

# Higher Teachers' Salaries: Promises, Promises, Promises<sup>2</sup>

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DANIEL MÜNICH, VLADIMÍR SMOLKA

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## Summary

- International comparisons show that Czech teachers' pay, in relation to other tertiary educated workers, has long been among the lowest across the most economically developed countries. Based on the latest international comparisons published, from 2015, Czech teachers earned 56% of what other tertiary educated workers were earning, whereas the average across OECD countries was 83%.
- By the end of 2017 the level of average teachers' salaries, including those in managerial positions, improved only very slightly in comparison to average salaries across the national economy, reaching mere 112%.
- The relative level of teachers' salaries measured against other tertiary educated workers, which is a better indicator of how financially attractive the profession is, also improved only minimally during 2017.
- The gap between the average teacher's salary and other tertiary educated workers in the public sector in fact widened further during 2017 to 21.8%.
- The share of tertiary educated workers in the private and public sectors with higher salaries than the mean teacher's salary has effectively not changed, there has only been a slight worsening or improvement for certain age groups of teachers.
- Teachers' salaries are, when compared with the salaries of other tertiary educated workers in the public sector, egalitarian. The mean and median share of performance-related component in the salary is noticeably lower among teachers

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than is usual among tertiary educated workers in the public sector. The differences in these shares among the teaching profession are also smaller.

- The process of raising teachers' salaries in the Czech Republic is suffering from a lack of transparency, ambiguous promises, insufficient alignment with the planned state budget expenditure and its outlook and the insufficient perception of concurrent salary growth in other professions.
- Three government-approved raises to teachers' salaries during 2016 and 2017 were of different kinds: these were either raises to the pay scales or increases in the amount payable as salary. The first of these does not guarantee a corresponding raise in the overall salaries, because a raise to the pay scales had to be realized in many cases by a reduction in the size of performance-related component.
- The promise of another raise to teachers' salaries at the end of 2018 or in early 2019 is suffering from similar afflictions as those made in the past: there is insufficient clarity, the promise changes over time, the promised changes are not reflected in budget forecasts, and they do not take into account the dynamic growth in other wages and salaries. If the promised raise in teachers' pay takes place, it will very likely once again only ensure that teachers' pay keeps up with the rate of growth in other professions' salaries.
- To achieve a relative teachers' pay ratio similar to that in the OECD countries by five years from now would require by an increase in expenditures on teachers' salaries diametrically greater than has been promised or delivered so far. Substantially raising teachers' pay in the Czech Republic requires a more carefully worked out and credible mid- to long-term plan. The planned rate of increase to teachers' salaries must be based on the expected rate of wage and salary growth across the economy. Otherwise there is a risk that the teachers' salaries will lag behind the economic progression and their already low relative level will become yet lower.
- The attractiveness of teachers' pay affects the quality of teaching for decades, primarily through the self-selection of talented and motivated potential teachers and those pursuing teacher training and pedagogical degrees, through teachers' willingness to remain in the profession, and via competitive effects. Career expectations play a key role in this. Unclear and insufficiently credible ad-hoc promises for one-off pay rises do not have the potential to raise the attractiveness of the teaching profession.