conference. Within the framework of continuous education programs, universities implement a variety of courses intended for those who are interested in study, university graduates, seniors, and also students and other interested from practice. The courses focus either on learning a skill or trade, or on the study of areas of interest. In addition, some universities organize a so-called University for Seniors. This is intended for seniors who are interested in gaining new knowledge in select areas of study, and is usually free. Not only does it allow seniors to acquire up-to-date skills and knowledge in various areas, it also aspires to stimulate their interest in current events and to encourage an active lifestyle.

Market Data

The population of the Czech Republic is 10.3 million. GDP growth in 2007 was 6.6 percent and is forecast to slow somewhat to 5% in 2008. The Czech crown U.S. Dollar exchange rate is approximately 15 crowns for 1 dollar. The estimated inflation rate this year is 3 to 4 percent.

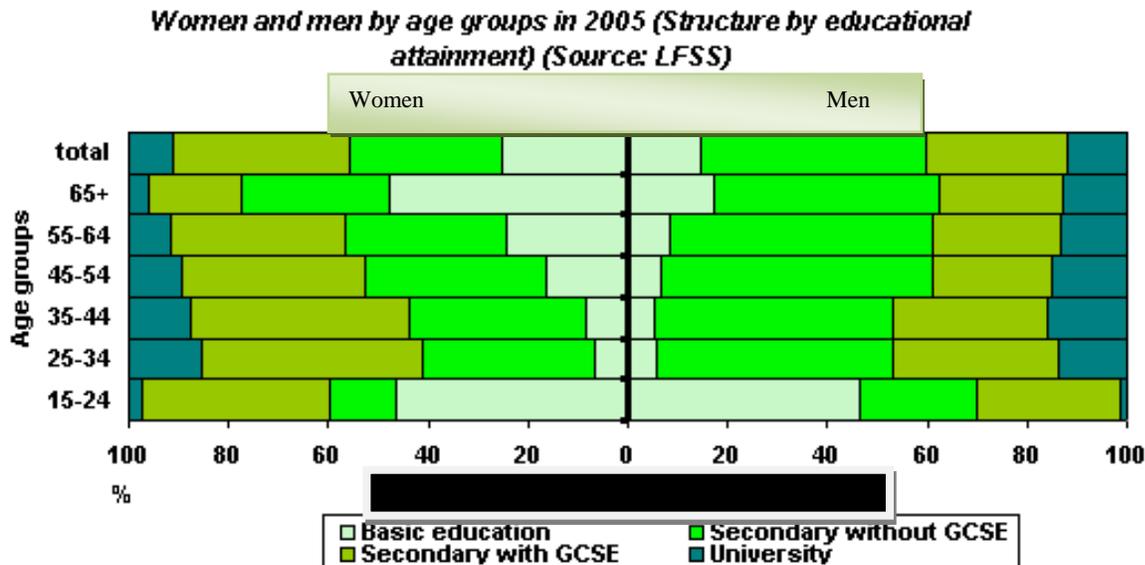
The number of Czech University students is steadily growing. One of the reasons behind this development is the establishment of private universities in the late 1990s creating more spaces for students interested in obtaining a university degree. The capacity of state universities has always been limited. However, recently private universities are facing difficulty because of demographics and are hit hardest by the lower number high school graduates. Currently, less than 10 percent of the total number of university students attends private universities.

Numbers of University Students 2002 – 2007

	2002/3	2003/4	2004/5	2005/6	2006/7
Students	248,756	274,192	282,958	296,435	323,765

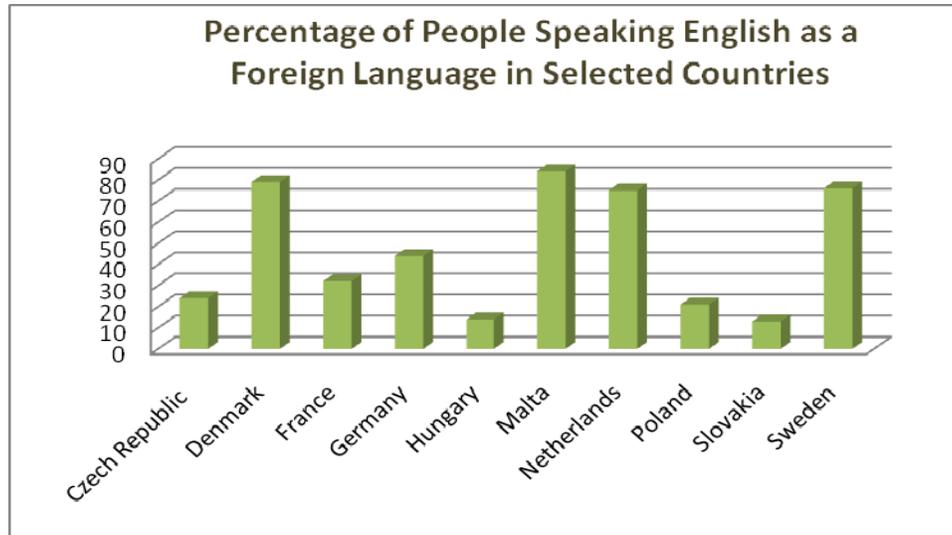
Source: Ministry of Education, Youth and Sport

In the past few decades more and more women have become interested in university degrees and there has been steady growth in the percentage of university-educated women. On the other hand, the percentage of university-educated men in the 25 – 34 year-old age group experienced a slight decrease compared to past figures.



English is the standard second language in the Czech Republic and is taught in schools from the 3rd grade onwards. Czech culture does not incorporate English-language media to a high degree – e.g. movies and television shows are usually dubbed in the national language without subtitles.

Approximately half the Czech population speaks a foreign language. While younger people tend to speak English, there is widespread knowledge of German or Russian among the older generation. The Czech Republic is the leader amongst Central European countries (and most of Eastern European as well) in the percentage of population speaking English as a foreign language, however, it still lags behind the Netherlands and the Scandinavian countries where over 50 percent of the population speaks English.



Source: European Union

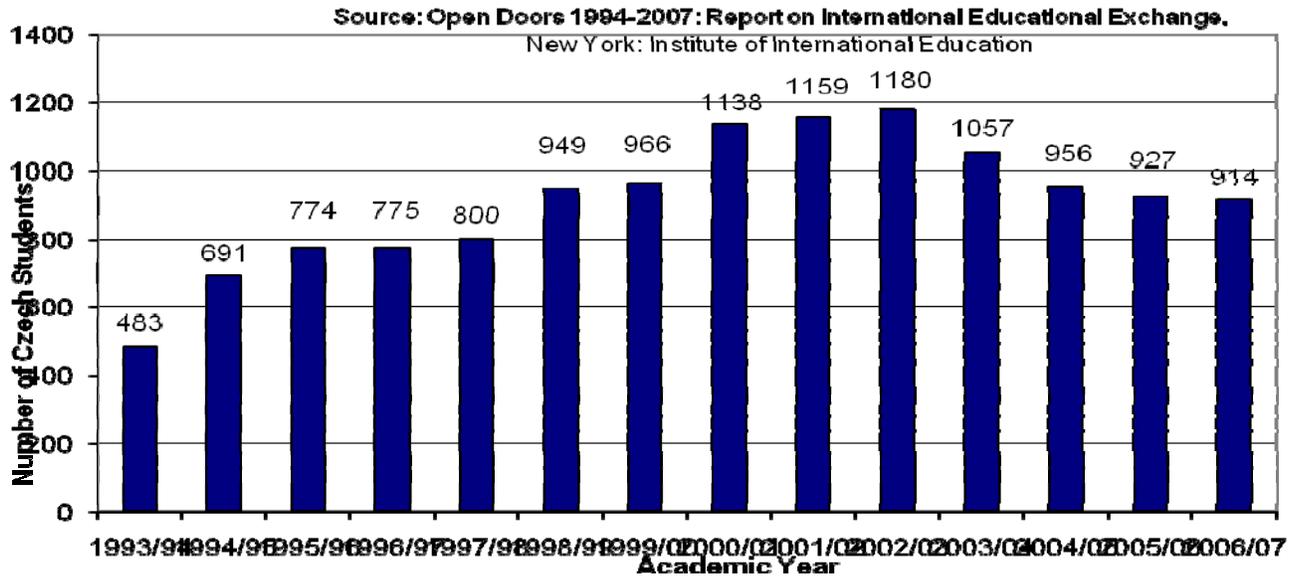
Market Demand

The majority of university students are interested in economic and humanities subjects, for which over 105,000 students applied in 2004 (almost 40% of all applications submitted). Substantially less popular, pedagogical and teaching subjects came in third place. In 2004, there were 284,977 application forms sent to universities, both public and private, of which nearly 97% were applications to public universities. Based on the results of the entrance exams, 108,813 applications were evaluated positively, but the actual number of students who registered for study was 76,296. Among the most frequent causes for this discrepancy is the fact that a lower number of students who pass the entrance exam successfully actually gain admission (due to capacity reasons), and in some circumstances students get accepted to more than one university or program, in which case they have to choose between them.

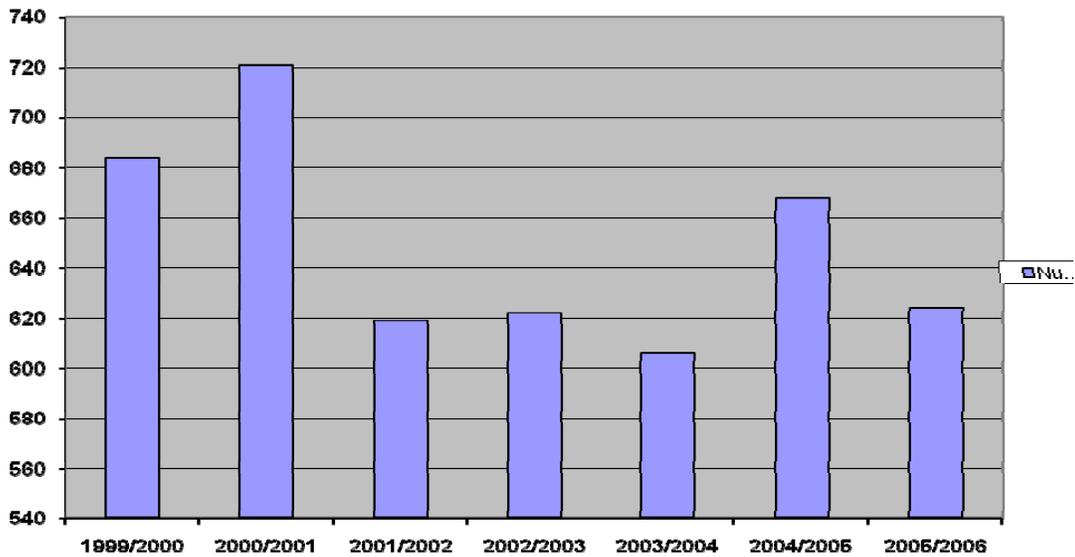
Study abroad programs remain popular and are growing, especially for university and college studies. However, interest in studying in the US has slightly declined in the past decade. There are several reasons for this trend: 1) The price of studying in the US is higher than studies in Europe; 2) The distance away from home also plays a role; 3) European programs are usually shorter, for example, six months is the norm in Europe while U.S.-based programs usually last an entire year; and 4) since the Czech Republic's entry into the EU it is easier to study in Europe because Czech students can take advantage of EU funding grants. Currently, three-quarters of university students going abroad take advantage of the Socrates–Erasmus program to study in Europe. This represents 6,500 students out of the total number of 8,500 who study abroad. University studies in the U.S. are most attractive for academically-talented students or athletes who are able to take advantage of scholarships. High school exchanges to the United States can be facilitated through an organization (non-profit or commercial) or can be self-organized. Czechs interested in studies in the U.S. need to apply for a visa: F1 Visa – Educational visas: Individuals who want to study or conduct research at an accredited U.S. college or university; J1 Visa –

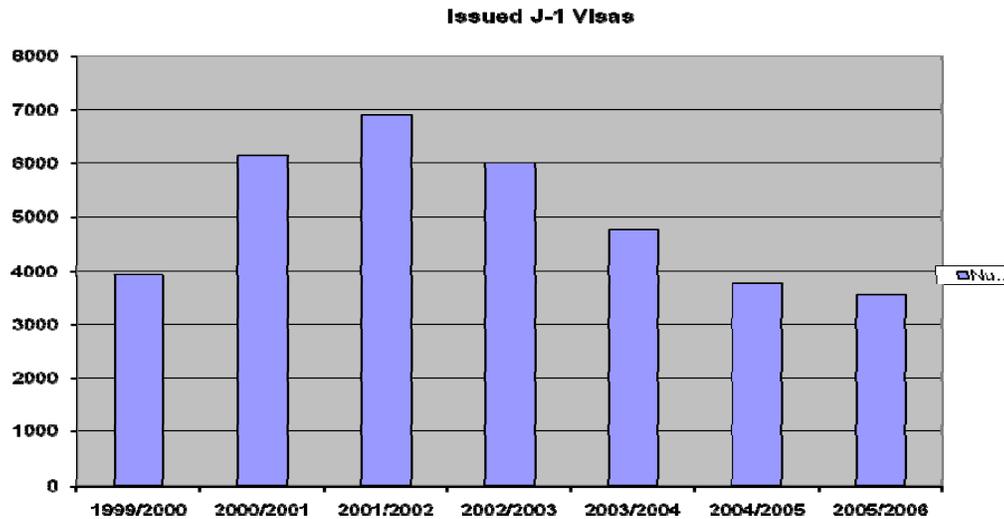
Exchange Visitors visas: International students who want to do an internship in the U.S., approximately 50% of which are for academic purposes.

Number of Czech Students Studying In the USA since 1993



Issued F-1 Visas





Source: Fulbright Commission

The Czech Republic is now attracting a growing number of university students from abroad. In 2006, there were approximately 5,600 foreign students taking advantage of study abroad programs.

English as a Second Language (ESL) Market. More and more Czech companies are following the lead of global companies based in the Czech Republic and are requiring English language capabilities from their employees. This trend creates demand for ESL studies in the Czech Republic. However, for Czechs European countries appear to be a more attractive destination for short term ESL studies especially given the price and distance advantages.

Distance and eLearning programs allow individuals to enroll in an institution's program by taking courses and completing assignments on-line via the internet. While distance and e-learning programs are growing in popularity around the world, the Czech Republic lags in this area. Preferred courses are those that meet specific professional needs. The main market for this segment is corporate training.

Best Prospects

Even though there is a great demand for English language studies in the U.S. this has been limited due to distance and price disadvantages. The declining dollar has ameliorated the situation somewhat recently. Strong demand still exists for programs at the elite U.S. universities, the other sectors discussed below are more challenging ones but still offer opportunities.

MBA programs have experienced a boom starting in the year 2000. Recently, this area offers a bit more limited opportunities given the growing number of competitive programs. U.S. programs are seen as high quality and prestigious, however, they are also viewed as highly priced. Some employers used to offer MBA studies as part of their benefits package. However, these days they are reconsidering this strategy since they are increasingly faced with the situation where an employee leaves the company for a better job as soon as he or she finishes their MBA education.

ESL Programs: There is huge demand for short-term ESL programs abroad. However, as mentioned before the U.S. faces strong competition from European programs.

Other areas of growing demand include the private kindergarden business in the Czech Republic, e-learning and high-school exchange programs where U.S. schools form partnerships with Czech recruitment agencies.

Key Suppliers

A number of higher education institutions in the U.S. are well known and respected in the Czech Republic. At the university level, the primary competitor for exchange students is the Erasmus program, which provides funding to study at other state institutions throughout Europe. In many ways, studying within Europe is easier for Czech students; they face less bureaucracy as well as lower cultural barriers. Importantly, EU member students do not require visas to study and live in other EU states, while obtaining a visa for study in the U.S. can be costly and time-consuming.

Prospective Buyers

Czechs have discovered travel and study abroad in the nineties after the fall of communism. Young Czechs are eager travelers with a desire to gain experience by living and studying in another country. However, Czechs often prefer to study in nearby countries since their family ties as well as “country ties” are usually quite strong. A number of Czech students are also looking for an opportunity to work at least part time while studying abroad especially when his/her studies are self-sponsored.

For individuals, the study abroad experience plays an important role and brings a competitive advantage in the job market. Employers view the applicant with this experience as more independent, communicative and highly-motivated. In most cases, the country where the study abroad experience was gained is not so important.

When working with educational advising centers and agents, a proactive relationship is very important. Keeping frequent contact with these centers allows their staff to be fully updated on the foreign school’s programs. Partnering with local universities is a very effective way of entering the Czech market. The most common model of partnership is student exchange. U.S. universities should note that Czech universities might expect foreign schools to send a similar number of students to their school.

Market Entry

U.S. educational institutions wanting to enter the Czech market can do so either through a partnership with Czech universities, if aimed at an exchange agreement, or through an agent which would usually be the case for high school exchange programs. It is also possible to advertise directly to students. A third option would be to establish a subsidiary in the Czech Republic. This could also open up the door to other markets from East Central Europe.

The U.S. Commercial Service offers a number of ways to help U.S. companies find business partners in the Czech market. These include setting up meetings with Czech companies interested in partnership, government officials and association representatives (Gold Key Service), due diligence on prospective partners (International Company Profile) and events to introduce new product lines to potential customers (Single Company Promotion). More information and contacts can be found at <http://www.buyusa.gov/czechrepublic/en/>

EducationUSA is a global network of State Department supported advising centers promoting U.S. higher education around the world by offering accurate, comprehensive, objective and timely information about education in the United States and guidance to qualified individuals on how to best access those opportunities. EducationUSA is represented in the Czech Republic by the Fulbright Commission.

Market Issues & Obstacles

U.S. high schools and universities seeking students will face strong third country competition especially from European countries. Credit transfer issues among others are more challenging in the case of studies in the U.S.

than in Europe. On the other hand, English language knowledge – required TOEFL scores – is usually not a problem for Czech students. Visa issues and more paper work may also be one of barriers US schools would be faced with. Czech students need a -personal interview by appointment with an American Consular officer. The U.S. Embassy in the Czech Republic strongly advises students to apply for their visa and schedule an interview well in advance of their planned departure. The student must be able to demonstrate that he or she can pay for living expenses and tuition and has been accepted into the school in question.

If a U.S. school evaluates the opportunity of setting up a presence in the Czech market, it should be aware of the strong competition mainly from Czech state high schools and universities that offer high quality programs for free. Also US MBA programs in the Czech Republic should be aware of growing domestic competition offering the MBA courses often for lower prices.

E-learning and distance courses have not yet gained significant popularity in the Czech Republic and a more conservative mindset of Czech students can present an obstacle.

Czech is the official language in the Czech Republic. More than half of Czech company representatives are able to communicate in English or in German as well.

Trade Events

Gaudeamus

October 21 - 24, 2008, Brno, www.bvv.cz

Resources & Key Contacts

Ministry of Education, Youth and Sport – www.msmt.cz

House of Foreign Services under the Ministry of Education – www.dzs.cz

Fulbright Commission – www.fulbright.cz

Association of Language Schools - www.ajscr.cz

Association of Gymnasium Directors in the CR - www.arg.cz

Association of Elementary School Directors in the CR - www.asociacezs.cz

Ministry of Industry and Trade - www.mpo.cz

General Directorate of Customs - www.cs.mfcr.cz

For More Information

The U.S. Commercial Service in Prague, Czech Republic can be contacted via e-mail at:

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www.buyusa.gov/czechrepublic.

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