

Prague and the Czech Republic

When the communists took over Czechoslovakia in 1948 it was the eighth richest industrial nation in the world. After only about five years of communist rule and central planning of all the economy, all private enterprise industrial, commercial and agriculture had been nationalized, managed by political demagogues the country was economically at rock bottom. In the 36 years that followed it all went from bad to worse. Nobody was hungry but people stood in lines to buy everything from food to toilet tissue. Nobody was unemployed but all state owned enterprises had about twice as many employees that they needed but there was no inflation. In 1989 the country set out on a mission of privatization of all the state owned enterprises. They began with small shops and restaurants and then onto big industrial plants and large agricultural estates. It was done in a some what controlled manner to help prevent inflation or massive unemployment (moveanspot).

Now the Czech Republic is one of the most stable and prosperous of the post-communist states. Growth in 2005 was due mainly to exports to the EU and a strong recovery of investment foreign and domestic. Domestic demand is playing an ever more important role as interest rates drop and the availability

of credit cards and mortgages increases. Current account deficits are beginning to decline as demand for Czech products in the European Union increases. In 2004 the government passed increases in the Value Added Tax (VAT), but more difficult pension and healthcare reforms will have to wait until after the next elections. Privatization of the state-owned telecommunications, intensified restructuring among large enterprises, improvements in the financial sector, and effective use of available EU funds should strengthen output growth (ciafactbook).

A brief way to sum up Prague's history is that it has had three great dynasties. The Premyslids, Luxemburgs and the Habsburgs dynasties have shaped the history of Prague. According to Slavonic legend, the Premyslids were founded by Princess Libuse. Her line included St Wenceslas and Premysl Otakar II, his death on the battlefield paved the way for the Luxemburgs. This family produced one of the greatest rulers of Prague, Charles the IV who was the king of Bohemia and the Holy Roman Emperor. In 1526 the city came under the control of the Austrian House of Habsburg, their rule last 4 hundred years. On October 28, 1918 Czechoslovakia gained its independence, and since has had a succession of presidents. In 1960 Czechoslovak social republic was proclaimed, and in 1992 was the splitting

of Czechoslovakia. The Czech Republic joined NATO in 1999 and joined the EU in 2004(Soukup p.16-25).

“The Czech Republic’s principal industries are power engineering and fuels, metallurgy, engineering, glass, wood and armaments. The rapidly growing service industry is a major source of income, with the related tourist industry providing enough invisible income to help redress the trade deficit. Prague is the centre of Czech business – 20% of the country’s GDP is created here – although there is no particular central business district and companies are located in all parts of the city and suburbs. As heavy engineering moves outside the city, service industries (financial, retail and telecommunications) and manufacturing industries (electrical, transport and food processing) are becoming increasingly prevalent. Companies to base their Czech or Eastern European Headquarters in Prague include ABB, Siemens and Philips (moveanspot.)”

Czechs are a warm people who value hospitality. Czech society is still largely male dominated and, especially with older businessmen, it is unheard of for a woman to pay for a meal, even if she is the senior member of the team. If invited to dine at a colleague’s home, a small gift is appropriate – a bottle of wine or flowers are best. When offering or accepting a lift with a

business colleague, you should sit in the backseat. A friendly handshake is the usual greeting upon meeting someone in Prague. It is not common to use first names unless well established. Initial business meetings are formal, during which even business partners refer to each other by title and surname. The use of forenames is a mark of friendship and using them without permission is seen as insulting or demeaning. Degrees are important and should be used in addressing correspondence. Meetings can be longer than expected and more formal than the average Western business. But the old Communist bureaucratic ways are giving way to capitalism, where business lunches and other such meetings are gaining popularity, especially with the younger generation (movanspot).

For business purposes, formal attire is the required but dress for social gatherings is less formal and can be dictated by the weather which can be fairly extreme. Most restaurants do not require jacket and tie but never hurts to check before making reservations, and it is a Prague tradition to dress up when attending classical concerts (moveanspot).

“Since the fall of the Iron Curtain, Prague has become one of Europe's (and the world's) most popular tourist destinations. Prague was one of the few

European cities relatively untouched during the World Wars, allowing its historic architecture to stay true to form. There are lots of old buildings, many with beautiful murals on them (Wikipedia).” It contains one of the world's most pristine and varied collections of architecture, from Art Nouveau to Baroque, Renaissance, Cubist, Gothic, Neo-Classical and ultra-modern. Some of the most known sights are: Old Town, Astronomical clock, Charles bridge, Lesser Quarter, Prague castle which is the largest castle in the world, Josefov which is the old Jewish quarter with a old Jewish cemetery, The Lennon wall, Wenceslas square, national museum, Vysehrad castle, Petrinska rozhledna which is an observation tower that is nearly one fifth copy of the Eiffel tower, Metronome a great functional metronome that looms over the city and the dancing house(Wikipedia.)

Since the late 1990s, Prague has become a popular filming location for international productions and Hollywood motion pictures; the city is often used as a "stand in" for other pre-WW2 European cities, such as Amsterdam and London(Wikipedia.)

The city contains eight universities and colleges including the oldest university in Central and Eastern Europe. Some of the universities are: Charles University founded in 1348, Czech Technical University founded in

1707, Academy of Fine Arts founded in 1800, Academy of arts, Architecture and Design founded in 1885, Institute of chemical Technology founded in 1920, Academy of Performing Arts founded in 1945, and the Czech University of Agriculture founded in 1952(Wikipedia.)

Shopping in Prague, most of the shops are open from 9am to 6pm Monday thru Saturday, supermarkets may be open later. Shops have become more flexible and accommodating because many of them rely on the tourist for the majority of their business, they stay open later and even open on Sundays. What to buy? Some of the things that are more traditional are Bohemian crystal, china, wooden toys and antiques. Other items include Soviet army medals, red army uniforms, Russian dolls, wooden puppets, ceramics and jeweler. Prague has many markets; one of their biggest just outside of town is the Bustehrad Collectors Market. It is allegedly the third largest market of its kind in Europe. This market is only open on the 2nd and 4th Saturdays of the month, from 8am to noon. Prague also has its share of malls; they tend to offer higher quality goods. (Soukupp214.)

Eating and drinking in Prague: because of the influx of tourist the operating hours of the restaurants has changed. The lunch hours have remained closely

the same, starting at 11am to 1pm and many of them stay open till 11pm. Just remember that most stop serving at 30 minutes prior to the closing time. Also in the spring in summer because of the larger number of tourist you may want to book a reservation in advance. Prices also tend to be lower the further away from the centre. In some restaurants the waiter may bring nuts to the table, you may eat them, and then you will be charged the price of an appetizer. You will not insult any if you ask the waiter to remove them, and also many things like butter, milk bread and ketchup may have an additional charge. There is a 19% tax that is normally included in the menu price, unlike Germany the tip is not included, you may want to leave a 10% tip and add it to your bill do not just leave it on the table. More and more restaurants accept major credit cards, but you should ask before ordering just to make sure. They do not take travelers checks. (Soukup p.208)