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THE TRANSITION FROM INITIAL EDUCATION TO WORKING LIFE

COUNTRY NOTE: THE CZECH REPUBLIC

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1. INTRODUCTION

Purposes of the Thematic Review

1. This paper forms part of the OECD's *Thematic Review of the Transition from Initial Education to Working Life*, a project launched by the Education Committee in November 1996. The review is a cross-national study designed to identify major aspects of change in the transition from initial education to working life occurring in OECD countries and, on this basis, to evaluate the contribution of different policy approaches to facilitating transition. A detailed description of the review's objectives, analytical framework and methodology is provided in OECD (1996a).

2. The thematic review places young people's transition to work within a lifelong learning framework (see OECD, 1996b). The transition from initial education to work is only one of many transitions that young people will need to make throughout their adult lives. It is of critical importance, though, since the process by which young people move from initial education to work can influence the extent to which the benefits of education are retained, and opportunities for new learning are opened up. From this perspective, improving the transition to work means more than getting young people into work -- it also requires helping them to become effective learners throughout their adult lives so that remain productive and active citizens.

3. The thematic review process is a relatively new form of OECD activity in the field of education, having commenced in 1995 with the *Thematic Review of the First Years of Tertiary Education*. In contrast with OECD reviews that are concerned with education and training in a single country, a thematic review is intended to draw out key findings and conclusions of comparative interest.

4. From the perspective of participating countries, a thematic review is a less extensive process than a full country review; it involves less time and fewer resources, and does not entail a comprehensive consideration of policy issues in the ministerial portfolio(s) concerned. It also differs from a single country review in terms of output. After each country visit the OECD produces a short Country Note that draws together background materials and the review team's observations. With respect to the transition thematic review, after all participating countries have been visited during 1997, a report will be prepared that draws on their experiences to provide options and alternative perspectives. This paper is the Country Note for the Czech Republic. It will be one input to the comparative report that will pull together analyses and policy developments for all countries participating in the thematic review.

The Czech Republic's Participation in the Review

5. The Czech Republic is one of six countries participating in Round 1 of the review. The others are Australia, Austria, Canada, Norway and Portugal. These countries provide a diverse range of social and economic contexts and policy approaches towards young people's transition to work. As a society that has strong educational traditions, and which has move rapidly towards a free market economy during the 1990s, the Czech Republic's experience is of considerable interest to OECD countries as a whole.

6. The Czech Republic's participation is being co-ordinated by the National Training Fund (NTF) on behalf of the Ministry of Education, Youth and Sports. The OECD is very appreciative of the

assistance provided by the NTF and the Ministry, including the organisation of a comprehensive and stimulating visit by a review team in May 1997.

7. The Czech Republic was the second country to be visited in the thematic review. The review team comprised two members of the OECD Secretariat and two invited experts from other Member countries (see Appendix 1). During the two-week visit, discussions were held with a wide range of policy makers from education and labour, educational and training institutions, research organisations, employers, trade unions, non-government organisations, and groups of young people.

8. The discussions centred on four main issues:

- the ways in which young people’s transition to work in the Czech Republic is changing;
- where the main problems and priorities for action lie, including the identification of which young people are most at risk;
- how the transition process and its outcomes can be improved, including the particular roles that education and training institutions, employers and other key agents should play; and
- policies and programmes that are particularly effective, the reasons for their success, and constraints that may limit their wider implementation.

9. The reviewers were very appreciative of the hospitable, frank and informative meetings that were held. The visit coincided with a period of political and financial instability in the Czech Republic, and it could not have been easy for political leaders and senior officials to find the time that they so generously provided.

10. Prior to the visit the reviewers had the benefit of a comprehensive *Background Report* prepared by the NTF on behalf of the Ministry of Education, Youth and Sports. It was produced by a team that represented the key organisations involved in Czech education and training (see Appendix 2). The background report, which was based on the guidelines and key questions detailed in OECD (1996a), is a further important output from the thematic review process. Unless otherwise indicated, data included in this paper is taken from the background report.

11. The present review follows closely on three other OECD reviews in the Czech Republic: the review of higher education in the Czech and Slovak Federal Republic (OECD, 1992); the review of labour market policy (OECD, 1995); and the review of national education policy (OECD, 1996). Indeed, one of the striking features of the Czech Republic since 1990 has been its openness and willingness to engage in international co-operative work on policy analysis and reform. In framing our own report we have built on the earlier reviews’ analyses and recommendations concerned with improving young people’s transition to work, after making due allowance for the changes that have occurred since that time.

12. Needless to say, however, the paper that follows is the responsibility of the present review team. Although it has benefited greatly from the background materials and briefings that were provided before, during and after the visit, any errors and misinterpretations are our own.

Structure of the Paper

13. The remainder of the paper is organised around four main sections. Sections 2 and 3 outline the major developments in education and the labour market that have occurred since the “Velvet Revolution” of November 1989. These changes have reshaped the circumstances in which young people’s transition to work takes place. As well as some brief descriptive material, each of these sections discusses the issues

and concerns that struck the review team as still requiring attention from policy makers and practitioners. Section 4 suggests some policy directions that may now need to be considered more extensively. These are based in large measure on the promising initiatives in policy and practice that the review team observed and read about during the visit. Section 5 contains some brief concluding remarks.

14. The suggestions made in this paper recognise the substantial progress that has been made during the 1990s in improving young people's transition to work in the Czech Republic and keeping unemployment low, and the strong commitment to further improvement that was evident among all of the groups we consulted. The suggestions are also offered in recognition of the difficulty facing a group of visitors -- no matter how well briefed -- in fully understanding the current situation in the Czech Republic and the range of factors that need to be taken into account.

2. EDUCATION AND TRAINING

Main Features Before 1990

15. The Czech education and training system before 1990 was characterised by highly centralised administration by the Ministry of Education and, for technical and vocational education, by the Ministries responsible for various economic sectors (agriculture, health, industry and so on.). Curricula as well as certification were determined by these Ministries and controlled by the school inspectorate. There were no private schools and only limited free choice of school by parents and students. The distribution of young people across different types and levels of education and training took place according to centralised planning of production targets within economic sectors. Educational institutions were financed accordingly, either by the relevant Ministries, or by public enterprises providing vocational education and training.

16. The structure of schooling at that time consisted of Basic Education comprising primary and lower secondary school (8 years in length), followed by one of three streams at the upper secondary level: gymnasias (4 years); technical schools (4 years); and vocational schools most of which were enterprise-based "apprenticeship schools" (of 2, 3 or 4 years duration). Since there was 10 years of compulsory education, all students had to continue for at least two years of upper secondary education after basic education.

17. Students in both gymnasias and technical schools would normally complete secondary education with the Maturita certificate which was, and still is, the final certificate of upper-secondary education and a condition for access to university. However, university students were mostly recruited from gymnasias, while technical school graduates either entered directly into employment or continued in the more specialised post-Maturita studies available within secondary education. In principle, the Maturita could also be reached through the four year vocational school. However, very few vocational school students actually attained this level, most of them concluding their initial education with the apprenticeship examination. There were, though, a number of opportunities for part-time study within the school system that assisted people to gain the Maturita after leaving initial education .

18. Still within the system of secondary education, Maturita graduates could proceed to one or two years of post secondary studies allowing for some further specialisation in particular occupational fields. This option was particularly pursued by graduates from the gymnasias who failed to get into university. The provision of appropriate post-school pathways for such students remains a considerable problem in the Czech Republic. Tertiary education was provided in universities, or more specialised higher education

institutions, in courses lasting between 4-6 years for studies at Masters level and about 5 years for the postgraduate programme at the doctoral level.

19. Overall features of the system were the strong selectivity of the gymnasia and universities (in 1989 only 15 per cent of the age group entered gymnasia, and a similar proportion entered higher education); largely enterprise-based vocational education (apprenticeships prepared about 60 per cent of the age group for direct entry into employment, mostly within the enterprise where the training had been conducted); and a relatively strong sector of intermediary technical education, more occupationally specialised and less oriented towards university studies than the gymnasium (in 1989 about 25 per cent of the age group entered this type of school).

20. Due to central planning of production levels and workforce needs, and in the absence of a free labour market, there was no youth unemployment and the transition from initial education and training to work took place very smoothly. After initial education, most young people were able to enter stable employment in their field of study or training. The skills of many people were under-utilised or poorly utilised due to the way that work was organised and the low level of technology in most workplaces. As indicated earlier, this rigid system left little space for individual choice and initiative for career development once a young person was launched on a particular educational and occupational pathway.

21. Although the overall quality of education and training in the-then Czechoslovakia was generally regarded highly before 1990, the qualifications of young people, especially those trained in enterprises, tended to be relatively specialised and firm specific. General education in the form of the secondary gymnasia and the universities was viewed as being suitable for only an academic elite, and was particularly subject to state control since it educated future members of the higher professions and the intelligentsia. Teaching methods emphasised the acquisition of facts, and paid little attention to broader skill development or to individual student needs. Nevertheless, the comparative ease with which the country has moved towards a market economy after 1989, and the way in which it has adjusted to the dissolution of Czech and Slovak Federal Republic in 1993, indicates the high potential for individual flexibility and initiative among a large part of the labour force.

Changes in Educational Governance Since 1990

22. A period of intense change and reform was launched after 1989. It was characterised by a strong move towards decentralisation and devolution of responsibility to schools and to district authorities, by the establishment of private schools at the basic and upper secondary levels, by the transfer of most enterprise-based vocational education to the state sector (originally to the Ministry of the Economy, and then in 1996 to the Ministry of Education, Youth and Sports), under what has been called "state apprenticeship", and by full freedom of school choice by students and their parents.

23. School autonomy led to school directors and teachers making decisions, for the first time, about curriculum design, teaching methods and the choice of teaching materials and equipment. Per capita funding for primary and secondary education, both public and private, introduced the principle of competition between schools for students and funds. It also encouraged the establishment of new schools, especially private schools. With these changes came increased school-level responsibility for management, and the need for schools to seek advice and support from parents and the local community and, especially for technical and vocational schools, to create their own links with local industry.

24. Positive results of this largely spontaneous process of educational change included the relatively rapid response of the education and training system to changing demands and opportunities in an increasingly market-oriented economy and employment system. In particular, the technical schools and

many private institutions responded quickly to the growing need for qualifications in finance and commerce, foreign language skills and other service-oriented studies which were little provided for pre-1990, when the centrally-planned economy was heavily based on primary and manufacturing industries. Schools that we visited during the review seemed to be in the forefront of such developments -- restructuring curricula, building links with employers, establishing relationships with schools and organisations in other European countries, and in raising funds through leasing spare facilities and providing retraining programs on behalf of the Ministry of Labour and Social Affairs.

25. In many other cases the school director and teachers have been slow to use their new freedoms, and that old ways of managing and teaching are still in place. Some uncertainty has developed with regard to the quality of education in certain schools and the value of certificates which no longer corresponded to centrally determined curricula. Furthermore, currently there appears to be an oversupply of commercial and other service-oriented training, while at the same time a lack of production and construction workers requires recourse to immigrant labour. At the higher education level there is concern about the reluctance of young people to choose technical fields of study, a phenomenon which is common to most OECD countries.

26. In the more fluid and less predictable environment in which the Czech Republic is now located, there is a premium on better information to help evaluate the effects of change, to provide accountability for the use of public funds in the education and training system, and to help students and their families choose appropriate educational and occupational pathways. In spite of the impressive development of certain organisations for information and research, the speed of change seems to have outpaced the available knowledge base. In particular, at present there is only limited information on the flow of students through the education system and into the labour market, although we understand that the first results from a major new sociological study of graduates from different types of schools will be available in 1998.

27. It is difficult currently to determine the extent to which the currently low level of youth unemployment is due to the structure and quality of education and training or to the recent period of economic growth together with delayed restructuring in the production sector. As these latter conditions seem to be reaching their limits, it will become increasingly important to organise educational provision with a closer view to likely developments in the labour market. Experience in other OECD countries shows that forecasts for the labour market as a whole or at the sector level are indeed extremely uncertain and relatively inefficient in guiding educational development. Individual employers, on the other hand, are often unable to precisely define their needs at the enterprise level. The most useful indications of future labour demand are usually obtainable at the branch or industry level. Such information and analysis will need to be further developed in the Czech Republic.

28. The policy debate and various decisions of the Czech government in recent years indicate that these issues are being taken very seriously. A significant step in this regard was the publication of *Quality and Accountability* by the Ministry of Education, Youth and Sports in 1994. This document sought to establish principles for guiding the future development of the education system, and concrete steps for promoting a better balance between the responsibilities and interests of the state, educational institutions, students and their families, and other key players such as the municipalities and employers. The overall thrust of this document, and the reforms which accompanied it, were to find ways of ensuring that the government's legitimate responsibility for ensuring that the education system meets national needs could be exercised in a manner consistent with the widely-shared commitment to democratic and participatory decision making.

29. This is a difficult balance to achieve, especially in a society that remains deeply suspicious of any move that could be interpreted as a re-centralisation of power. Policy concerns of the period since 1994 are focusing on contentious issues such as:

- the setting of national educational standards;
- developing monitoring and control systems for evaluation and quality assurance;
- improving the transparency of the system by making extended information available to all the interested parties;
- establishing and intensifying the support systems through the further training of teachers, educational research, the production of guidance materials and so on;
- broadening the funding base by developing models for co-financing, sponsorship and partnerships; and
- refining per capita funding to increase the cost-effectiveness of education and training, including the encouragement of larger schools. This is intended to allow for a more rational use of buildings, teaching and training equipment and the improved human resources management of the teacher work force.

30. The opening up of these areas of debate, and in some cases making the necessary legislative and administrative changes, indicates a move towards more strategic and systemic thinking in the educational policy domain. Nevertheless, there seems to be some lack of clarity with regard to the regulation of education and employment systems through appropriate legislation and with the help of advisory and decision making bodies, especially at the national level. In order to be effective, such bodies need to involve representatives of all the major social and economic actors (that is, educators, parents, industry, trade unions, and government). Such structures are necessary in order to formulate the needs and expectations to which schools should respond, to set agreed standards for the quality of education and to define common criteria for assessing the cost-effectiveness of schools. They are crucial with regard to young people's transition from school to work because they contribute to shaping the interface between education and employment, for instance through curriculum councils, national qualification systems, agreements on apprenticeship conditions, and labour market programmes for particular groups of young people. This issue is taken up further in section 4.

Structural Reforms and Changes in Student Pathways

31. At the school level, the main reforms affecting the structure of educational institutions and pathways since 1990 have been:

- the reduction of compulsory education from ten to nine years. However, compulsory education in the basic school was increased from 8 to 9 years, which means that all of compulsory education can now be taken in the basic school sector;
- the introduction of separate gymnasium streams for academically gifted students at the lower secondary level (thus now providing 6 and 8 year streams of gymnasium as well as the original 4 year gymnasium);
- the establishment of integrated schools, bringing technical and vocational schools together within the same institution (most commonly, a former vocational school);
- the abolition of the previous "post-secondary study programmes", and the creation of higher professional schools which, although broadly equivalent to tertiary education (ISCED level 5), are administered as part of the secondary school system.

32. At the higher education level the structural changes have been less marked, but are nonetheless significant. A new, shorter (3 year) degree programme has been introduced at Bachelor level, and the

Magister degree course has been extended by one year, and now most commonly involves 5 years of full-time study.

33. The principal effects of these structural changes on the transition from education to work relate to the lengthening of initial education, the creation of additional (lower level) certified exit points from technical and vocational education, and the establishment of short cycle tertiary education.

34. The lengthening of initial education can be seen in the changing pattern of enrolments in upper secondary education (see Table 1). Despite a demographic decline in the size of the secondary school age cohort since 1989-90, the number of new entrants to secondary technical schools has grown by some 40 per cent, while the numbers commencing in the generally shorter secondary vocational schools has fallen by about 35 per cent. Currently, about 37 percent of students entering secondary education are going to technical schools, compared with 24 per cent in 1989. This growth has been mostly at the expense of the vocational school sector: about 47 percent of those entering secondary education now go to vocational schools, down from 61 percent in 1989.

Table 1 New entrants to upper secondary and higher education, 1989-90 and 1995-96

	1989-90		1995-96	
	Students	Index	Students	Index
Gymnasia	26 300	100	26 800	102
Technical schools	42 100	100	60 000	143
Vocational schools	106 100	100	68 000	64
Total upper secondary	174 400	100	155 700	89
Higher education	22 900	100	37 600	164

Source: OECD (1996c).

35. Even within the secondary vocational sector, there is evidence that more students are opting for 3 and 4 year courses rather than 1 and 2 year programmes. The advantage of these longer courses is that they provide access to the labour market, but also keep open the possibility of university entry. The net result is that now virtually the entire population of 15 year-olds continues into upper secondary education and receives some form of preparation for either a profession or a trade. The overall proportion of upper secondary students in courses leading to the Maturita certificate rose from 45 per cent in 1989-90 to almost 60 per cent by 1995-96. Significantly, though, the proportion of students in the gymnasia has changed little -- entrance to these institutions is restricted (in the state sector at least) by rigorous entrance examinations, and the lack of clear pathways into employment for gymnasium students who do not gain a university place makes them less attractive for some families than the secondary technical schools. Although further rises the proportion of 17-18 year-olds in upper secondary education in the Czech Republic are likely since participation at these ages is still below the OECD average (Table 2), it would seem that under present policy settings most of them will be in the vocational and technical (VOTEC) sector.

Table 2 Net enrolment in upper secondary education, by single year of age, 1994 (in %)

	Age 15	16	17	18	19
Czech Republic	98	88	61	36	23
OECD country mean	93	88	78	65	47

Source: OECD (1996d).

36. The lengthening of time spent in initial education is also reflected by the 64 per cent growth of new entrants to higher education recorded since 1989-90 (Table 1). Around 20 per cent of 18 year-olds now commence full-time study in higher education, compared with 15 per cent in 1989-90. The demand for higher education places is even higher still: only about half the applicants for university secure a place. We return to the question of the supply of university places in section 4. Around a further 7 per cent of 18 year-olds enter a higher professional school after the Maturita (although at present this proportion is little different from that which enrolled in the former post-Maturita programmes run by secondary schools). Overall, therefore, at least 25 per cent of young Czechs now enter some form of tertiary education shortly after completing upper secondary school. This level of tertiary participation, although still well below that of many OECD countries -- especially in non-university education (Table 3) -- represents an historic shift from the time when the initial education of most young Czechs did not lead to tertiary education. The completion of upper secondary education is still dominant -- about 70 per cent of young people enter the labour market after upper secondary school -- but new pathways to work are opening up.

Table 3 Net enrolment in tertiary education, by age group, 1994 (in %)

	Non-university			University		
	18-21	22-25	26-29	18-21	22-25	26-29
Czech Republic	3	1	-	12	7	2
OECD country mean	6	3	2	16	12	5

Source: OECD (1996d).

37. However, only half of the Maturita graduates succeed in the entrance examination to university, and the success rate varies strongly according to the type of secondary school. Some 90 percent of the graduates from gymnasia continue into higher education, 35 percent from the technical and vocational schools and only 3 percent from the apprenticeship schools (Hendrichova, 1997). However, because the gymnasium sector is smaller than the technical and vocational school sector, around 54 percent of those accepted in higher education come from gymnasia, 38 percent from technical schools, and 5 percent from apprenticeship schools. In terms of entrants to higher professional schools the respective shares are 34 percent for gymnasium students, 59 percent for technical students, while 7 percent of entrants come from apprenticeship schools. Finally, most of those who do not enter university or a higher professional school have a technical or vocational secondary qualification and enter the labour market straight from school.

38. It would be interesting to have more precise information on the proportions and labour market outcomes of those who leave the education system after the two and three years courses in technical schools and after the new one year course in vocational schools. Similarly, it would be helpful to know more about the flows between these different courses and the flows between vocational and technical

schools. While the establishment of integrated schools of vocational and technical education would seem to indicate increased openness and fluidity between these types of schools, the extent to which there has been integration in terms of curricula and teaching and learning is less clear.

39. In principle, the increased number of certified exit points from secondary education is a positive development. Young people's pathways are facilitated if no student leaves initial education without a recognised certificate (be it at a relatively low level of educational achievement), and no student is prevented from continuing from lower level certificates to a higher ones within and across all types of secondary school, and on to tertiary education. Even if this represents an "idealised vision" of a permeable educational system, the need for such flexibility is becoming more evident with the growing knowledge and skill requirements in modern economies and societies. Countries like the Czech Republic, which have embarked on a general remake of their education system, are well placed to build concrete foundations for a life-long learning society into emerging new structures of education and training.

3. THE LABOUR MARKET

Overview of Developments

40. The Czech economy and labour market have undergone major structural changes since 1989. The command structure of production has been dismantled, large sections of the economy have been shifted from state to private ownership (including ownership by overseas enterprises), it has become much more open to international competition, a number of public sector activities have been restructured, and all aspects of economic activity face dynamic, but uncertain futures. Remarkably, in spite of the massive changes that have occurred in such a short time, unemployment has remained low (currently about 4 per cent) and has fallen far short of the levels that were anticipated at the beginning of the 1990s.

41. The 1994 review of the labour market in the Czech Republic (OECD, 1995) attributed the low level of unemployment to three main factors. The first of these was a decline in the labour supply as substantial numbers of elderly persons and women withdrew from the labour market after 1989. Although many jobs were lost as well, the reduction in labour supply was only slightly less than the fall in job numbers, which meant that unemployment edged up by only a little. The second main factor has been that real wages had remained below their 1989 levels. Finally, the OECD review pointed to the fact that the Czech population is well qualified, it has a relatively low concentration of workers in agriculture, and there are strong industrial traditions in Bohemia and Moravia. The rapid development of the services sector has created many new job openings for young entrants to the labour market and those displaced from other industries.

42. Table 4 compares several indicators of youth unemployment in the Czech Republic in 1994 with 19 other OECD countries. The major features are as follows.

- The labour force participation rate for 15-24 year-olds in the Czech Republic, at 51 percent, is slightly less than the OECD country average (53 percent). The Czech Republic is a middle-ranking country in terms of the proportion of its young people in the labour force (equal 10th out of 20 countries). Those countries with higher rates of youth labour force participation are either those where many young people hold apprenticeships and hence are classified as employees (e.g. Austria, Denmark and Germany) or where many full-time students work part-time (e.g. Australia, Canada and the United Kingdom). These forms of youth labour force participation are present in the Czech Republic, but to a lesser extent than in many other OECD countries.

- The unemployment rate for 15-24 year-olds in the Czech Republic was only 8 percent in 1994, which was well below the OECD average of 18 percent. Only Austria experienced a lower youth unemployment rate among the countries listed in the table.
- The combination of a middle-ranking level of youth labour force participation and a very low youth unemployment rate means that the ratio of unemployed youth to the 15-24 year-old population is exceptionally low in the Czech Republic. In 1994 this ratio was 4 percent, which was less than half of the OECD average (9 percent), and meant that the Czech Republic ranked equal 18th out of the 20 countries in this regard.
- Adult unemployment in the Czech Republic is even lower, compared with other OECD countries, than youth unemployment. In 1994 the adult unemployment rate was only 3 percent, which was one-third of the OECD country average. The ratio of the youth to adult unemployment rates was a little higher in the Czech Republic (2.7) than on average in the OECD (2.3). On this particular indicator the Czech Republic was in the top one-quarter of OECD countries. This implies that, compared with most OECD countries, Czech youth fare comparatively worse in the labour market than adults. However, this needs to be seen in the context of the very low unemployment experienced by both age groups in the Czech Republic.

43. Although overall unemployment is low in the Czech Republic, there are some marked differences among various groups and regions. Among 15-19 year-olds in 1996, unemployment was 14 percent, whereas it was only 4 per cent for 20-24 year-olds. Teenagers who have left school early appear to have particular difficulties on the labour market. Young women experience slightly higher unemployment than young men. In the labour force as a whole, people whose highest level of educational attainment is basic education or less have much higher unemployment (10 percent) than graduates from secondary school (about 3 percent) or university (1 percent). Unemployment among the eight regions ranges from 2 percent in Prague to about 7 percent in North Bohemia. The differences are slightly more pronounced among the 77 administrative districts where unemployment ranges from 1 to 9 percent.

Table 4 Unemployment indicators, 1994

	Labour force participation rate 15-24 year-olds (A)	Unemployment rate 15-24 year-olds (B)	Unemployment to population ratio (A*B)	Unemployment rate 25-64 year-olds (C)	Ratio of youth to adult unemployment (B/C)
Australia	69	17	12	8	2.1
Austria	62	5	3	3	1.7
Belgium	35	22	8	8	2.8
Canada	63	16	10	9	1.8
Czech Republic	51	8	4	3	2.7
Denmark	69	11	8	12	0.9
Finland	41	34	14	17	2.0
France	31	30	9	11	2.7
Germany	79	8	6	9	0.9
Greece	38	29	11	7	4.1
Ireland	46	23	11	13	1.8
Italy	38	32	12	8	4.0
Netherlands	62	9	6	6	1.5
Norway	56	13	7	4	3.3
Spain	42	45	19	20	2.3
Sweden	51	17	9	7	2.4
Switzerland	44	8	4	4	2.0
Turkey	50	16	8	6	2.7
United Kingdom	70	16	11	8	2.0
United States	58	14	8	6	2.3
Country mean	53	18	9	9	2.3
Czech ranking	equal 10th	equal 17th	equal 18th	equal 19th	equal 5th

Sources: Czech Statistical Office, Labour Force Survey 1993 and, for the other 19 countries, OECD (1996d); the Czech data refer to the last quarter of 1993.

44. Since 1990 the structure of employment has changed substantially in the Czech Republic (OECD, 1996). The main changes have been as follows.

- In 1989 the private sector employed only 1 per cent of workers; by 1995 the share of private-sector employment exceeded 60 per cent, and it is likely to have grown even more since that time, although at a slower pace.
- Before 1990 self-employment was rare, as was employment in a small enterprise (defined as fewer than 25 employees). By 1996 these two sectors accounted for about 40 per cent of all employment.

- Employment in agriculture and industry has declined, while the services sector has increased its share of employment from 40 per cent in 1989 to more than 50 per cent in 1994.

45. Accompanying the structural changes in the economy, and to some extent reinforcing and accelerating them, has been an increasing rate of return on investments in education. Prior to 1990, wage differentials were very narrow, and to a extent favoured manual and “ideologically correct” work rather than employment based on acquired skills and knowledge. In the early 1990s wage regulation was attempted with the objectives of controlling inflation and promoting macro-economic stability. Wage regulations, which were abolished in mid-1995, seemed to have had only a modest impact on constraining wage rises. Since 1990 earnings have become more differentiated, and substantially higher rates of wage growth have been evident for well-educated workers, especially those in the privatised sectors of the economy. Workers with skills in foreign languages, computing, marketing and finance have been in particular demand. This has had the effect of further stimulating the demand for education in secondary technical schools and higher education, as reflected in the increases in education participation described in section 2.

46. Table 5 provides some estimates of the differentiation of earnings associated with higher levels of education in the Czech Republic compared to OECD countries as a whole. These indicate that, compared to most countries, the earnings differential associated with further education in the Czech Republic is relatively high.

Table 5 Relative earnings by educational attainment level, 25-64 year-olds, by gender

	Men (average earnings for men with upper secondary education = 100)			Women (average earnings for women with upper secondary education = 100)		
	Lower secondary	Upper secondary	University	Lower secondary	Upper secondary	University
	Czech Republic	78	100	185	73	100
OECD country mean	81	100	158	75	100	159

Sources: Czech Statistical Office 1997, Structure of Earnings Survey, and, for the other 19 countries, OECD (1996d). The Czech data refer to 1996, while the other countries refer to different years from 1991 to 1994.

47. Table 6 draws together data on the education and employment activities of young Czechs in 1996, and how these have changed since 1993. The rise in education participation is reflected in the fact that in 1996 some 74 percent of 15-19 year-olds were in education, a rise of 10 percentage points from three years earlier. Similar growth was experienced in the proportion of 20-24 year-olds enrolled in education: up from 12 percent in 1993 to 15 percent in 1996. As can be seen from the first column of the table, though, very few young Czechs are classified as combining education and employment. Between 1993 and 1996 the proportion of 15-19 year-olds in employment declined from 34 percent to 22 percent as education participation rose and the age of transition to work increased. One notable success over this period was a reduction in the proportion of 15-19 year-olds who were in neither education nor employment from 8 percent in 1993 to 6 percent in 1996. Teenagers who are neither working nor studying face considerable risks of long-term economic and social marginalisation, and it is encouraging to see a fall in the proportion of 15-19 year-olds in this category.

Table 6 Education and employment status by age group, 1993 and 1996 (% of age group)

Age group	In Education		Not in Education	
	In employment	Not in employment	In employment	Not in employment
1993				
15-19	5	59	29	8
20-24	1	11	64	24
25-29	-	1	76	23
1996				
15-19	2	72	20	6
20-24	1	14	67	18
25-29	-	1	75	24

Note: due to rounding, the rows for each age group may not sum to 100 per cent.

Source: Czech Statistical Office, Labour Force Survey 1993 and 1996.

Issues and Concerns

48. Despite the undoubted economic successes of the Czech Republic since 1989, a number of concerns are evident. GDP is still below the level of 1989, and labour productivity is low although both indicators have improved since 1994. There is a significant deficit on the trade account, and although tourism has helped bring considerable revenue to the country, the currency situation remains fragile. Czech industry has found it difficult to switch from a reliance on processing raw materials and chemicals to more sophisticated, high value-added goods. The demographic outlook, too, offers a mix of opportunities and problems. The number of 15-19 year-olds has been falling since 1993, when it peaked at 909,000, and is projected to decline to 682,00 by 2000 -- a fall of 25 per cent in just seven years. Although this will almost certainly be to the advantage of young people entering the labour market from school, the general ageing of the population that it signals means that productivity per worker will need to rise substantially to lift overall living standards.

49. During the review visit, we were frequently told that one of the important reasons behind the relatively low unemployment of Czech youth was the flexibility that their initial education and training provided them. This may well be the case. However, there did not seem to be any direct evidence available on the extent to which young people work in occupations outside the areas in which they were trained, or workforce mobility more generally. Although overall data indicate that some 40 per cent of people have changed jobs in the past few years, there seemed to be little information available directly on the mobility of young workers. The major research project on the destinations of school leavers which is due for release in 1998 will help to reduce this information gap.

50. Concerns were expressed to the reviewers that the positive environment for employment will not last. Already there are signs of growth slowing in areas of the economy -- such as finance and banking -- that have provided many new jobs in recent years, especially for young people. As well, there was a feeling that as privatisation continues and new management approaches are introduced, the pressures to lift productivity will result in job losses.

51. Young people who leave education now face a much different labour market from that which existed prior to 1989. In fact, the point was often made to the reviewers that no "market" for labour existed at all in the earlier period because labour was centrally allocated. Although almost all of those leaving the education system were quickly employed, their qualifications may not have matched the jobs they were allocated. Productivity remained low due to the lack of opportunities for individual workers to

show initiative, and the lack of incentives for enterprises to innovate. The combination of low productivity and no market pressures kept the demand for labour high, and encouraged complacency about the adequacy of young people's preparation for work.

52. During the 1990s the emphasis has shifted to individuals having responsibility for charting their own pathways through education, training and work. To help the labour market work efficiently, individuals and educational institutions need up-to-date information about labour market trends and the requirements for entry to particular occupations. Reliable information about fields where a shortage of skilled labour or unemployment is anticipated should be made available and updated regularly. Furthermore, better information about the relationship between fields of study (qualifications) and actual employment of graduates is badly needed. Such information should be available to all partners in the education and training process: students, parents, teachers, employers and trade unions, as well as the Ministry of Education, Youth and Sports. The agreement on information sharing that was signed recently between the Ministry of Education, Youth and Sports and the Ministry of Labour and Social Affairs will do much to help in this respect, as will the forthcoming results of the major study of education graduates that was mentioned earlier. However, there seemed to be widespread agreement among the people we consulted that the pace of change had outstripped the information available.

53. The common ingredient in successful approaches to young people's transition to work, whether at national, regional or local levels, is the development of partnerships between educational institutions and enterprises (OECD, 1994). Under the former command economy, the large state enterprises in effect constituted the partnership by themselves: after basic education, some 60 per cent of young people were trained in enterprise-based schools, and most of these went on to work in the enterprises concerned. With the moves since 1990 towards a free market economy, the breaking up of the large state enterprises by privatisation, the rapid growth of a small and medium-sized enterprises based on service industries, and the growth of the "grey economy", the interest and capacity of enterprises to engage in direct vocational training has changed beyond recognition. An important issue for Czech policy makers to consider is the development of a new form of relationship between enterprises and the education sector that helps to meet the skill requirements of a modern economy, while recognising that young people and their families are now the critical decision makers in the transition process.

54. As noted earlier, there seem to be relatively few opportunities to combine education and work in the Czech Republic. Part-time employment is low, and employment-based apprenticeships exist in only a very limited form. The predominant activity states of young Czechs are full-time education, or full-time work, or being outside of education and work altogether. This approach to transition depends on there being sufficient full-time jobs available for all who want them. To date, the Czech Republic has been fortunate in this regard. However, there are at least three reasons why this particular model of transition may need to be reconsidered.

- Even if the overall employment situation remains favourable, it can be anticipated that there will be an increasing emphasis on part-time employment. As in most countries, the services sector of the economy is growing fastest, and by their very nature many services need to be available when people want to use them (for example, hospitality, retail, and tourism). Such services are often characterised by part-time employment by the young, due to their greater availability outside of normal working hours. It can be expected that full-time students will increasingly have part-time jobs, which may require a more flexible reorientation of educational institutions. Part-time work can also be a stepping stone to full-time employment for the young unemployed. The authorities need to ensure that the conditions covering unemployment benefits do not make part-time work financially prohibitive.

- The growing demand in the economy for up-to-date skills and knowledge, and the considerable income differentials associated with higher qualifications, mean that workers, and enterprises, are likely to demand more opportunities for part-time study taken in conjunction with employment. This is going to require increased responsiveness and flexibility by educational institutions if they are to cater adequately for a more diverse student clientele.
- As high-quality apprenticeship systems in other countries show, there can be considerable pedagogical and motivational benefits when young people are able to combine theoretical learning with workplace-based applications and experience.

4. POLICY QUESTIONS AND OPTIONS

55. In developing the suggestions in this section, we have been mindful that concerns about young people's transition to work in the Czech Republic need to be kept in perspective. Youth unemployment is exceptionally low by OECD standards, and further education and training seems to be valued by employers and young people alike. Nevertheless, the discussions we held indicated a widespread view that the present favourable employment situation is somewhat fragile. Economic growth remains uncertain, unemployment is relatively high in some regions, particularly among the unskilled, and there is a lack of skilled labour in industrial production and the construction sector. Forecasts anticipate a saturated labour market in the financial sector and the service industry, fields towards which many students are currently orienting their studies.

56. It is therefore appropriate that the Czech authorities are directing attention towards the medium- and long-term development of the education and training system in relation to the expected development of the Czech economy and the labour market. Increased living standards will depend on the Czech labour market becoming even more flexible in response to increased competition and the need to satisfy demands from domestic and foreign consumers of Czech goods and services. An important element in creating greater labour market flexibility is to ensure that the education and training sector is flexible and responsive to new demands. It is inevitable that the transition "system", as the bridge for young people between education and the labour market, is itself going to change.

Structure and Provision of Initial Education

The balance of general and VOTEC education

57. The review team was impressed by the diverse range of educational institutions in the Czech Republic, and also by the fact that the length of basic education (primary and lower secondary education) had recently been extended to nine years. The extension of basic education will allow extra time for the development of knowledge and skills for personal growth, and ensure that young people can operate effectively as members of the Czech community. This will also provide a strong base on which the secondary education can build to pursue fully the preparation of young people for work as a main part of its responsibilities. In this review, the focus is on education and training after the years of compulsory education, even though it is acknowledged that basic education plays a key role in equipping young people for working life.

58. The institutional structure of schooling in the Czech Republic is similar to that in much of continental Europe, especially Central Europe: universal and comprehensive primary and lower secondary education, followed by selection into either a 4 year-gymnasium intended mainly as preparation for university, or into a VOTEC institution of up to four years in length that is designed mainly for entry to the

labour market, although entry to university is also possible from this stream. Such systems are often characterised as offering the benefits of a close relationship between enterprises and education (through the VOTEC institutions) and a relatively smooth transition to work, but to face problems of students having to specialise at a young age, and selection into the gymnasias and VOTEC streams being based largely on social class (although this latter point does not seem to apply to the Czech Republic).

59. On the face of it, the Czech Republic offers an extreme case of a two-track upper secondary system. According to the figures in OECD (1996d), only 16 per cent of Czech upper secondary students were classified as being enrolled in general education programmes in 1994, which was the lowest of the 25 countries for which such data were available. Only Austria and Germany, with about 22 per cent of students classified in general programmes, and Hungary and Italy (27 per cent), and the Netherlands (30 per cent) came close to this proportion. Overall, the average for OECD countries was for 47 per cent of upper secondary students to be in general education programmes, and 53 per cent in VOTEC.

60. The terms “general education” and “vocational and technical education” as used in such classifications can be somewhat misleading. In the Czech case, the students in the so-called general programmes -- that is, those enrolled in the gymnasias -- almost certainly have a strong vocational perspective on their choice of school and study programme within school. On the other hand, we are aware that one of the significant changes in Czech VOTEC programmes during the 1990s has been to increase their “general” education content as reflected in the study of the Czech language, foreign languages, mathematics, social sciences and so on. Nevertheless, the labels “general” and “vocational” education still carry meaning for students and their families -- and provide signals to potential employers about young people’s immediate employability.

61. The demands of modern economic life mean that it will be no longer possible to expect that education and training received during youth -- no matter how strongly “vocational” -- will be sufficient to guarantee employability throughout one’s working life. The basis for employability is broadening. Productive work habits, personal confidence, decision-making skills, and a commitment to learning are as important as specific vocational skills in getting and holding a decent job. On-going structural changes affecting all OECD economies and societies have increased the importance of up-to-date skills and competences.

62. To improve student employability, most education and training systems are trying to reduce the traditional separation between vocational education and academic or general education. This objective often involves complementing classroom teaching with learning in workplace settings, most commonly in enterprises but sometimes also in school-based enterprises. These educational changes are based on the need for all students to develop theoretical understanding and practical applications in a more integrated way so that they will be better prepared to cope with the demands of future employment and education.

63. From what we understand, much of the change in curriculum in the VOTEC sector of Czech education during the 1990s is an attempt to do just that. We wonder, though, about the adequacy of the preparation of a number of the gymnasium students for working life, especially those who do not obtain a place in university. Although we did not have the opportunity to visit a gymnasium to observe its teaching at first-hand, from what we understand the programmes generally emphasise book learning, written work and a didactic teaching style rather than working independently, project work, team work and so on.

64. We feel that the vision which should guide the development of upper secondary education in the Czech Republic is one that ensures all students -- in no matter what type of school -- experience the strengths of both academic and applied learning through curriculum content that is relevant to their future needs as citizens and workers, teaching styles that engage and challenge them, and opportunities to gain first-hand experience of workplace settings. This is not necessarily to argue for a convergence of general

and vocational education or to support the introduction of comprehensive rather than differentiated schools such as presently exist in the Czech Republic. The present structure of schooling clearly has strong social support, and is effective in meeting a broad range of young people's needs. Rather, our feeling is that as the Czech economy and society opens up and changes even more, all young people will need an education that balances vocational relevance with equipping and motivating them to become lifelong learners.

General skills for work

65. As part of the rethinking of the balance of general and vocational education, an issue to be examined is whether there is a need to identify for the Czech Republic a set of general workplace skills which are expected to apply irrespective of the nature of the workplace environment, and which all students should have the opportunity to develop. Related to this is the extent to which curriculum outcomes should be expressed in terms of competences, that is, what people are expected to be able to *do*. This is a very different aim from more traditional approaches, which focus mainly on assessing knowledge or what people *know*. Those with low levels of educational qualifications are in particular need of assessment and recognition mechanisms that validate what they have learned through experience and self-directed learning off and on-the-job.

66. The general skill requirements of modern workplaces are usually developed around competences such as the following:

- collecting, analysing and organising information
- communicating ideas and information
- planning and organising activities
- working with others in teams
- using mathematical ideas and principles
- solving problems
- using technology

67. The main aim of general skills such as these is to aid the transition from school to work by assisting young people to become productive members of a workforce more quickly, and to better equip them to respond to future change. While good teachers have always developed such skills in their students, a few countries have now started to embody competences in curriculum planning and teaching methodology, and to assess whether students have attained them. Each of these aspects is difficult, even assuming that agreement can be reached on the types of broad skills that all workers will need to have in the future. Nevertheless, the efforts currently underway in the VOTEC sector in the Czech Republic to bring together theoretical and applied reasoning and learning could also be usefully extended to general education streams as well.

Diversification at the upper secondary level

68. There is a relatively large number of different types of schools at upper secondary level in the Czech Republic. In addition to the three main forms -- gymnasium, secondary technical, and secondary vocational -- there are variants of these in the form of the integrated secondary vocational school, and the technical or economic lyceum programme which combines elements of gymnasium and technical schooling and is taught experimentally in several schools. Recent years have also seen the re-establishment of an older, pre-war type of school directed just at girls, the "family school", which combines general education with training in home economics. There is also a substantial provision of

special schools for students with intellectual or physical disabilities. The picture is made even more complex by the fact that there is now a significant number of non-state schools, private and denominational, particularly in the gymnasium and secondary technical sectors.

69. Institutional diversification can be an important means of meeting a variety of student needs, and providing “niche” programmes oriented to particular areas of the labour market, provided there are adequate opportunities for students to move between different types of schools as their interests develop and change. The recent creation of new exit points after one, two, three and four year courses in technical and vocational education should help in this regard. Although the permeability of these streams and courses both vertically and horizontally was not completely clear, ideally they would ensure that nobody leaves the system without certification that is recognised in the labour market, and that everybody able to profit from further education can move on to higher levels and broader types of study. This kind of flexibility is essential if there are to develop a range of transition processes so that young people may construct the best possible pathway to lead them to satisfactory work. From what we understand of the situation in the Czech Republic, though, there is still some inflexibility in regard to the possibilities of movement between different types of schools. The lack of common national standards for school certification undoubtedly exacerbates this situation.

70. The review team was impressed with attempts to develop schools where vocational and technical education are brought together in the same institution. The integrated schools could provide an opportunity for open pathways similar to the Netherlands' reformed secondary system. Such opportunities suit many students because they delayed the choice of a specific vocational future and so reduce the risks of too early specialisation. They also provide potential drop-outs with “fall-back” opportunities for a certified exit from initial education and thus improve their chances for returning to formal education later in life. To this point, though, this initiative does not seem to have resulted in institutions which build on the strengths of both sectors and integrates them to a more cohesive whole, allowing for a more flexible set of educational offerings. The review team would hope that over the years a common philosophy for the integrated school will develop and sharp distinctions between technical and vocational education will become less apparent. Such schools need to be sufficiently large to be cost-effective and able to provide a range of different pathways to the world of work.

71. One clear consequence of the great variety of different school types is that average school sizes are small. The Background Report and discussions with officials drew the review team's attention to the relatively large number of very small schools. Despite a decline in the total number of secondary students for demographic reasons in recent years, the number of schools expanded rapidly. The number of gymnasias grew by more than 60 per cent between 1989-90 and 1995-96, and the number of secondary technical schools more than doubled (OECD, 1996d). Much of this growth occurred in the private sector in response to parental demand. The only sector in which the number of schools fell was the secondary vocational, partly because more than 200 of these schools were converted into integrated technical vocational schools. In all, though, the number of upper secondary schools grew by about 50 per cent, or more than 600 new schools, between 1989-90 and 1995-96.

72. The net result of this growth is that average school size in the upper secondary sector is now only a little over 300 students (Table 7). The average size of schools in the secondary technical sector is especially small --- just over 200 students -- mainly because this sector contains a large number of private schools, and these are typically much smaller than state schools. There are, though a large number of small state schools as well, and concerns must be raised about their cost structure and their limited capacity to provide curriculum range and up-to-date equipment and facilities. While there may be good community and educational reasons for small schools at the level of basic education, they can cause difficulties for quality and education budgets, particularly in the technical and vocational sectors at the upper secondary level.

Table 7 Upper secondary schools: total enrolments and average school size, 1995-96

	Number of students	Number of schools	Average school size
Gymnasium	131 644	361	365
Secondary technical	177 642	834	213
Secondary vocational	169 494	533	318
Integrated technical vocational	112 874	201	562
Total	591 654	1929	307

Source: calculated from data in OECD (1996c).

73. The review team supports strongly the optimisation strategy that is presently being pursued as a way to improve cost-effectiveness, allowing better quality control and improved responsiveness to labour demand and employment opportunities. It seems inevitable that this strategy has to face the issue of how to rationalise the number of different types of upper secondary school. In our view, the scope for scale economies and improved programme quality offered by the integrated technical vocational schools means that this sector needs to expand at the expense of the other two. We also doubt the long-term viability of the family schools. From what we understand, these do not lead to an recognised job qualification, and schools oriented largely towards preparing girls for domestic duties seem out of place in a modern society. The review team can understand a community reluctance to consolidate schools and suggests that the Government develop a strategy involving major stakeholders so that the benefits of sensible optimisation are more widely understood. In doing so, it would be important to be able to demonstrate that cost savings from school consolidations and closures are used to lift quality, and not simply to reduce government expenditure.

Apprenticeships

74. The whole issue of apprenticeships was one that concerned the review team. As the term “apprentice” is presently used in the Czech Republic, it would seem that it does not really refer to the types of employment-based training that form such an important part of initial education and training in many OECD countries. Rather, the term is used mainly to describe those upper secondary school students who are enrolled in vocational schools in programmes leading to an apprenticeship certificate. These “state apprentices” constitute about 85 percent of all apprentices. The programmes they are engaged in appear to be confined to relatively simple manual, clerical or technical activities. Although state apprenticeship programmes normally involve some workplace experience, it does not seem to be as well structured as in other European countries, largely because employers and trade unions have only a limited role in curriculum development and assessment. As well, it seems that it is often difficult for schools to arrange workplace training, and that many students’ practical experience is confined to school workshops where they often have to work with obsolete equipment.

75. Discussions with some large enterprises indicated that they would welcome the opportunity to become involved in firm-based apprenticeships. While there cannot be any return to the pre-1990 system, an appropriately structured apprenticeship system can be an effective means of meeting the needs both of young people and employers, and of building linkages between the education system and the labour market. The review team wishes to make no more of the point than that it should have the fullest discussion between the Government and the major stakeholders. The introduction of a new apprenticeship system could be staged. For example, under present conditions, firms could be involved more frequently on a case-by-case basis in existing apprenticeship schools and in vocational and technical schools, which

would keep responsibility for the overall programme. The system may then develop further to have significant components of courses undertaken in the workplace, and with employers' assessment of that learning being an integral part of the programme.

76. A particular challenge is encouraging the involvement of small and medium-sized enterprises in apprenticeship training and other forms of vocational education. Significant improvement would probably require both taxation incentives and the gradual self-organisation of groups of employers in this area. Traditionally, apprenticeships have been very important to small businesses in other countries and this aspect should receive significant attention when the future of apprenticeship is being reviewed. It should not be forgotten that, as in other countries, not only enterprises but also students and parents will need to be convinced of the value of an apprenticeship relative to general, technical and vocational schooling. The marketing of any educational change in many respects is as important as the change itself, and a marketing plan should be developed at the same time as the policies are being prepared for promulgation, if a new apprenticeship system is to be developed.

Gaps in provision

77. The review team looked for gaps in provision where permeability was not as readily achieved and which might provide barriers to a smooth transition to work. One group for whom there seemed to be a significant gap were those who go through the gymnasium system and do not gain entry to a university or higher professional school. Although the team did not have exact statistics, the group does seem to be small -- perhaps 10 per cent of the gymnasium cohort. It is this group, plus another group of say 10 or 15 percent of university students, who may be better suited to more applied studies if the opportunities were available, and who would be better served by more extensive forms of short-cycle tertiary education.

78. Another group without a smooth transition to work are those who leave the education system before they have completed a certified school programme. They have limited skills for the modern workforce and constitute a group that tends to grow as the labour market tightens in times of constrained economic activity. At the moment this group seems to be small -- perhaps less than 10 percent of the cohort -- but it does require considerable attention since such young people are at risk of long-term economic and social marginalisation, especially in rural areas. Although most attention needs to be directed at measures which prevent young people leaving school in the first place before they have acquired the skills and knowledge needed for employment, the reality is that a certain proportion find it difficult to succeed in school settings. Programmes for the young unemployed such as that initiated by the Ministry of Labour and Social Affairs in the Most region in collaboration with local schools and employers (see Box 1), look to be promising ways to reintegrate the young unemployed into the labour market by lifting their basic skills and improving their self-confidence. Experience gained with this programme should feed back to schools so that they can modify their courses to be more relevant to these students in the first place, and act as an example for other parts of the Czech Republic where such students are at risk of not finding work.

79. In many countries, university students who do not complete their courses is another group which creates a significant problem. Although there can still be benefits for the young people concerned from having some experience of higher education, the personal and social costs of a failure to complete can be high. In the Czech Republic this group does not seem to have serious difficulty in finding jobs at the present time. Whether their dropping out of education is actually induced by job opportunities or whether they drop out because university study does not suit them is hard to ascertain. Many will go directly into enterprises where no doubt they will have specific on-the-job training. The concern is more that they do not have access to appropriate certification and the review team believes this group should be monitored closely over the next few years.

80. The review team was impressed with the co-operation shown between Education and Labour Ministries and regional offices in developing career guidance and orientation services both in basic education and for students in secondary technical and vocational schools (see Box 2). The Background Report mentions a weakness in this area with regard to careers guidance for higher education students. Although some individual faculties and universities appear to have sound programmes for advising students and providing bridges to potential employers, this area would seem to need more systematic development. The review team would suggest that the Czech Republic develops a comprehensive strategy of student guidance which will apply with equal force to all students so that they are well prepared for the vocational choices that will confront them at various stages in their lives. There is some concern that the placement efforts of private schools for their graduates is uneven. If this is a problem it should be picked up when the strategy for careers guidance is developed. The strategy should also focus on ensuring the effective placement of “state apprentices” whose future is no longer assured, since in most cases now they are not contracted to an enterprise but remain fully within the vocational secondary schools.

81. Ideally, schools should provide general education and foundation training while the employment sector should provide specialisation and expertise. But this division of roles can work only if schools are enabled to do their task and if employers accept their responsibilities, both individually and collectively, for their active involvement in education and training. The review team is of the view that an appropriate balance between on- and off-the-job training has not yet been struck in the Czech Republic. Smaller enterprises in particular are not sufficiently involved with training efforts and organisational frameworks through which an appropriate level of association and co-operation could be established. For example, organisations that bring together small employers -- sometimes termed chambers of industry and commerce in other countries -- still seem to be embryonic in their development. The trade union movement would also have an important role to play in encouraging and strengthening such developments, including by contributing to the training of trainers among their own membership. This issue is taken up later in the paper.

Box 1 Retraining the Young Unemployed: The Most Programme

The Review Team was impressed with the Most (Bridge) project for 15-18 year-olds that is operating in the provincial centre of Most. The programme, which is operated under the auspices of the regional office of the Ministry of Labour and Social Affairs, provides intensive support for young people who have not gone beyond Basic Education through a mix of counselling, training and job placement. The programme has several distinctive features:

- it is voluntary;
- it is organised around the premise that all are entitled to succeed, and is based on an equal relationship between the trainees and trainers; and
- it uses curriculum and teaching approaches that integrate theoretical education with practical training.

The selection of the young unemployed for participation in the programme follows information sessions with their families. About 50 young people undertake each programme, which lasts for 4.5 months. Retraining is offered in a number of fields: woodwork; metalwork; clerical work; bricklaying; and interior decoration. The basic instruction in these areas is offered at a local Integrated School, and is organised around small groups of about six young people with one teacher or tutor in each field. In addition, another vocational school can offer programmes in cooking, plumbing and dressmaking. The programme also has access to a farm with residential facilities; this was seen to be particularly important as a “half-way” house for those young people who were unsure of which field they wanted to specialise in, or who did not want to obtain formal qualifications.

The first week in the programme is spent in “job sampling”, whereby the young people spend one day in a variety of different workplaces to help clarify their interests. All of the second week is spent in a workplace in their preferred field, although the field can be subsequently changed. After confirmation of their vocational interest, vocational training is then provided for 3.5 months, including one month full-time with an employer. The training comprises four days per week at the educational institutions, and one day per week with the teacher that concentrates on personal development and assistance with job search skills. Near the end of this period, all participants take a two-day pleasure trip to a resort. This is seen to be important as a reward for their efforts, and as a way of boosting the profile of the programme. The completion of the programme is recognised in an award ceremony in which the young people obtain a certificate of basic vocational qualifications. They are then offered an internship with an employer; if this does not prove successful, the young people return to the Labour Office for more guidance and training. After having conducted 4 rounds of the programme since 1994, the Labour Office reported that of the 169 trainees concerned, 143 had successfully completed the programme and, of these, 103 are currently employed (although not all with the original employer). A further 14 went on to enrol in Apprentice School, and 26 are registered again with the Labour Office.

The placement rate is relatively high for projects of this sort. Reasons for the success of the Most programme, and its adaptation by several other regions, seem to be:

- collaboration between educational and labour market authorities;
- small group sizes;
- carefully selected teachers who not only have strong vocational skills, but also have the personal qualities to work productively with disadvantaged young people;
- detailed curriculum and support materials;
- a full-time co-ordinator who works closely with the teachers and provides liaison with local employers, including quick follow-up of any difficulties in the workplace phase, including placement of the young people with another employer if appropriate; and
- the positive image that the programme now enjoys in the local community

Box 2 Improving Career Decision Making: The Choices Programme

“Choices” is a programme designed to assist Basic Education students make more informed decisions about their educational and employment preferences. This is a particularly important issue in the Czech Republic since students enter one of several specialised types of secondary school at the end of Basic Education (Year 9), and it is possible to enter some Gymnasia at the end of Year 6. As its name suggests the Choices programme attempts to provide students with the knowledge and skills to make an appropriate choice. Figures given to the Review Team by the Most Labour Office indicate that about 20 per cent of Czech students make the wrong choice in that they either drop out of secondary school or do not use the secondary education they acquire in their first job. The Choices programme is a preventative strategy that attempts to reduce this proportion.

The programme, which is run by the Most Labour Office, now operates with six volunteer Basic Schools after having commenced two years ago with three schools. It covers two hours of lessons per week in the last two years of Basic School, and focuses on “self-discovery” in the form of students’ assertiveness and self-confidence, and the provision of information about different occupations, the educational qualifications they require, labour market needs in the local region, and job search skills. The over-arching aim is to improve students’ decision-making skills so that by the end of the two years they are able to construct their own action plan.

The teaching approach emphasises as many “real life” situations as possible through role playing, responding to different scenarios, and talks by employers and former students. The assessment, which occurs every three months, uses a personal interview between teacher and student to review their development through the programme. At the end of each year a five-point scale is used to assess student performance in 12 different aspects of the course; the intention with this annual assessment is to make it similar to workplace assessment.

At present the take-up of the Choices programme is relatively small: about 300 of the 4000 Year 8-9 students in the Most region are involved. Although impressed by the Choices programme, the Review Team was unable to assess the extent to which it duplicated or complemented other career guidance and counselling services that run in Basic Schools.

Short-cycle tertiary education

82. Modern economies increasingly require workers with middle-level qualifications that provide more specialised training than is possible in secondary education, but which do not require the extensive study of a university degree. The Czech Republic seems to be relatively under-supplied with such programmes at the present time. This shortcoming had been identified earlier by the 1992 OECD review of higher education. The higher professional schools, which were formally introduced in 1996 after a trial period, aimed to fill this gap. However, it is to be seen to what extent they can attract enough students and provide the right level of qualification, given their administrative confinement to the secondary level. This lack of provision at the tertiary level is very different from developments in almost all other OECD countries, and especially from developments in the European Union. As Table 3 showed, participation rates by young Czechs in tertiary education -- especially non-university education -- are well below the OECD average.

83. The promising beginnings for increasing diversity through the higher professional schools seems to need further stimulation, and the review team would encourage the government to continue to promote the development of short-cycle tertiary education and publicise its advantages to potential students and employers. In other countries this form of education has provided access to higher education to a group previously denied this opportunity, and has raised the level of skill in middle-level occupations quite markedly. It is at this level that many new occupations or rapidly developing ones seem to fit appropriately (computing, business, tourism, paramedical occupations, for example) for people who will need middle-level qualifications in those fields.

84. The team believes that these innovations should be further developed in close co-operation with industry, trade unions and professional associations. The apparent resistance of traditional universities to

such developments needs to be overcome (perhaps by contracting universities to deliver specific types of programmes either on their own or in collaboration with others), otherwise students from many fields, especially those who would be better served by other more occupationally-focused courses, might find transition to work much more difficult in coming years. The fact that the higher professional schools, unlike the universities, charge fees and yet have already attracted enrolments equivalent to around one-third the number of 18 year-olds entering university suggests that they are filling a market need. We feel, though, that their administrative allocation to secondary education is somewhat anomalous. However, in considering any administrative re-arrangement, it would be important to ensure that the close linkages between the higher professional schools and upper secondary education are maintained so that student pathways between the two sectors are as smooth as possible.

85. While the review team saw the new Bachelors degree in universities as an opportunity, as in other countries, for increased student flexibility and responsiveness to labour market needs, it does not seem to have led to convincing results so far, since most students go on for the longer Magister programme. Also, industry seems to have difficulties appreciating the value of this type of qualification. Yet, there are considerable cost savings for those paying for education (governments, students, enterprises) if the skills needed to enter work at middle professional level can be provided in a shorter time. Therefore, before the Bachelor's degree programme declines any further, it would be prudent to investigate the reasons for its lack of appeal, and ways to lift its quality and attractiveness.

Admission to university

86. The transition from upper secondary school to university is a well trodden path, yet it appears that this transition is not as smooth as desirable. The review team had reports that young people were finding it necessary to apply separately for admission to many different universities and faculties in the hope of gaining entry. We were told of one case in which a student had applied for entry to 47 faculties. Although this may be an extreme situation, we still formed the view that the present selection process involves a significant waste of resources for individual students and their families, and for the universities and faculties undertaking the selection. It also makes young people's decision making about alternative pathways through higher education and into work more complex than it needs to be.

87. While the right of universities to determine who they should admit to their courses is not disputed, it is essential that this process is as simple, straightforward and open as it can be. Many countries have found it necessary to have their universities work together to establish a single process for entry, so that student choice is realistic and if one faculty of choice is denied, then their consideration for another faculty becomes automatic. It is suggested that universities consider establishing a centralised process for admissions where they work together to make entry to university easier for students. This should not only include the process, but also the entry examination. There is a case for considering using the Maturita examination as a major criterion for university entry, provided that appropriate arrangements are made for common standards and genuine school and system evaluation. If there needs to be a specific entry examination for university, then potential university students should not be required to sit for more than one or at the most two such examinations.

88. Although it is possible to enter university from schools other than the gymnasia, the review team believes that the admissions process is skewed against their entry except perhaps to a very narrow band of courses, and skewed against their success because the university courses do not sufficiently take into account learning backgrounds different from the gymnasium. Nor do vocational schools have a real expectation that some of their students might aspire to university studies. The review team believes that university admission should be available to any student with the potential to achieve success, irrespective of the school they have attended, on fair and equitable terms. It is for the universities to ensure that this occurs and for schools to raise the prospect in the minds of students.

89. In any revision of the admissions process for university, it would be important to ensure that assessment of student performance of workplace settings forms part of the criteria for university selection. If it is accepted, as we believe it should be, that all upper secondary students -- in no matter what type of school -- should eventually spend a significant portion of their time engaged in credible learning in workplaces, then for such learning to be taken seriously, especially in the gymnasias, it needs to count towards university entrance. It would also be in the universities' interests to take account of a wider body of evidence about young people's capacity and motivation than is provided by written examinations.

Funding Tertiary Education

90. Apart from allowing people who wish to pay for their children's education through private schools, it could be argued that the main responsibility for funding schooling up to the end of secondary education should lie with the state, given that almost all young people reach this level. The Maturita is becoming almost minimum level of qualification, even if upper secondary education is not included in compulsory education. In other words, the State would guarantee funding its citizens for initial education up to the Maturita level which provides them with basic life skills and clear access to employment.

Table 8 Educational expenditure per student by level of education relative to expenditure per student at the primary level, 1993

	Early childhood education	Primary education	Secondary education	Tertiary education
Czech Republic	111	100	126	318
OECD country mean	100	100	134	253

Note: Within the tertiary education sector in the Czech Republic, the equivalent figure for university-level education was 358, and for non-university tertiary education it was 121. It is not meaningful to provide OECD country means for expenditure on these components of tertiary education since almost half the countries do not supply disaggregated data.

Source: OECD, *Education at a Glance, Indicators, 1996*.

91. The situation is quite different for tertiary studies, which are particularly selective in the Czech Republic. There is a need to expand the capacity of the tertiary sector and to diversify its programmes to better meet social and economic needs. Such expansion and diversification will be costly. Some of the additional costs might be met by increasing the efficiency of tertiary education since expenditure per student in tertiary education in the Czech Republic is high compared to spending on other levels of education (see Table 8), although the difficulties of making valid international comparisons of tertiary expenditure should not be underestimated. . The fact that expenditure per student on universities appears particularly high suggests that the public sector is providing a considerable subsidy to those who gain a university place, especially when graduates' relatively high earnings are also taken into account. Some contribution by students towards the cost of tertiary education could supply part of the additional funding needed to expand and diversify the sector. In order that such a move would not disadvantage students from low income families some of the funds raised from tuition fees could be used to subsidise places for needy students. Another means of ensuring that tuition fees do not raise barriers to participation would be by deferring payment until after students leave tertiary education and their income exceeds a certain level.

Teacher development

92. Teachers play a key role in young people's transition to work. Teachers provide the skills and knowledge that young people require, and the guidance and counselling they need to help make appropriate choices among competing pathways. There is no doubt that the dramatic changes that have occurred since 1989 in the Czech Republic and in its education system have put considerable stress on teachers and others working in schools. The fact that such momentous changes have been accommodated, and educational standards apparently maintained and improved (as shown, for example, by the very high ranking of Czech students in the 1994 IEA international study of mathematics and science) says much about the dedication and adaptability of the Czech teaching force. Some teachers, especially those teaching in the humanities and social sciences and in vocational areas such as banking and finance, had to be completely retrained as totally new curricula have been introduced. The introduction of much greater school autonomy has required school directors and teachers to develop, for the first time, skills in curriculum planning, liaison with parents and employers, and school-based management. The capacity of Czech teachers to renew themselves is even more noteworthy when account is taken of the fact they are relatively old compared with teachers in other OECD countries (see Table 9).

Table 9 Percentage of eighth-grade students taught by mathematics teachers of different years of teaching experience, 1994

	0-5 years	6-10 years	11-20 years	>20 years
Czech Republic	12	9	17	62
OECD country mean	16	14	34	36

Source: International Association for the Evaluation of Education Achievement (IEA).

93. There is some evidence that increased school autonomy involved teachers strongly in initial reform in the early 1990s, but that enthusiasm seems to have ebbed in more recent times. This was certainly a perception picked up in the review team's meeting with representatives of teacher unions and there may be merit in some analysis being undertaken of the views both of individual teachers and the unions of the change process. In this context, teacher training and retraining will need continual monitoring and strengthening, especially with regard to teachers' ability to help design, teach and assess new curricula, their knowledge of the rapidly changing world of work, changing ideas about geographical mobility, the need to work closely with enterprises, and so on. As part of a professional development programme, there may be merit in enabling selected teachers to work in industry for up to one year, jointly financed by the education authorities and industry, as a means of increasing teachers' direct experience of new work requirements, and of improving communications between schools and enterprises. It could also be worth finding ways to encourage people with significant experience in enterprises to spend time in schools working with teachers in planning new curricula, and better integrating workplace-based learning and teaching in classrooms.

National Standards, Evaluation and Qualifications

94. The review team was greatly impressed with the dramatic change from a highly centralised system to one where individual educational institutions have been given a high degree of autonomy. In a highly centralised system, it hardly matters what constitutes a school or other educational institution. Curriculum is centrally determined, teachers are appointed from the centre and control is firm and directive. As soon as an institution is given responsibility for its own activities, then questions arise about

the shape of an institution which can manage the broader range of expectations that society now has for it. The institution needs to have a certain size, have administrators who can manage finances, determine appropriate courses, evaluate the effectiveness of their activities and teachers who operate in a self-determining, professional framework. In other words, to be able to deal with the expectations that come with autonomy, the institution must be able to show that it can meet certain criteria and operate within a national framework.

95. Once this framework and the attendant criteria have been set, it is for the educational institutions to show that they can meet them. Such frameworks must include control of finance, curriculum frameworks, systems of certification and standards to be reached. Small schools may not be able to reach such criteria, and will need to become part of, or network with, larger schools to do so. Staff will need training in management, curriculum development assessment and evaluation. Schools will need to understand the power of data and its analysis in showing to their clients (students, parents, employers and government) that they are effective and efficient in delivering quality education. The greater the level of autonomy given to an educational institution funded by taxpayers' money, the more transparent and open to public scrutiny must be the activities of that institution. This will require common collection of educational information and its reporting to the wider public against agreed determined standards. It is for the government to determine for the institutions to which autonomy has been granted the reporting framework, and attendant responsibilities.

96. These general principles concerning the obligations that accompany autonomy are well understood at central level in the Czech education system. Considerable attention is being devoted to finding mechanisms that will allow institutional autonomy to flourish while at the same time ensuring that schools and the Ministry share responsibility for making autonomy work in the interests of young learners and the wider society. In the following sub-sections we consider the nature of this dual responsibility in the context of improving the transition from education to work.

Assurance of quality

97. A crucial element in any education system is the mechanism by which the quality of that system is assured. Quality cannot exist in a vacuum -- it must be based on a shared understanding of the objectives of education, and on reliable data that show whether standards are being achieved.

98. Accreditation is the process which ensures that courses are tested against agreed standards, and that the students undertaking those courses achieve agreed standards of knowledge and skills. Who should agree on the standards and the basis for them is a matter of government, but those involved must include not only the teachers, but also in the end, the enterprises that will employ the graduating students. In a dynamic society endeavouring to meet global competition, the standards required in the accreditation process must be consistent with best practice at local, national or international levels. Individual schools cannot in general determine their own standards if their graduates are expected to perform at the levels of graduates in similar areas from other schools or from other countries. Evaluation is a much broader responsibility. It is through this process that educational institutions can reassure their clients that schools are meeting their goals and objectives and are delivering a quality education.

National standards

99. As pressure of the labour market on young people increases through growing unemployment, rapidly changing job requirements and an increasing need for them to move to where the jobs are, it is essential that the process of certification, and the quality assurance built into the system, provides young people with the best opportunity for a smooth transition from school to work. Comparability of standards from school to school and in terms of the expectations of the employers are critical in this respect. In fact,

experience in other countries has shown that the single most effective instrument to promote flexibility and mobility for students as well as equal opportunity to be considered for employment, is a national set of standards and a common certification system to which all schools conform.

100. It is essential that employers and trade unions are involved in standard-setting and that they support strongly the certification system. Experience has shown that the more employers are involved in setting standards and advising on curriculum, the more students are expected to achieve certain fixed and transparent standards, and the more young people have relevant experience in the work place, the less uncertainty there is both in the eyes of the student as the new worker and the new employer as to mutual expectations, the more likely is the transition from school to work to occur smoothly. The essential nature of the transition is one of partnership: between the school and the education system, the student and their family, and the employer or enterprise. Every country has to establish the nature of the partnership that best suits their needs. Nonetheless, whatever its form, the partnership must be backed by a system of standards and certification which is open, transparent, national in scope and to which all parties are strongly committed.

101. If students undertake courses the standards of which are determined by the school alone and which do not meet generally accepted or defined standards for entry to work, and students' skills bear little relationship to the work that is expected of them, then such students are not likely to have a smooth entry to the workforce. Courses must be designed to meet labour market needs as part of the overall objective of providing an education which prepares for citizenship and a fulfilling adult life. In the two or so years prior to the time the young person seeks their first job, however, the focus must be on ensuring that they have the skills necessary to gain such employment, and can meet the expectations that the employer has for a new young worker. If an employer's expectations of a young person are unrealistic, it generally signifies that there is not a close enough relationship between the employer and the school, or their knowledge of the system of standards is limited.

102. The review team can understand the intention of the Czech people to move as far away as possible from the centralised structures and processes of the previous planned economy. Nevertheless, it is even more important in market economies to find ways to establish and guarantee standards; to develop strategies to ensure that courses meet national needs and to provide a national framework within which schools must work. This is a very different approach, both in terms of implementation and intended outcome, from the pre-1990 system and should not be confused with centralised decision making. The decisions are taken at the local level, but within a common national framework.

103. In a set of standards for a market economy the emphasis is on employer and employee choice, flexibility in the nature of work and the workplace, but with a guarantee that a worker who is employed can deliver skills to an agreed level. In the view of the review team, it is essential that a national system of standards and accreditation be put in place as soon as possible. School autonomy that works for the best interests of students and the wider society can only exist within commonly agreed guidelines, and one of the most critical sets of parameters is the system of accreditation and certification.

National Curriculum Council

104. The review team supports the thinking underlying the recommendation of the 1996 OECD review for the establishment a National Curriculum Council. In a context of devolved responsibility to schools, there is a need for a broadly representative body, at arm's length from government, to advise on general curriculum objectives, their continuing adaptation to the changing needs of young people, social conditions and the economy, and standards for determining whether schools are meeting those objectives. In their response to the 1996 Report, Education Ministry officials, while welcoming the participation of partners in curriculum development, expressed concern about the difficulties of introducing such a

participatory council because “concerns about the excesses of centralised decision-making remain high”. It is our view that a National Curriculum Council should not raise such fears if its terms of reference require that it provides general guidelines and orientations which are implemented freely and autonomously at the school level in collaboration with local bodies such as Chambers of Industry and Commerce, trade associations and the like. The aim should be to have national coherence with responsiveness to local needs and opportunities.

105. Potential concerns about excessive centralised decision making being embodied in such a Council would also be eased if the organisation was established for a fixed period of time (say, five years), after which it would be subject to independent review and, if not performing satisfactorily, abolished or substantially restructured.

106. If the general arguments for a National Curriculum Council are accepted, there is a major issue to be determined by the Czech Government: -- whether there should be separate Curriculum Councils for basic education and upper secondary education, with a mandated requirement to co-operate, or whether curriculum matters for the whole school system should be the responsibility of just one council. For the reasons given below, our preference is for the former option.

Improving the Framework for Decision Making

Structure of the Ministry of Education, Youth and Sports

107. The period since 1990 has been characterised by increased autonomy for the schools, the decentralisation of authority and a substantial increase in the number of institutions, including many private schools. The situation has been changed particularly for vocational and technical schools by the decision in 1996 to transfer the central authority on education and training from a number of separate ministries to the Ministry of Education, Youth and Sports. This has enabled key decisions on education to be taken within the one ministry structure, and has created the potential for co-ordinated policy on education and training for all institutions.

108. The current organisational structure of the Ministry of Education, Youth and Sports with Deputy Ministers responsible for major areas appears appropriate for the range of decisions that need to be taken within the current framework. This structure may need to be reviewed if some of the suggestions in this section are taken up, but they will be consequences of the changes rather than precursors to them, and should be dealt with at that time. It is essential that the decision making structure be designed to foster and assist the implementation of the goals that the Czech Republic has for its education system, such as delegated authority to schools, curriculum direction, monitoring quality, and allocating finances.

109. We suggest that the orientation towards lifelong learning should be strengthened within the Ministry. Lifelong learning in all its aspects will become very important in the years to come, not least in the Czech Republic with its declining proportion of young people and with the sweeping changes in the structure of the economy and society that are bound to continue. The progress of the concept of lifelong learning, therefore, needs close attention in all departments of the Ministry of Education, Youth and Sports, be it for basic education, higher education or vocational training. At present, responsibilities for lifelong learning are allocated to the Department of Higher Education. It might be more appropriate to create a small unit to concentrate on ensuring that the principles of lifelong learning are reflected in all of the Ministry's policies and programmes. Such a unit would also need to liaise closely with the Ministry of Labour and Social Affairs since the agenda for lifelong learning needs the active involvement of labour authorities as well as those in education. The unit could be established to operate for a fixed period -- say,

five years -- with its success to be judged by the extent to which a lifelong learning perspective informs all aspects of the Ministry's work.

110. The Ministry of Education, Youth and Sports has established a number of special institutions intended to provide information and analysis, and sometimes policy advice. The review team visited two such institutions that are engaged in important work -- the Research Institute of Technical and Vocational Education, and the Institute for Information on Education. We feel that the activities of these organisations are fundamental to the future development of Czech education and training, but that their position in the policy structure appears somewhat ambiguous and they need to be more clearly integrated into the Ministry. Therefore, we endorse the recommendations of the 1996 OECD review of education policy that the role and functioning of these organisations should be clarified. Issues to be determined include the status of such institutions in relation to the Ministries and to Ministers, their responsibility and authority when it comes to gathering information, and their financial dependence on the government.

Inter-Ministry collaboration

111. Improving young people's transition from education to work requires close collaboration between education and employment policy making. In Australia and England a single department of education and employment has been created to try to create the necessary policy integration. In the case of the Czech Republic it is pleasing to note the co-operation between the two ministries, indicated for example by the agreement entered into recently on information sharing and co-ordination of guidance and counselling services. This is an important step in creating a better correspondence between the needs of the labour market and the educational needs of young people. The formal agreement between the two should be updated on a regular basis, and similar agreements may be considered between labour offices and schools at the regional or local level. Such local-level agreements could be monitored by the School Inspectorate.

112. In thinking about the appropriate division of responsibilities between the Education and Labour Ministries, it would seem preferable that the Ministry of Labour and Social Affairs should not become directly involved in providing training themselves. The labour authorities should provide the impetus for new areas of training or retraining, either through the state system or through private providers. To develop yet another government provider of training would be counter-productive. Although we saw little evidence of this, other countries have moved in this direction if they have considered the state education and training system to be unresponsive. If this is ever felt to be the case, it is preferable and more cost-effective to reform the existing system rather than create a second system of state training provision.

113. The Ministry of Education, Youth and Sports also needs to continue developing close relations with other ministries where the provision of appropriate training is important to enterprises which may be operating within relevant industry such as transport, health, agriculture, energy, and the environment. It is important that the Ministry of Education consults closely with such government agencies, and involves their representatives in relevant decision-making to ensure that their future training needs are met and so that young people have the best preparation for their transition to work. Regular meetings between ministers with related portfolios are also to be encouraged.

Strengthening industry-education partnerships

114. There has been a long tradition in the Czech Republic of co-operation between various enterprises and the schools that serve them. In addition, prior to 1990 there were apprenticeship schools physically located in many large enterprises and run by them according to the requirements of the various ministries such as Agriculture, and Construction. In more recent times, many of these apprenticeship schools have been closed or transferred to the Ministry of Education, Youth and Sports. Even so, in major

enterprises such as Orion, Skoda and Chemogroup, with whom the Review team had the opportunity to discuss developments, it was clear that the apprenticeship school system remained an important part of their training effort. They continued to operate as a private school, with the approval of the Ministry of Education.

115. At this critical stage in the country's transition it is important that the relation between the education system and the various social partners (employers and employer associations, employees and trade unions, and Government through the appropriate ministries) as well as the clients of the system (students and their parents) be put on a firm footing. The review team saw many examples of what was possible, but believed that more formal structures could be put in place to ensure that all stakeholders in the education of the country's future citizens can know what is happening in education and be in a position to influence its outcomes.

116. High quality educational institutions are a crucial determinant of whether the intentions underpinning legislation and advice from key stakeholders are implemented in practice. Only if schools accept and understand the thinking behind the regulations and guidelines will they be implemented as intended. For this reason it is important to have teacher participation in the national goal-setting process.

117. To assist the transition to work there needs to be close collaboration between education and enterprises, broadly defined. This may be viewed as occurring at a series of levels, from the lowest where the school engages with employers at the local level, through district and regional levels to the national level where national policies for employment and training are determined.

118. At the local level, schools and local employers can reach agreement on providing work experience for students, sharing resources and, through the School Council, employers can have an input into school programme development. The Orion enterprise working with local schools to provide workplace training for "confectionists" to complement general education in school is an example of partnership at this level. The second forum for partnership is at the regional level, where the enterprises and the schools together in the region work toward providing an effective transition from school to work for all young people in that region. An example of this was the Bridge project in Most (see Box 1) where young unemployed people were provided with a 4.5 month program with the full co-operation of local employers. These groups of employers may be part of associations or may establish business and school 'round table' organisations where issues of preparation for work and other training matters may be discussed. The schools should work together at this level to become major 'drivers' of the process. At this level industry should be represented on course committees and provide advice to schools about the direction in which a particular industry is moving.

119. The third is the national level where national issues relating to the provision of an effective workforce for the country may be addressed. Some countries have a quite formal system of providing such advice to Government, where advisory councils with representatives of all the stakeholders come together to advise on policy issues, set a framework within which the education and training system will work, and generally be the place where matters are given due consideration before they are put into the political arena for government action.

A separate structure for Post-Basic Education

120. The review team noted the recent increase in the length of compulsory education in the basic school to nine years and strongly supports this change. This is the period when foundation skills are taught and young Czechs acquire the knowledge that will allow them to become fully functioning members of society. Although some orientation to working life should gradually occur over this period, it is the upper secondary level of education which is critical in preparing for employment. The end of basic schooling at

around age 14 or 15 provides a clear break in function and comes at a time of transition from child to young adult.

121. The education on offer beyond year 9 should be flexible, provide a range of pathways and be designed to assist the young person to find satisfying future employment. This task is one which must involve in varying ways the students, parents and teachers, but also the employers and trade unions and the Government. In this context, the Czech Government may wish to consider a structural organisation for education into basic and post basic education, with basic education and its curriculum, monitoring and other requirements being undertaken within a division of the Ministry for that purpose, supported in its work by a National Curriculum Council for Basic Education, and post-basic education considered a separate entity for which other structures are more appropriate.

122. The review team is of the opinion that the needs of young people in their transition from initial formal education to work will best be met if the whole of post-basic education, with all its diversity, be considered as a single sector and be dealt with administratively and in its policy setting as a cohesive whole. Only through such an approach can resources be fairly and equitably allocated to meet national priorities, and a coherent lifelong learning system be developed.

123. Other countries have faced this very important requirement in different ways. Some have established separate structures for each sector of post-compulsory education which put funding proposals to Government based on consultation and analysis of the government priorities and the needs of institutions. This process usually works well in times of growth and where there are clear functional distinctions between the various sectors. This is now the case in few countries, and governments have generally become less willing to allow allocation of budgets to be too far from Ministerial responsibility.

124. An approach which is becoming more general to is establish a Board consisting of employers, trade unions, community groups, government representatives and independent members of high standing, to provide considered advice based on consultation, an assessment of the economic climate, and the needs of the post-compulsory system as a whole. This advice with its attendant recommendations are passed to government, and usually made public at the same time. Once the government's decisions are known, usually in the annual budget context, the division within the Ministry responsible for post-basic education undertakes the process of putting those decisions into effect.

125. This provides governments with an 'arms length' approach to obtaining advice, the considered views of a group knowledgeable about the system and the requirements of the economy, and a transparency which allows public feed-back without their losing control of the key decisions, which must always remain with the government of the day since it is only they who are ultimately accountable to the people. It is with this in mind that the review team invites the Czech Government to consider establishing a Board of Post-Basic Education and Training to advise it on all matters relating to the funding and delivery of education and training beyond the years of compulsory schooling. This Board should be of up to about 12 members, representing employers, trade unions, , government, educational institutions and the wider community. It should have an independent Chair and a small secretariat to serve its needs. The Chair of the Board must have senior status and ready access to the Minister and senior officials.

126. In performing the function of providing government with advice on the overall development of post-basic education and training, the Board would need to call on the specialist advice of Councils with a close understanding of the major sectors of post-compulsory education and training. There would seem to be at least three broad sectors where an advisory Council could be established: Upper Secondary Education; Tertiary Education; and Adult Education and Enterprise Training. These Councils, which would be constituted by representatives of the major stakeholders in each sector and independent experts, would have the responsibility for monitoring developments in their respective sector, and framing advice to

the Board on the long-term needs of the sector concerned. The Board would then have the task co-ordinating the advice from the sectoral Councils into a coherent set of advice for government. To assist in this process, it would be helpful if the Chair of each sectoral Council was a member of the Board.

127. In order to encourage the development of more integrated strategies, and to avoid duplication, it is suggested that only a small number of sectoral Councils be developed. For example, it is likely to be more cost-effective to include both general and vocational schooling in a single advisory Council for Upper Secondary Education than to establish separate councils for each element. Similarly the national interest in strengthening tertiary education is more likely to be served by a single Council for Tertiary Education than by separate structures for universities and other parts of tertiary education. The review team suggests that it is especially important that the Board and Council structure includes the universities as part of its advisory responsibilities. The universities form a vital part of the education and training system, and in a context in which resources are tight, but the need to strengthen pathways between educational institutions is pressing, it is not in the nation's interest to treat any one sector in isolation from the others.

128. The Board's terms of reference could include drawing on the specialist advice of the sectoral Councils to provide overall advice to the government on:

- directions and strategies for the development of post-basic education and training;
- levels of government grants to sectors and institutions both public and private;
- capital developments, including buildings, telecommunications;
- national competency standards, accreditation and registration;
- appropriate responses to labour market requirements; and
- establishing benchmarks and monitoring performance.

129. Among its other functions the Council for Upper Secondary Education could perform the role of a national curriculum council for that sector, possibly drawing on specialist working parties or task forces established for particular purposes. As noted earlier, the review team believes there is a case for separating consideration of the curriculum in basic education from the post-basic curriculum, which requires the closest involvement of enterprises, industry and trade unions.

130. If a Board structure similar to the one proposed is not established, then it would be imperative for a National Curriculum Council, at least for post-basic education, to be established without delay. The need for a national approach to curriculum development, standards and evaluation is becoming pressing if the smooth transition of young people from school to work is to be assured.

131. Those tasks that seem to the review team to be of the highest priority for the proposed Board and its advisory Councils to consider are the role of enterprises in vocational training; institutional diversification in upper secondary and tertiary education; and the selection of students for university. Even so, the review team acknowledges that all such reviews could not be undertaken at the same time, that a priority list needs to be determined, and that scheduling is ultimately for the government to determine.

132. The review team realises that these proposals are bold moves, but they are put forward with the firm conviction that the government needs a strong, independent source of advice from employers, trade unions and the community more generally so that its decisions in post-compulsory education and training area can be made more focused, more relevant to societal needs, and more transparent.

5. CONCLUSION

133. The Czech Republic has been fortunate that, despite the dramatic changes that have occurred since 1989, unemployment has remained low, and young people have had little difficulty in finding work. However, this situation cannot be expected to continue indefinitely. As the Czech economy continues to undergo structural change, and become increasingly open to competitive global pressures, there will be new demands on the labour force, new competencies will be required, and there will be fewer jobs for those who lack skills and motivation to continue learning and adapting throughout their lives. Those young people enrolled in secondary education at the present time will have working lives that extend for three or four decades into the next century. Their initial education and training has to provide qualifications that enable them to enter the labour market, and also equip and motivate them to become lifelong learners. The emphasis has to be on pro-active policies now rather than corrective programmes later.

134. In facing up to these challenges the Czech Republic has a number of considerable advantages over other countries. Basic educational standards are high. The population is literate and cultured. There is a great depth of technical knowledge and skills in the workforce. There is a strong, and widely shared commitment to the value of education and training. However, the nation also has a number of constraints. Resources are relatively scarce. The teaching force, although well-qualified and experienced, is comparatively old and may not always have the preparation for modern curriculum and teaching approaches. There is a high degree of autonomy for schools and other educational institutions, and although this can facilitate responsiveness to local needs, it imposes new requirements for accountability and monitoring system development. There is a large number of very small schools, and in many cases students and teachers are having to work with obsolete equipment. There are only limited educational options available for young people after they leave secondary school. The roles of the employers and trade unions in educational policy making and educational provision are not at all clear.

135. The review team was impressed with the open manner in which issues raised by the team were responded to and the positive way people involved in education, training and employment policy were looking to provide the best system for young people. The people we met were aware to the growing problems in the area of transition from school to work and showed a keenness to adapt to make the transition as smooth as possible.

136. Arising from these discussions and our reading, we have made suggestions in three broad, inter-related areas: 1) the structure and provision of initial education and training; 2) national standards, evaluation and qualifications; and 3) improving the framework for decision making. A common theme running through these suggestions is the need to develop stronger partnerships between the education sector, the labour market and the wider society at all levels -- the local school; the district or region; and at the national level. Experience from around the world confirms that the concept of partnership underpins all successful approaches to young people's transition to work, no matter what institutional form that transition takes.

137. The devolution of considerable autonomy to schools and other educational institutions, and to parents, that has occurred during the 1990s is to be applauded. However, the nations' education system must be more than the outcomes of its individual schools and other institutions as they see themselves. There is strength in a national system of co-operation, teamwork between schools, joint relationships with employers and working together to achieve national goals. It is the creative development of opportunities at the local level within a national framework which will produce results of which the Czech community can continue to be proud.

138. The need for a national framework is particularly pressing in regard to education and training after the compulsory years of schooling. It is at this level that structures and pathways start to become complex, the need for employment relevance stronger, and costs higher. For this reason, the review team suggests that the Czech authorities may wish to consider a structural division of education into basic and post-basic sectors for policy development and funding purposes. This would distinguish clearly between the provision of compulsory or basic education, which is clearly the responsibility of the State, and post-basic education where responsibility rests much more widely with stakeholders such as the students and their parents, employers, future fellow workers, and where standards and curricula are more closely linked to future employment needs. Where basic education may be well accommodated within a ministry structure, obviously supported by appropriate consultative processes such as a national curriculum council focused on that area, post-basic education and training needs a different structure.

139. Establishing and maintaining dialogue among diverse interest groups is complex. In many countries, the solution has been to establish a broadly representative Board structure to provide governments with advice on issues relating to education and training and the transition of young people from education to the world of work. To assist the Board in its work, it is further suggested that advisory Councils be established which reflect the main sectors of post-basic education and training. To aid the development of more coherent strategies, and to avoid duplication of resources, the reviewers suggest that the number of such Councils be kept small, but comprehensive in scope: Upper Secondary Education; Tertiary Education; and Adult Education and Enterprise Training. The review team believes that this approach is worthy of consideration by the Czech Republic as it seeks to develop a lifelong learning framework to prepare itself for the challenges of the next century.

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