

## **Offshoring of white-collar jobs: perspective of host economy**

Inflows of capital in the form of foreign direct investment are associated with numerous positive effects for a host economy. The most frequently underlined are improvements in the labor market, international trade, knowledge and innovation.

The recent wave of foreign direct investment in advanced business services (so called offshoring of white-collar jobs) in Central and Eastern Europe can be directly linked to structural changes in the above mentioned areas, however the focus is here on labor market. Indeed, hundreds of thousands of jobs for white-collar workers have been created. In general, the jobs are intended for highly educated individuals speaking foreign languages. In this context, activities of foreign firms in Central and Eastern European countries filled the gap in the labor market. It concerned mostly young and mobile people, who emigrated from the region to Western European countries in search for jobs.

To some extent, thanks to investment in advanced business services, the outflow of people from, for example, Poland or Czech Republic significantly decreased. Moreover, the countries became desired destinations for well-educated migrants from other countries.

However, the effects of offshoring of white-collar jobs in Central and Eastern Europe are not solely positive. There is also the crowding-out effect of foreign investment. It means that most of economies in the region face very good situation in the labor markets due to the low unemployment. Actually, the new problem that occurs is the limited supply of qualified workers. In such a situation, the local firms are in weaker position against large international firms, when it comes to employment opportunities for talents. It can be even perceived as the other form of brain drain in the Central and Eastern European economies.

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