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## Employment trap



A sharp drop in new foreign investment into manufacturing gives the impression that the CR is on the verge of becoming a high-tech and service powerhouse. There are indeed a few shining examples of this, but the broader statistics suggest that the country is starting to retreat from basic manufacturing (because of rising labor costs and the strong crown) without being ready to take the leap to the next level. Martin Lobotka of Česká spořitelna told [E15](#) that the educational system isn't turning out the necessary university talent. Yet such organizations as the ministry of industry (by canceling incentives for manufacturing), CzechInvest and the Confederation of Industry are supporting the illusion. They're driving the CR toward an employment trap - lots of low-skilled people sitting around twiddling their thumbs. Which is just what existing investors want, because it eases the pressure on wages.



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