Magnificencies,
Distinguished rectors,
Ladies and gentlemen,
Dear colleagues,

I’d like to express my gratitude to be here and to have the occasion to speak to you on behalf of the Ministry of Education. I have to highly appreciate all you – students and rectors - coming from so many countries around Asia and Europe to discuss the theme of Employability.

Currently, the roles of universities are becoming increasingly complex as the traditional autonomy of universities seems to decrease. We can define different roles for universities today – observer, sub-contractor, or agent of societal change. Different roles are nourished in different university cultures which seem to be in a transition.

The questions arising from the meta-analysis of universities are as follows:

Is the university moving from (1) an autonomous and hierarchical Temple of knowledge to (2) an open, client-oriented Bazaar?

Or are we heading from (3) an autonomous and open Oasis of free thinking to (4) a production-based Factory?

Many studies suggest that the university culture operated in the Temple manner in 1990 and had moved towards the Factory by 2005. The analysis show that strengthening the Factory mode becomes a minority response to societal demands – academic practices seem to be located in the borderline between the Bazaar and the Oasis.

The reason for that is the combination of the massification of our universities opening the access to higher education studies to more than 60% of an age cohort and the accountability imperative. We try to preserve the freedom of thinking, of teaching and research from the old humboldtian model; and at the same time we strive to manifest to „foreigners“ (from the point of view of the academic culture) that we deserve the space for this free thinking.

The employability represent one striking consequence resulting from this clash. Let´s take the example of the Czech Republic. First just to remind some data.
The Czech Higher education system

- The number of Czech HE students had been growing significantly since the 1990s. However, it has stagnated since 2009 and it even quite significantly dropped in the recent years, particularly due to the decline in the number of the 19-year olds. Participation rates remain comparable to 2009.

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- As a result of the broader access to the higher education, it has become more widespread: less than 10% of adult population has completed higher education in the 1990s, today it is more than double. Despite this fact, Czech Republic has still one of the lowest ratio of the higher educated adults among the OECD countries.

- However, ratio of the adult population having obtained Master’s degree (EQF 7, second cycle) is one of the highest among the OECD countries. This trend can be observed also in other Central and East European countries that have experienced rapid development of HE in the 1990s and 2000s after the period of restrained access to HE during the totalitarian regimes before the 1990.

- In response to the broader and more diverse student population entering the HEIs, the number of private HEIs has grown: there is more than 40 private HEIs now. This sector did not exist before 1990. However, only 10-15% of students study at private HEIs. (In the Czech Republic, public HEIs with no tuition are regarded as traditional and as providing higher quality education.)

In order to foster relevance of Czech HE and employability of the graduates, the following measures in the organization of study and in the funding system have been taken so far:

- three-cycle study system (Bachelor, Master, Ph.D.) has been implemented to widen HE supply in order to better correspond to the more diverse and broad study population,
• A part of funds is allocated directly on the basis of given HEI’s graduates unemployment.

• Recently approved Amendment to the HE Act, yet to come in force, further diversifies the HE supply by defining two different profiles of individual study programmes, academic and professional, along with different accreditation criteria for each of them.

Actually, these measures didn’t reach the effect intended. In reality, almost all public HEI’s tried to develop all three cycles of study, bachelor’s study programs are not specifically linked with the needs of the employers and quality and relevance of study hasn’t been based on qualitative employment indicators, but on statistical unemployment rate.

Employment rate

• Czech Republic has a very low unemployment rate among the graduates: only 2.6 % in 2014 did not have a job, which is one of the lowest of the OECD countries.

• Bachelor graduates are unemployed slightly more often: 3.8 % in 2014.

Unemployment of TE graduates (Bachelor and Master; 2014)

(Source: OECD, EAG 2015 (tab. A5.4a, http://dx.doi.org/10.1787/888933283600))

• Even when allowed for relatively low unemployment in the Czech Republic, relative unemployment of HE graduates compared to the unemployment of upper secondary education graduates is still one of the lowest among the OECD countries.

Relative unemployment of TE graduates in comparison to the upper secondary education graduates (2014)
Unemployment rate of fresh graduates in the Czech Republic is relatively low as well: among those that do not continue their studies, less than 5 % of Master’s study graduates and 7 % of Bachelor’s study graduates has been unemployment six months after graduation in 2013.

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<td>Bachelor</td>
<td>7.0%</td>
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<td>Master</td>
<td>4.2%</td>
<td>4.8%</td>
<td>3.7%</td>
<td>4.4%</td>
<td>4.1%</td>
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Specific features of Czech higher education graduates with respect to employability:

- Although HE graduates are now working at positions that have been until recently held almost exclusively by secondary education graduates, their reported satisfaction with their position and education remains constant indicating low vertical skills mismatch (“overqualification”) even among the fresh graduates. (Source: Reflex 2013) (Study of the IDEA think tank conducted in 2015 also reports relatively low vertical skills mismatch, especially in comparison with other EU countries.)
- Employers’ satisfaction with fresh graduates remains high: three quarters of them report satisfaction, only 10 % is not satisfied. However, employers report unsatisfying level of graduates’ “soft skills”. (Source: Reflex 2013)
- In addition to that, reputation of Bachelor’s degree among employers is gradually rising. (Source: Reflex 2013)
- Employers, in response to the increased number of graduates, gradually place more emphasis on their skills at the expense of the significance of their degree, as surveys conducted in 2013, 2010 and 2006 indicate. (Source: Reflex 2013)

In order to improve their chances on the job market, more and more students seek employment during their studies: almost half of the graduates continued in the job they had taken during their studies also after graduation in 2013 compared to only one third of such graduates registered three years earlier. (Although improving chances on the job market probably does not represent the only factor explaining this phenomenon.) (Source: Reflex 2013).

To conclude:

The main issue for the Czech higher education institutions can be defined as a matter of their new social responsibility.
1. Can we apply the same indicator of employability to all HEIs? Or should we make a distinction between the Temple or an Oasis on the one side, and a Factory for which the employment rate can represent a pertinent indicator of the quality of teaching, on the other?

2. In what degree the traditional universities striving for the maintenance of knowledge should listen to the voice of labour markets and the employers- knowing that it reduces the education to the training, the long term vision of the maintenance of knowledge to the short term effect of ready-made workforce?

3. How can we operate in a world where the value of the work activity decreases compared to the quickly changing jobs or positions? The clash between the volatility of the labour market and the stability of university has to find the right response.

There are many questions and only a few rather intuitive answers.
That’s the reason we need to meet, to exchange, to cooperate – not only to sign managerial contracts, but to seek the true questions.

Ladies and gentlemen, I would like to thank the ASEM conference, all organizers, and all participants to engage in such a difficult work.