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**Abstract**

Emerging market economies are now attracting more foreign direct investments than ever; there has been almost tenfold increase in emerging markets' FDI over the last two decades. BRIC-countries, which include Brazil, Russian Federation, India and China, are usually classified as emerging market countries. BRIC –countries' B, Brazil is Latin America's most attracting country to operate business. It has captive investors' attention mostly by favorable government policies and the size of the voluminous domestic market. In addition, country's favorable climate, natural reserves and relatively low labor costs have encourage inward investments. This research investigates Brazil's foreign direct investment inflows and country's local human resources, in addition, future prospect are under the researcher's interest.

The quantitative research approach is used in this study. Research was carried out in Spring 2011 by interviewing seven persons. Each of these persons was selected due their knowledge and background. The research method was used theme interviews and interviews conducted through phone and e-mail. Resource-based view, internationalizations- and foreign direct investment theories are used as a theoretical background of the research. These frameworks are used to support the analysis of the material. The results of the study consisted of five main themes: availability and retention of employees, salaries and their expected rise, recruitment process and possible changes in Brazil's business environment.

In the beginning of this study seemed that Brazil has almost everything that a foreign investor requires. However, this research pointed out Brazil's biggest dilemma; the lack of educated labor force and engineer shortage, which is already slowing down Brazil's booming economy. The inefficient and poor education system is the main problem, which means that the labor quality and education level does not always meet the needs of the requirements. The shortage of educated personnel is extending across industries and it seems to have many disadvantages, for example the salaries of skilled personnel in Brazil have soared during the few years, being now the highest in country's history. Some contributions have been planned, however, not yet put in action.

According to the interviewees' the retention of the employees is quite good compared the other developing countries, for example China. And recruitment of employees is processed almost the same way as in developed countries, excluded few points. As stated by the interviewees' there will be no radical changes in Brazil's business environment, however, the new President, Dilma Rousseff may represent some new laws and regulations to improve employees' rights and to extend the responsibilities of foreign companies.

Key words	Brazil, foreign direct investment, internationalization, multinational companies, resource-based view, BRIC –countries, human resources and host country nationals, staffing subsidiary.
Further information	