THE NEW GEOGRAPHY OF WORK

How geopolitics, AI sovereignty, and mobility constraints are redrawing global talent hubs – An evidence-led analysis

Based on analysis of global policy actions, market data, and institutional research across geopolitics, AI governance, and talent mobility

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Prepared for:
Senior enterprise leaders across Talent, Technology, Shared Services / GBS, and Supply Chain

Purpose:
To provide a decision-grade perspective on how geopolitical shifts, AI sovereignty, and mobility constraints are likely to re-map global talent hubs over the next five years—grounded in observable policy actions and market signals

EXECUTIVE SUMMARY

The global operating environment entering 2026 is no longer defined by a binary debate between globalization and deglobalization. Instead, enterprises are navigating a more complex reality: regionalization**,** in which talent, data, AI capabilities, and supply chains are increasingly organized around political boundaries, regulatory sovereignty, and risk tolerance rather than pure cost efficiency.

Across the fifteen signals analyzed in this paper, a consistent pattern emerges. Mobility is tightening**,** particularly in historically dominant destination markets such as the United States and the United Kingdom**.** Tariffs and trade friction persist, reshaping—not reversing—global manufacturing and supply chains. AI is becoming a sovereign asset**,** with Europe and China investing in localized compute, models, and governance. At the same time, AI-driven productivity gains are reducing the need for massive headcount concentration, favoring smaller, more specialized hubs over single mega-centers.

These forces do not point to a collapse of global talent arbitrage. Rather, they signal a shift in how and where work gets done. India remains the world's most scaled and resilient hub of services-led capabilities, particularly Global Capability Centers (GCCs), benefiting from tariff insulation and high skills density. Europe is compounding long-term capability through R&D investment and sovereign AI infrastructure, even as returns materialize more slowly. Eastern Europe, Canada, the UAE, and select Southeast Asian markets are emerging as strategic nodes—each valuable not for lowest cost, but for compliance alignment, connectivity, specialization, or resilience.

The implication for enterprises is clear: location strategy is no longer an optimization problem—it is a portfolio design problem**.** The highest-performing organizations over the next five years will deliberately balance:

- a small number of scale hubs for depth and efficiency,
- a wider layer of resilience hubs to hedge geopolitical, regulatory, and mobility risk, and
- a growing network of specialist micro-hubs aligned to scarce skills, universities, and regulated workloads.

This paper provides a practical framework—spanning policy friction, economic gravity, capability density, sovereignty constraints, and execution reality—to help leaders evaluate

where to place work, not just people, in an increasingly fragmented global system. The winners in 2026–2031 will not be those who chase the next low-cost location, but those who architect a resilient, adaptive, and AI-ready global footprint.

For enterprise leaders, the question is no longer where talent is cheapest, but where capability can be built, governed, and scaled with confidence.

Location risk is now as material as cost risk.

AI strategy and location strategy are inseparable.

Sovereign AI will constrain where sensitive work can run.

Micro-hubs will absorb marginal growth, not mega hubs.

This white paper evaluates each signal through a five-lens analytical framework:

1. Policy friction (visas, enforcement, work authorization, student flows)
2. Economic gravity (investment, sector growth, wage pressure)
3. Capability density (skills availability, ecosystem maturity, leadership depth)
4. Sovereignty constraints (data residency, AI model localization, export controls)
5. Execution reality (time-to-stand-up, vendor ecosystem, operational risk)

Signal-by-signal analysis and what it means for 2026–2031

A. Tightened U.S. immigration policies → "home-grown talent reinvestment" across Middle America, the Midwest, and the U.S. South

What's changing (observable signals):

- The U.S. announced a suspension of immigrant visa processing for nationals of 75 countries effective January 21, 2026, tied to "public charge" concerns.
- The U.S. also finalized a shift toward a weighted H-1B selection process that generally favors higher-paid/higher-skilled petitions, reducing randomness and likely disadvantaging entry-level pipelines.
- Reuters reporting indicates enhanced vetting pressures (including student-visa scrutiny and broader screening), which tends to increase unpredictability and timeline risk for employers.

What this drives operationally:

- Domestic pipeline build-out becomes a competitive advantage: apprenticeships, community college partnerships, internal academies, and "train-to-hire" models.
- Geographic dispersion inside the U.S. accelerates because cost-effective labor markets (Midwest/South) can be paired with remote/hybrid operating models and standardized tooling.
- Companies more heavily dependent on early-career global talent (especially STEM) will see pressure to:
    - raise entry wages (to compete in wage-weighted selection environments),
    - or substitute via nearshore + automation.

Strategic takeaway: Expect a measurable shift from "import talent" to "manufacture talent" within the U.S.—and not only in coastal metros.

B. Venezuela political/economic shifts may trigger renewed investment—but diaspora reality implies regional rebalancing, not net-new supply

What's changing (observable signals):

- Early January 2026 brought major political uncertainty in Venezuela, with prominent reporting on a U.S.-driven shift in control and implications for the oil sector and sanctions environment.
- The Venezuelan diaspora remains massive: UNHCR cites nearly 7.9M Venezuelan refugees and migrants globally.
- The R4V platform (regional coordination for Venezuelan displacement) reports ~6.9M Venezuelans in Latin America and the Caribbean (latest updates in late 2025), underscoring that a large share of Venezuelan talent is already regionally distributed.

What this drives operationally:

- If investment returns (energy, infrastructure, services), the first-order effect is not "new talent appears," but rather:
    - reallocation of Venezuelan professionals across Colombia/Peru/Chile and other host countries, and
    - possible selective return migration of specific profiles (engineers, finance, operations) if security and institutions stabilize.
- Host-country employers may face localized competition for Venezuelan skilled labor if return incentives emerge.

Strategic takeaway: Plan for regional wage and attrition ripples in parts of Latin America, not a sudden global talent windfall.

C. Political noise persists → Commercial relationships continue to expand.

In **Mexico and Latin America**, Geopolitical noise persists, even as commercial ties continue to deepen. The relationship between the United States and Mexico is under strain, but commercial ties remain strong, with Mexico recently surpassing China to become the United States' largest export market.

Mexico is deeply embedded within the U.S. geopolitical and economic perimeter through the USMCA framework. As U.S. policy increasingly prioritizes *friendshoring* and regional resilience, Mexico is treated as a preferred extension of the North American production and services ecosystem. This alignment materially reduces exposure to tariffs, sanctions, and export-control volatility that affect more distant offshore locations.

- ❖ Strong pull for nearshore roles tightly coupled to U.S. operations: IT services, analytics, engineering support, product ops, and manufacturing-adjacent digital work.
- ❖ Acceleration of delivery hubs that optimize for time-zone overlap, real-time collaboration, and faster iteration with U.S.-based teams.
- ❖ Rising competition and wage pressure in top metros (Monterrey, Guadalajara, Mexico City), increasing the importance of second-city strategies and vendor diversification.

Brazil's participation in BRICS, its deep trade ties with China, and its continued engagement with Western markets give it multi-axis optionality in a fragmented geopolitical landscape. This reduces exposure to single-country retaliation risk, sanctions cascades, or sudden trade realignments. At the same time, Brazil has shown a strong instinct toward data, industrial, and AI sovereignty, particularly in regulated sectors such as banking, healthcare, energy, and the public sector. At Draup, we are noticing an uptick in information security talent in Brazil

Strategic takeaway: Political noise has not weakened commercial momentum, but it has changed where risk sits. Mexico could be used to absorb execution-heavy, time-zone-

sensitive work tied to U.S. operations, while Brazil could be evolved to better serve regional and local market needs.

D. India remains the GCC hub; tariffs disrupt goods more than services → services-led work stays resilient

What's changing (observable signals):

- India's GCC footprint is already at an industrial scale (often cited ~1,700–1,800 centers depending on taxonomy) and is projected to expand materially by 2030.
- India's macro narrative repeatedly emphasizes that services exports remain strong even as global trade conditions fluctuate.

What this drives operationally:

- GCC expansion and maturation: more "shadow HQ" behaviors (product ownership, AI/ML centers, platform engineering, cybersecurity, analytics).
- Tier-2/3 city acceleration inside India: enterprises diversify away from a few saturated metros to manage cost and attrition while maintaining scale.
- Tariff insulation: GCC work is principally services/IP and is affected more by:
    - immigration/work authorization policies (for onsite rotations),
    - data/AI regulations,
    - client spending cycles, not by border tariffs directly.

Strategic takeaway: India is likely to remain the default "scale-and-skill" node for global enterprises—particularly for AI engineering, data platforms, and enterprise operations.

E. Quiet supply-chain rewiring → Vietnam and India manufacturing hubs benefit, even with tariffs still in play

What's changing (observable signals):

- Vietnam's manufacturing rise is closely linked to tariff-era relocation from China; Reuters notes Vietnam's U.S. exports were $142.4B in 2024 (~30% of GDP), highlighting both success and vulnerability.
- Southeast Asia showed stronger-than-expected resilience after April 2025 tariffs, with continued export growth and rising FDI tied to diversification.
- Vietnam is explicitly framed as a "friendshoring" destination in investment briefings and trade analyses.
- India is pushing deeper manufacturing capability (not just assembly), including electronics components, with policy momentum entering 2026.

What this drives operationally:

- More enterprises adopt dual manufacturing footprints (e.g., China + Vietnam/India) and a higher tolerance for redundancy.
- Vietnam benefits in electronics and light manufacturing—but faces concentration risk to the U.S. market.
- India benefits where firms want:
    - long-term policy alignment,
    - a massive domestic market,
    - and integration between manufacturing + engineering talent.

  Strategic takeaway: Vietnam is a high-upside node with higher trade-policy beta; India is a slower-build node with potentially greater long-run strategic depth.

F. Geopolitical AI pressure → AI self-sufficiency and Europe-centric "sovereign AI" ecosystems

What's changing (observable signals):

- The EU has moved from rhetoric to infrastructure: EuroHPC-selected AI Factories form a backbone for local compute access and ecosystem building.
- Europe is also backing Europe-aligned foundation models and open multilingual initiatives such as OpenEuroLLM.

What this drives operationally:

- Enterprises operating in regulated sectors (public sector, healthcare, finance, critical infrastructure) will increasingly be asked: Where is your model trained? Where does inference run? Where does data reside?
- Expect growth in:
    - sovereign cloud + sovereign model stacks,
    - local model fine-tuning,
    - and procurement requirements that privilege European compute and compliance alignment.

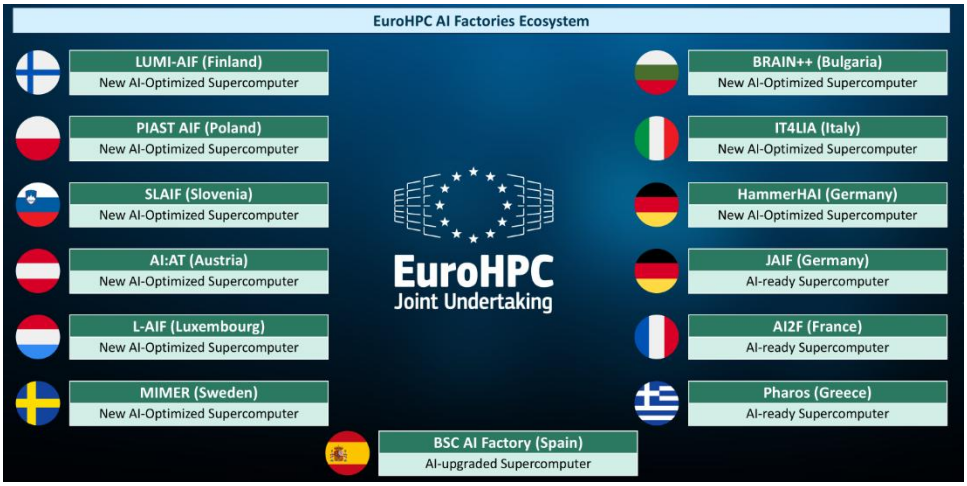

Fig. represents the EuroHPC AI Factories ecosystem across multiple European countries, comprising new AI-optimized, AI-ready, and AI-upgraded supercomputers distributed across member states. ***Source: EuroHPC Joint Undertaking – AI Factories Ecosystem (March 2025)***

Strategic takeaway: AI strategy becomes location strategy. Europe is building the scaffolding for a defensible sovereign AI layer—not necessarily to "beat" U.S. hyperscalers, but to ensure continuity, compliance, and bargaining power.

G. Proactive Migration, but backlash exists → Germany and the UK as high-quality talent hubs—supported by proactive migration strategies, but with early backlash signals

Germany (proactive, but politically sensitive):

- Germany's Skilled Immigration Act explicitly aims to make it easier for skilled workers to immigrate.
- At the same time, policy adjustments around citizenship rules point to ongoing political calibration and the risk of backlash cycles.

UK (quality hub with tightening channels and higher compliance):

- UK policy has narrowed the Skilled Worker eligibility list and ended overseas recruitment for social care workers (effective July 22, 2025, per parliamentary briefing).
- Enforcement signaling is increasingly public and politicized (e.g., government communications emphasizing raids).
- Policy backlash patterns appear in adjacent debates (e.g., mandatory digital ID proposals being watered down after opposition).

Strategic takeaway: Germany and the UK remain premium talent markets with rising policy volatility—diversification is now required.

H. **Redirected student demand—**Canada may benefit despite caps—because it is selectively opening "higher-intent" channels

What's changing (observable signals):

- Canada set a 2026 cap framework for study permit application spaces requiring provincial/territorial attestation letters (PAL/TAL).
- Canada is also explicitly exempting certain graduate students: as of January 1, 2026, master's and doctoral students in degree-granting programs at public institutions do not need a PAL/TAL (i.e., effectively outside that cap mechanism).
- Meanwhile, U.S. student-visa scrutiny appears to be tightening in ways that can redirect demand regionally.

What this drives operationally:

- Canada's "volume" may be constrained, but quality mix may improve (more graduate-level talent, more research-aligned profiles).
- Enterprises should expect:
    - stronger Canada-based early-career pipelines in AI/data/science,
    - and more competition for the same graduate cohorts.

Strategic takeaway: Canada shifts from volume intake to a targeted graduate funnel.

I. **R&D investment across Europe is rising—**slow returns, strong long-term positioning

What's changing (observable signals):

- Eurostat reports EU R&D expenditure of €403B in 2024 (~2.24% of GDP).
- The EU's Industrial R&D Investment Scoreboard highlights sector-specific increases (e.g., strong growth in electricity/renewables R&D), while also noting global competitive pressure.
- Separately, security dynamics are pushing significant funding into defense capability, which historically spills into dual-use R&D and advanced manufacturing.

What this drives operationally:

- Europe becomes more attractive for:
    - deep-tech research,
    - applied industrial AI,

- regulated innovation (health, energy, mobility, defense-adjacent).

- The payback is often slower than in the U.S. venture ecosystem, but the capability depth can be durable.

Strategic takeaway: Europe is compounding innovation capacity—expect winners to be firms that can stay the course through the "slow build" phase.

J. Eastern Europe (Including Bulgaria, Latvia, Romania, and Poland) is gaining traction as shared services and delivery hubs → localized demand growth

What's changing (observable signals):

Security shocks since 2022, following the Russia–Ukraine conflict, have accelerated enterprise preference for EU-aligned Eastern European hubs, a shift reflected in the following country-level signals

- Poland remains one of Europe's largest business services ecosystems; ABSL (The Association of Business Service Leaders in Poland) reporting shows substantial center density and continued maturity.
- Latvia is actively marketing GBS growth with Riga as an emerging hub, and the ABSL Latvia report reflects ecosystem organization and positioning.
- Bulgaria's BPO/ITO/R&D footprint is material (100k+ employed cited in sector commentary), and the country is also included in expanded European AI Factory selections (EuroHPC expansion).
- Romania is still drawing investment momentum (including business services) and has posted strong FDI project growth in recent attractiveness reports.

What this drives operationally:

- Localized wage inflation and tighter competition in top cities (Warsaw/Krakow/Wroclaw; Bucharest/Cluj; Sofia/Plovdiv; Riga).
- A shift from "pure cost play" to cost-quality + language + EU compliance play—especially for finance operations, IT ops, cybersecurity, and multilingual CX.

Strategic takeaway: Eastern Europe is moving from "alternative delivery" to "core European execution layer," especially for EU-regulated workloads.

K. As AI optimizes human labor requirements, the next five years will favor smaller, specialized hubs—not only mega hubs

Evidence signals (macro):

- The WEF Future of Jobs Report 2025 (covering 2025–2030 expectations) places AI and information processing among the most transformative trends, alongside automation and robotics.
- Measured labor market effects are emerging unevenly; for example, research summarized by Wired (Stanford-affiliated authors using ADP payroll data) suggests GenAI exposure can reduce early-career employment in certain exposed sectors.

What does this change in the hub strategy:

- If AI tools lift per-person productivity, companies can meet growth targets with:
    - smaller teams,
    - more specialized skill profiles,
    - and more distributed footprints.
- That shifts the "best location" question from Where can I hire 5,000 people? to: Where can I hire 200–800 people with niche skills, stable retention, and compliant infrastructure?
- Expect the rise of:
    - "micro-hubs" attached to universities,
    - specialist clusters (privacy engineering, model eval, safety, embedded AI, industrial ML),
    - and dual-hub European strategies (premium hub + cost-quality hub).

Strategic takeaway: Mega hubs don't disappear—but marginal growth increasingly goes to specialized, networked hubs.

L. China doubling down on homegrown models; Nvidia chip tension is "partially resolved," but friction persists

What's changing (observable signals):

- China's leadership has explicitly emphasized AI self-reliance and building "autonomously controllable" ecosystems, shaped by export controls.
- Chinese firms are scaling domestic compute and model stacks (e.g., Baidu's Kunlun chip cluster claims).
- On Nvidia: the U.S. approved exports of Nvidia H200 chips to China under conditions (per Reuters/AP), but Chinese customs authorities reportedly instructed agents not to allow H200 chips into the country, implying continuing uncertainty and negotiation leverage.

What this drives operationally:

- Multinationals should plan for China as a distinct AI stack:
    - local model options,
    - local cloud/compute,
    - local compliance and data governance,
    - and constrained access to frontier hardware depending on shifting controls.
- Procurement and product leaders should assume intermittent disruption in advanced chip availability and approvals.

Strategic takeaway: "Partially resolved" is the right phrase: there may be episodic openings, but the structural direction remains toward self-sufficiency and controlled dependency.

M. UAE attracting engineering and medical talent from India via bilateral ties, visa reforms, and sector demand

What's changing (observable signals):

- The UAE's long-term residency "Golden Residency" positioning explicitly targets exceptional talents and skilled profiles.
- The Indian Embassy in the UAE estimates ~4.3M resident Indian nationals (2024 data), reflecting a deep and scalable people corridor.

What this drives operationally:

- UAE acts as a regional HQ and specialist talent magnet (engineering, healthcare, infrastructure delivery, and increasingly AI roles), supported by:
    - visa pathways,
    - strong India–UAE connectivity,
    - and continued build-out in healthcare and infrastructure services.

Strategic takeaway: For enterprises operating across EMEA/Asia, the UAE can function as a high-execution regional node—especially for roles that benefit from geographic connectivity and multi-market reach.

N. Neutral Hubs Quietly Compound Advantage

Singapore has deliberately avoided hard alignment in great-power competition, maintaining strong diplomatic, economic, and security ties with the United States, China, Europe, and ASEAN regional partners. This posture has allowed it to function as a neutral convening and

execution environment—particularly valuable as enterprises seek locations insulated from sanctions risk, trade retaliation, or sudden regulatory shifts driven by geopolitical escalation.

Unlike larger economies, Singapore's value does not lie in scale, but in predictability, the rule of law, and geopolitical credibility. As tensions rise elsewhere, these attributes become more—not less—valuable.

Strategic takeaway

Singapore is not a low-cost execution hub, nor a mass-scale delivery center. It functions as a geopolitical anchor and trust hub—quietly compounding advantage as enterprises prioritize continuity, neutrality, and governance in an increasingly fragmented global system.

O. Trusted governance with local market Opportunity → Australia emerges as a high-assurance execution hub

Continued inflows of skilled migrants—despite tighter global mobility—support selective talent growth in technology, mining, banks, cybersecurity, analytics, healthcare, and public-sector-adjacent roles.

Multinational enterprises increasingly position Australia as a regional hub for governance and control, even when execution is distributed across lower-cost markets.

Concentration of **compliance-heavy and trust-sensitive functions**, including cybersecurity operations, data governance, AI risk and assurance, regulated analytics, and public-sector technology delivery.

Preference for Australia in industries with elevated regulatory and reputational exposure—financial services, healthcare, energy, critical infrastructure, and defense-adjacent services.

The Australian Government has released its National AI Plan, which it has pitched as a whole-of-nation roadmap to support AI development, adoption, and safe use.

Australian universities continue to attract large numbers of students from India and value this talent, but recent government policy changes have raised visa scrutiny and documentary requirements for Indian applicants under the Simplified Student Visa Framework.

Strategic takeaway

Australia is increasingly used as a trust and governance hub, anchoring compliance-critical and reputation-sensitive work while execution is distributed globally. The hub may offer limited but innovative AI talent in the future.

What this means for enterprise location strategy: a practical model

1. The new “hub portfolio” architecture

Most global organizations will converge on a 3-layer footprint:

1.1. Scale hubs (2–4 locations globally)

- Purpose: deep capability density, leadership benches, 24/7 operations
- Likely examples (depending on company): India (multiple cities), U.S. regional hubs, Poland/Romania, UK/Germany (select functions)

1.2. Resilience hubs (3–6 locations)

- Purpose: redundancy, regulatory segmentation, geopolitical hedging
- Likely examples: Canada (graduate funnel), Eastern Europe secondary cities, Vietnam (specific manufacturing + engineering), Mexico (if applicable), Baltics, Australia.

1.3. Specialist micro-hubs (5–15 locations)

- Purpose: scarce skills, university adjacency, “pods” for AI/ML, cyber, product, and R&D
- Likely examples: smaller European cities tied to research clusters; targeted LATAM nodes; niche Asia-Pacific nodes

2. A scorecard you can use immediately

Hub viability scorecard (illustrative):

- Talent depth (role-specific)
- Policy stability (visa and labor rules predictability)
- Time-to-hire & retention
- Cost-quality curve (not just wages: productivity-adjusted cost)
- Ecosystem (vendors, universities, startup density)
- Sovereign AI readiness (compute access, data residency, compliance)
- Business continuity risk (trade exposure, geopolitical volatility)

Key shift: “Cost” should be measured as cost per unit of outcome (tickets resolved, features shipped, models deployed), not cost per headcount.

Scenarios for 2026–2031

Scenario 1: Fortress Mobility + Higher Compliance (High probability)

- Continued tightening and higher scrutiny in major destination markets (U.S./UK patterns).
  Winners: domestic reskilling regions in the U.S.; India GCC scale; Eastern Europe EU-compliant delivery
  Enterprise move: accelerate internal academies, redesign early-career pipelines, expand nearshore and multi-hub redundancy.

Scenario 2: Tariff-Volatile Trade + "Resilience Premium" (High probability)

- Tariffs remain a PERSISTENT feature; supply chain diversification continues.
  Winners: Vietnam (with risk), India manufacturing + engineering, Southeast Asia diversified exporters
  Enterprise move: dual-source critical components, build tariff scenario modeling into S&OP, align manufacturing and engineering co-location.

Scenario 3: Sovereign AI Acceleration (Medium-high probability)

- Europe and China continue building sovereign AI stacks; cross-border AI governance grows.
  Winners: EU-based AI builders with compliance advantage; China domestic ecosystem; firms that can run multi-stack AI
  Enterprise move: create a "model portfolio" strategy (global + EU-sovereign + China-local), and build internal MLOps that supports segmented deployment.

Scenario 4: Micro-hub Proliferation via AI Productivity (Medium probability)

- Smaller teams do more; hub strategies optimize for niche skills and retention.
  Winners: second-tier European cities; specialized clusters; universities and applied research ecosystems
  Enterprise move: shift from "mass hiring" to "capability pods," invest in collaboration tooling, standardize delivery playbooks.

Recommendations: what to do in the next 2–3 quarters

For CHRO / Talent leaders

1. Build a U.S. domestic talent manufacturing engine (apprenticeships, community colleges, reskilling) to reduce visa dependency.
2. Create a Canada graduate funnel strategy (master's/PhD recruiting, research partnerships) leveraging cap exemptions.
3. Plan for localized wage pressure in Eastern Europe and build second-city options early (before saturation).

For CIO/CTO / Data & AI leaders

1. Adopt a 3-stack AI posture: global stack + EU-sovereign stack + China-local stack (where relevant).
2. Treat compute access as a strategic dependency (especially where export-control uncertainty affects hardware).
3. Standardize delivery with "small teams, high leverage" playbooks: model reuse, platform engineering, and rigorous evaluation.

For COO / GBS / Shared Services leaders

1. Double down on India for scale but diversify across cities and vendors to manage attrition and concentration risk.
2. Use Eastern Europe as the EU execution layer for regulated workloads (finance ops, multilingual support, cyber, analytics).
3. Pilot micro-hubs with clear mandates (e.g., "AI model risk & eval hub in Germany," "multilingual CX hub in Latvia," "finance transformation pod in Poland").

For Supply Chain / Manufacturing leaders

1. Segment supply chains by tariff and resilience exposure; don't assume Vietnam's gains are risk-free given U.S. dependence.
2. Pair India manufacturing bets with engineering/GCC adjacency to speed iteration and localization.

Key metrics to monitor (monthly/quarterly)

- Mobility risk index: visa processing time volatility + denial rates (where available) + policy announcements
- Hub concentration index: % of critical roles in top 1–2 locations
- Outcome-adjusted labor cost: cost per feature delivered / model deployed / case resolved
- AI leverage rate: productivity uplift vs baseline + quality metrics (defect rates, customer satisfaction)
- Attrition heat map: by city, role family, and tenure band
- Regulatory segmentation readiness: ability to deploy EU-sovereign vs global AI stack without re-architecting

CONCLUSION

Taken together, the twelve signals analyzed in this paper converge on a single conclusion: the next era of global talent hubs is not about picking the "best" location—it is about designing a resilient network of capabilities.

Immigration tightening in the U.S. and UK reinforces the need for domestic talent manufacturing engines and diversified delivery models. India's continued dominance in services and GCCs underscores the enduring value of scale and skill density—particularly where work is insulated from tariffs. Europe's investments in sovereign AI, R&D, and regulated innovation signal a long-term rebalancing of where advanced AI and sensitive workloads can be executed compliantly. Eastern Europe, Canada, the UAE, and smaller specialist nodes are gaining relevance as enterprises prioritize regulatory fit, execution speed, and retention over pure labor arbitrage.

At the same time, AI is quietly reshaping the math of location strategy. As productivity per worker increases, enterprises no longer need to ask where they can hire thousands of people quickly. Instead, the more strategic question becomes: where can we reliably build and retain high-leverage teams with the right skills, governance, and ecosystem support?

The enterprises best positioned for the next five years will treat talent hubs the way sophisticated investors treat portfolios—diversifying risk, balancing short-term efficiency with long-term optionality, and continuously reweighting exposure as geopolitical and technological conditions evolve. In that world, location decisions are no longer static bets; they are living strategic assets.

The shift is already underway. The organizations that recognize it early—and redesign their global footprints accordingly—will not only absorb geopolitical disruption more effectively but convert it into a durable competitive advantage.

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