

Investment in human capital: the case of Czech higher education

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Abstract: Higher education cannot be regarded as a public good. It is rather a private good as there is no problem with exclusion from its consumption. There are currently more than 40 private universities successfully operating in the Czech Republic. Although there are certainly higher education externalities for the society, the individual benefits from higher education degree are significant. The university graduates benefit not only from higher salaries but also from lower and shorter unemployment. Therefore there are good incentives for the prospective students in the Czech Republic to invest into their human capital through higher education. The incentives are more significant for the students, who expect to work in the private sector.

Keywords: human capital, private good, public good, higher education, rate of return, private benefits

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