

Research Articles

The Impact of Brexit on Business Culture in the United Kingdom: An Analysis of Changes in Immigration and Their Implications for Cultural Change

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The article analyzes the cultural implications of Brexit on UK business, particularly focusing on immigration shifts from the EU to non-EU countries. It explores how non-EU immigrants, especially in sectors like healthcare, may influence British business practices and culture, despite potential limitations due to xenophobia and societal resistance to cultural change.

The original inspiration for this topic was derived from the paper “Brexit” and the contraction of syndicated lending, by Tobias Berg et al. In this paper, the authors first note the evidence proving a substantial decline in syndicated lending following Brexit, then note that this has mostly been driven by a reduction in demand from firms native to the UK (Berg et al., 2020). These two conclusions drive the logical conclusion that there may be more opportunity for foreign investors and immigrants from non-EU countries to fill the gap left by UK firms and the departure of many workers native to other EU countries following Brexit. This analysis will discuss how Brexit has impacted the level of opportunity for cultural development in British business and attempt to analyze the scope of cultural impact that observed higher levels of working immigrants from non-EU nations following Brexit may have on the nation’s businesses. Section I will discuss how Brexit has created an economic situation that has brought higher numbers of working non-EU immigrants to the UK and examine whether this situation will continue in the near future in order to gain a better understanding of the scope of the potential cultural changes immigrants may be capable of bringing about. Section II will discuss a short list of selected nationalities with large populations moving to the UK and provide additional background on their reasons for immigrating, as well as explore a few examples of specific potential changes that may come about from a logical progression of the melding of the cultures discussed therein. It will continue with a discussion of the potential cultural impact within the sector that has seen the largest numbers of non-EU immigrants in recent years in healthcare and the additional dynamics of this industry that may impact how this plays out within it. Section III will examine two additional major dynamics that may serve to significantly magnify or limit the scope of these cultural impacts, as well as summarize the findings to attempt to provide an answer to the question of whether Brexit has increased the probability of immigrants bringing about meaningful cultural change in UK business. During the pandemic in 2020, the

UK Office for National Statistics estimated that there was a net emigration of about 7,000 EU citizens from the UK (-7,000 net migration) falling even further to an estimate of about 51,000 net emigration in the year ending December 2022. Considering labor shortages in the UK during this same period and the new policies enacted in 2021 making it more difficult for EU citizens to immigrate to the UK, it stands to reason that some of these places would be taken by immigrants from outside the EU. This has resulted in an increasingly significant portion of the labor force being made up of immigrants from non-EU countries, with numbers only continuing to go up at the time of this writing. If this were to continue, it could result in a relatively significant impact on certain aspects of doing business in the UK. However, there are a significant number of factors working against this reality from being achieved. For example, xenophobia and a lack of acceptance from the native population have the potential to significantly limit this cultural impact. Ultimately Brexit has indeed increased the opportunities for immigrants from non-EU countries to live and work in the UK by leaving the UK in a state of economic dependence on them which seems set to continue to grow for the near future. This naturally increases cultural interaction and the chances of new practices being developed or adopted, but the cultural impact that these immigrants can have will likely be limited in most British firms by factors that drive them to adapt their practices to the British way of business rather than the vice versa. One notable possible exception to this that will be discussed in detail is the healthcare industry, which has a long history of reliance on immigrant labor and has seen the highest numbers of total working immigrants of any industry by a wide margin. However, this exception may also be significantly limited by the challenges of creating significant change in an industry with such deep-rooted tradition.

Section I - Brexit's implications for industry and the subsequent impact on immigration

Why is non-EU immigration to the UK so high following Brexit?

In order to understand the potential that immigrants coming to the UK as a result of Brexit have to drive cultural change in UK business, it is key to understand the driving factors that have caused observed increases in immigration from non-EU countries. In this section the primary focus will be on exploring the effects of Brexit on levels of immigration to the UK and the reasoning for the observed increased levels of immigration from non-EU nations specifically. These immigrants have the potential to be the single largest driving force in the proposed cultural shift in UK business, and it is therefore imperative to understand the basic reasoning behind their presence in the UK in order to properly analyze the scope of change that may occur. Particularly since Brexit had the direct goal of stemming immigration, it is key to understand why this seemingly contradictory situation has developed.

When asked for a single word to explain why they wanted to leave or remain in the EU, immigration was the single most common response from those who also said they wanted to leave (Foster, 2023). The concern for immigration dipped significantly following the referendum, from 56% of the population in September 2016 to below 20% in 2019 (Richards et al., 2023). In the past year the percentage of respondents quoting immigration as a major issue in the UK has crept back up over 20% but is nowhere near the levels seen before Brexit. Even with all the rhetoric about national sovereignty infringements and the untapped potential of Britain, the single most important anticipated effect of Brexit in the minds of most Leave voters was staunching the flow of immigrants coming to their shores (Richards et al., 2023). Examining the data though we see that there remains a steady flow of immigration to the UK, particularly driven by a notable increase in immigration from non-EU countries.

The Brexit referendum in 2016 and the United Kingdom's subsequent official severance from the European Union on January 31, 2020 marked a historic shift in the nation's trajectory. Before the Brexit campaign began, the UK was one of 28 states involved in one of the world's premier economic and trade unions with the EU. Once the split was implemented, the UK found itself suddenly relatively cut off from the trading bloc that they conducted a huge portion of their trade with. The UK still conducts just over half (52%) of its trade with countries in the European continent even in the 4 years following the implementation of the separation despite many new inconveniences and decreasing confidence in the UK on the EU side (Trading Economics, 2024). However, something that the EU has long provided to the UK that has not continued following the split is a steady stream of workers freely coming to the UK under the EU's free movement of people policy. With the split and the UK's newfound exclusion from this policy, it faced huge labor shortages as the country was also struck hard

by the Covid-19 pandemic. The British labor force shrunk more and recovered more slowly during the pandemic than most of the EU, and even following recovery to post-pandemic levels and beyond the economy has still faced a significant labor shortage (Houston & Hunsaker, 2024). Other factors played into this, but a portion was driven by the falling net migration from the EU following the referendum. These numbers never recovered after the pandemic, and the UK has thus been largely cut off from a source of labor it has relied on for decades (Houston & Hunsaker, 2024).

Traditional ways of fixing labor shortages include increasing wages, improving working conditions, and improving recruitment procedures. However, all these solutions require additional capital investments in improvements that the UK simply cannot afford with the state of their economy. Additionally, the formal implementation of Brexit arrived while Britain was already facing a relatively difficult situation regarding their labor force that already may have required more than traditional solutions. The number of economically inactive people in the UK rose by about 500,000 during the pandemic (end of 2019 to end of 2022) and this was largely driven by retirements and long-term illnesses (Li & Granados, 2023). This drove a decrease in the estimated labor force participation rate from a peak of 78.4% in 2019 to 77.6% by 2022. Economic inactivity remains low relative to many other countries, but this represents 0.8% of the entire labor force that still needed to be made up in some way. Additionally, members of the large post-war boom generation that have not already retired are now approaching retirement age (Clark, 2024; Houston & Hunsaker, 2024). The age group of 65+ years old has been steadily growing in the UK over the past 10 years, making up 19.17% of the total population as of 2022 compared to 16.95% in 2012 (O'Neill, 2024). The working age population of 15-64 years old has shrunk from 65.41% to 63.36% in that same span, and the population aged 0-14 has shrunk marginally from 17.64% to 17.47% (O'Neill, 2024).

All these numbers may seem relatively small in percentage terms, but the trends point towards the economically inactive portion of the population increasing relative to the working population over the next few years. If we assume that the three age groups neatly divide the population into the portions of their life in which they study, work, and retire respectively, the net decrease of the working age population since 2012 amounts to around 1,345,000 jobs that need to be filled just to maintain the levels of activity from that year (O'Neill, 2024). The marginal decrease in the young population indicates that the labor shortage is additionally unlikely to be significantly mitigated by a sudden increase in the workforce as another large boom in the population ages into work. These trends were already well in motion before the Brexit referendum was ever discussed, but the impact has become exacerbated as the supply of EU workers moving to the UK has dried up.

Thus, the UK has turned to immigration from non-EU nations to fill a significant portion of this shortage. Data shows that the number of employees in the UK with an original nationality in the EU has dropped since the pandemic

began. Using December 2019 as a baseline there was a net loss of around 164,000 employees of EU origin by December 2022, representing about 6% of the total number from December 2019 (Sumption & Brindle, 2023). Comparing this to data regarding migrant employees of non-EU origin, it becomes clear where the UK is sourcing the additional labor from. There were approximately 2,110,600 employees fitting this category in the UK as of December 2019, but this ballooned to around 2,969,200 by December 2022 (Cuibus, 2023). Perhaps many voters in the Leave camp believed that the native workforce would rebound to fill the gaps and allow the nation to stem immigration, or that the UK would remain such an enticing prospect that EU workers would have little choice but to continue to immigrate when allowed. However, as the numbers indicate, this has been far from reality.

While the EU-UK relationship has grown relatively cold and many in the EU are no longer considering moving to the UK due to the new barriers to entry and a decreasing level of confidence in the nation's economic future, immigrants from the rest of the world have always had these entry barriers and are seeing increased opportunity for entry with the decreased level of employment coming from the EU and the general labor shortages the UK is facing. In many developing countries the state of economic uncertainty is significantly worse than in the UK even after the disaster that was Brexit and pay and working conditions are better in the UK, or at least perceived as such, shown by the willingness of these rising numbers of immigrants to come to the UK. Thus, even though the UK economy has imposed new restrictions between itself and its largest trading partner and caused a host of economic damage in turn, it is still a relatively attractive destination for many immigrants from poorer nations to work. This is not universal, and it can be certain that there are a significant number of individuals who have changed their minds about immigrating to the UK with the high degree of economic uncertainty caused by Brexit. However, Immigration data confirms that generally, there is still a large population willing and able to move to the UK to work. The current immigration totals are partially inflated by temporary trends including the war in Ukraine that may alleviate and result in immigration from certain regions tapering off. However, trends show that the high immigration numbers have been significantly driven by higher issuances of skilled worker visas. This is particularly noteworthy in the healthcare sector, with over half of all skilled worker visas in recent years being issued to health and social care workers specifically (Cooper, 2024). The UK NHS has relied on immigrant labor since long before Brexit, but this has been even more noteworthy since its impetus. In an interview conducted with former British Conservative MP, and former Chief Whip to the Conservative party's EU group among other titles, Mr. Richard Simmonds expressed that the UK's health system would already have collapsed if it was not for the immigrants employed within it.

The health care sector will be discussed in Section II in greater detail, but for now it serves as an excellent microcosm of the ultimate reason immigration levels have re-

mained so high following Brexit. Simply put, the British economy is in a state that it needs these high levels of working immigrants to help alleviate the stresses largely caused by Brexit. These stresses will again be discussed at length later, but the additional costs and difficulties of doing business with the EU along with the bare bones trade deals negotiated with many other nations have done considerable damage to the UK's economy that has left it in a state far from the visions of grandeur the politicians pushing for Brexit promised. Already in a position that may have forced the government to address the labor force around this same time due to pressures from the pandemic and their aging population, the government very effectively cut off the largest and easiest source of external labor available to the UK through Brexit (Houston & Hunsaker, 2024). As such, they have had little choice in the matter but to continue to allow high levels of immigration from countries that have large populations willing and able to come to the UK for work. If they were to stem this flow, labor shortages would reach even more critical levels than they already have and the country's economic state would only continue to decline.

Is this situation set to end within the near future?

With economic necessity being identified as the core driver behind the rising levels of immigration in the UK following the Brexit referendum, it is also key to analyze the likelihood that this economic reliance will be reduced as the situation continues to develop. It may be the case that the observed rise in immigration will become less necessary as the UK finds its footing in its new position outside of the EU, which would place additional limits on the extent of cultural impact that ultimately results from Brexit. Examining the question of whether this situation is set to end within the near future requires an analysis of Brexit's true economic impacts to understand how they are likely to continue to develop.

As many expected, Brexit caused negative economic impacts to develop in the short-term that have the potential to cause long-term damage (although the extent of this damage remains to be determined.) The most important impact as discussed by Kaya et al. is the reduction in traded goods and services between the EU and the UK. In their November 2023 article for the National Institute of Economic and Social Research the authors estimated that even before the TCA came into force in 2020 and officially implemented the split, Brexit had caused a reduction of just under one percent in real GDP compared to a baseline scenario where the UK maintained its EU membership (Kaya et al., 2023). This reduction prior to any official divergence was primarily driven by a reconsideration of the UK's prospects by both domestic and international parties. Their model recognizes the importance of several other pressures on global economies during the period including the Covid-19 pandemic and attempts to identify the economic damage that has come from a result of Brexit and the TCA specifically. They estimate that in three years since the TCA's implementation, Brexit and the TCA have resulted in a total

reduction of around 2-3 percent of real GDP in the UK compared to the baseline (Kaya et al., 2023). They further estimate that this could reach a 5-6 percent reduction from the baseline scenario by 2035, corresponding with a loss of around £2,300 per capita. It is therefore important to understand where this damage is coming from, and whether it will continue in the long-term as this remains to be determined.

The European Union represented, and continues to represent, a large proportion of the UK's international trade. Before Brexit, the UK was receiving the full benefits of this trade as part of a completely free trade union. When the Leave vote won out, which was, ironically, promoted as a move to get rid of EU red tape and bureaucracy, the UK instead put itself on the path to construction of a wall of new red tape around itself with regards to the EU. As the fallacies of Brexit become clearer, it is important to note one of the most fundamental misconstructions of all. This is the idea that by exiting the single market and diverging based on the UK's unique capabilities, the nation would gain an economic boost. Brexit aimed to allow British policymakers to choose the best regulations for the UK's environment specifically rather than following the standardized protocols that were designed to benefit the EU as a whole. However, this standardized regulation is the key to an economic union that allowed the UK to trade with its members without worrying about regulation during day-to-day business. As Foster puts it "It was always back-to-front to view the EU's common rulebook as 'regulation' – in fact, replacing 28 individual sets of national rules by a single rule was 'deregulation'" (Foster, 2023, p. 40). By exiting the EU, the UK is indeed in theory enabled to diverge from their rule book and change things as they see fit, but there is little to gain in chasing divergence for the sake of just being different (Spisak & Britto, 2021). Liz Truss's Retained EU Law Bill (REUL Bill) was set to have any piece of EU derived law that had not been reviewed or cut already by the end of 2023 simply disappear with nothing in its place. This would entail leaving legal voids in a huge variety of areas, but the government tried to forge ahead despite widespread outcry against the proposal. Jacob Rees-Mogg, business minister under Boris Johnson, gave the public means of choosing which pieces of regulation he should be sure to get rid of. He published an article in The Sun newspaper in February 2022 inviting any reader to let him know what "petty old EU regulation" they wanted him to throw out (Rees-Mogg, 2022). In a June 2022 letter to MPs, he wrote "Earlier this year, I invited the public to share their ideas of which pieces of REUL were still impacting their lives. I am committed to ensuring that the public can hold the Government to account as we make reforms that will be a crucial boost to productivity and help us bring the benefits of growth to the whole country" (Rees-Mogg, 2022). Later in the letter he mentions his next step in allowing the public to have their voices heard and alludes to his grand ideas of how growth will happen,

"The publication of the dashboard invites the public to scrutinise REUL and will mark a pivotal step toward reforming our statute book, ahead of introducing the

'Brexit Freedoms' Bill, which will make it easier to amend, repeal and replace retained EU law. From artificial intelligence and gene editing to the future of transport and data protection, we will develop a new pro-growth, high-standards regulatory framework that gives businesses the confidence to innovate, invest and create jobs." (Rees-Mogg, 2022)

Despite the claims that diverging from EU law would provide boosts to the nation's economy, many have pointed out that the government has never provided any substantiating rationale for how this will be achieved. London School of Economics associate professor Thomas Sampson has modeled the effects of Brexit on UK trade, and in response to Rees-Mogg's claims said "Since 2016 the government has failed to identify any changes to EU regulations that would make a substantial difference to productivity growth. There is no reason to believe that the latest initiative will change that fundamental fact" (Foster, 2023). Despite the economic rationale being called into question, Brexiters attempted to move forward under this banner. It wasn't until May 2023 under new premiership in Rishi Sunak that the government announced it would be abandoning the end of 2023 deadline for reviewing EU law (Foster, 2023). This is a sign that things may be moving in the right direction, but the UK has significantly damaged its reputation with investors and wasted precious time in developing their post-EU economy with the race to cut EU derived law from its books.

Boris Johnson formed the Taskforce on Innovation, Growth, and Regulatory Reform (TIGRR) to analyze how the UK could take advantage of its 'new regulatory freedom,' and his Business Department invited private sector leaders to let them know what regulations they wanted gone, but this did not incite the response he likely hoped for from private firms. As the CBI business lobby group put it in early 2023: "We don't want a bonfire of regulations for business, or divergence for the sake of it. This is about becoming something altogether smarter – and better – for our competitiveness." (Foster, 2023). Regulatory divergence for the sake of difference imposes more costs for trade with the EU on businesses that are already suffering from lower levels of investment in the environment of increased uncertainty and risk following the referendum. Additionally, even after attacking 'trivial' EU regulations and promising grand reforms, TIGRR and Johnson managed to immediately trivialize and discredit their own regulatory development program. Although it contained other proposals, the item listed in the opening spot of the TIGRR's report was to allow the crown stamp to be put on pint glasses in pubs if the establishment chose to (Foster, 2023). Ironically, the EU never had any regulations about this in the first place. This trivial matter receiving the place of honor in the report was likely the result of the cool response from the private sector to Brexiters asking them what they want deregulated.

What the politicians pushing for deregulation seem not to have realized in their efforts is that many of their private sector firms had already invested considerably in complying with the regulations that already existed, and that what businesses like above all else with regards to regulation is

certainty. Before Brexit talks began, they could be certain that they could comply with this one set of regulations and be able to access the entire EU single market. After the official severance, they saw regulatory costs rise because of border checks and other new measures that they needed to begin complying with as soon as the split was implemented (Foster, 2023). Even if the UK hadn't changed a thing in that sector and was still following the exact same rule book at that time, the new barriers and the costs associated with them were imposed. Appendix A explores the difficulties these new requirements have caused for the future of Electric Vehicle manufacturing in the UK to illustrate how this has played out in a particular industry.

Whether the UK's regulations diverge or not, firms that do business with the EU still need to meet their standards for anything that is going to cross the border. Since so many firms in the UK do a significant portion of their business in the EU, including most of the large firms in the country, for them further regulatory divergence in the UK essentially means stricter regulatory control rather than freedom. There is no benefit to having a set of distinct rules for your business in Britain if you must meet the EU standards for most of your business anyway, and managing two different systems is more expensive than one. Even if the new British system was well established and relatively consistent with the EU market, there is simply no upside to having different rules for firms to follow for a market of 55 million people when most of them have a strong focus on the market of 450 million across the channel (Foster, 2023). Especially if things are deregulated and the requirements become looser in the UK's smaller market, it simply makes more sense to make everything to the EU standards anyway. This is not to say that there are no potential benefits to some forms of regulatory divergence. As Spisak and Britto put it in their 2021 paper *After Brexit: Divergence and the Future of UK Regulatory Policy*, "Meaningful divergence lies only in those areas where there is strong rationale for doing things differently, combined with minimal constraints and costs from change. In practice, such opportunities will lie either with fine-tuning aspects of domestic frameworks – in areas such as competition policy or subsidy control – or giving UK regulatory bodies discretion to support innovation and development of new technologies. There may also be aspects of the services sectors where change is desirable to enhance competitiveness. However, in areas with a long legacy of common regulation – such as environmental protection or most manufacturing sectors – there is no benefit in the UK departing from the EU's regulatory model for anything other than an overwhelming reason of self-interest," (Spisak & Britto, 2021). One possible specific sector that could see benefits noted by Foster is the testing of self-driving vehicles. A looser regime in this sector could attract makers of AVs (Automated Vehicles) to build testing facilities in the UK since the data can easily be transmitted. This could extend to a larger trend with less regulation regarding development and testing of products while still maintaining similar standards to the EU for finished goods. This would in turn lead to an increase in the UK's attractiveness as a site for research and development, although this

would require a relatively large shift in industrial focus in several regions of the country. However, many of these potential gains have never materialized, and even if they did it would be essentially impossible for the upsides to be great enough to compensate for leaving the single market. As a result, the UK has still in large part continued to follow EU regulations out of economic necessity. The uncertain environment regarding regulation has already lowered investment and made it more difficult and costly for domestic firms to do business with the UK's largest trading partner, and successive governments have seemingly recognized the economic reality that further divergence may stretch these new difficulties beyond what the private sector can reasonably tolerate.

Adding to the irony of comparing Brexit rhetoric to reality is the fact that as a member of the EU, the UK had a direct seat at the table to have a say in determining what the regulations of the single market were. Additionally, outside of maintaining the single market the union has historically been open to some negotiation of exemptions and special provisions for members when a full consensus could not be reached (Eurofound, 2010). The UK held several of these so-called "opt-outs" from several fundamental documents to EU membership including the Schengen Agreement and the Economic and Monetary Union, the latter of which allowed them to keep their domestic currency system (Briggs, 2015). In the case of single market regulation, standardization is the key that makes the whole thing work so there is less room for single members to negotiate exemptions. However, the UK was still a voting member of the European Union with the ability to make their voice heard in its institutions if they were against a particular policy. According to Brexiters though, this was not enough. Britain needed to have complete control over her own interests. Boris Johnson said shortly before the official split in 2020 "We have taken back control of laws and our destiny. We have taken back control of every jot and tittle of our regulation." (Foster, 2023). The separation was lauded as a chance to take back absolute control over these decisions, to not just have a voice at the table but the only voice and the chance to rebuild itself as a powerful external peer to the EU. Maybe if the wealth of abundant new economic opportunities for the newly 'freed' Britain had been real this could have been in the process of happening now, but this process takes time and investment. Time has certainly passed since the separation, but a lack of investment has hindered the UK's ability to build up its capacity to even manage its own regulations. In cases where the UK has failed to match the EU's regulations since Brexit, it has mostly been due to a lack of development rather than deliberate and useful divergence.

When it was a member of the EU the UK shared the costs and challenges of managing regulations with the other member states through shared agencies that can devote significant resources to regulation in particular industries and have highly respected reputations internationally. Now that the UK is on its own, it has faced significant challenges in building its capacity to build and enforce its own regulatory regimes. In the chemical industry for example, the Department for Environment, Food & Rural Affairs (DE-

FRA) established UK REACH (Registration, evaluation, authorization, and restriction of chemicals) as the main legislation for chemicals in the UK post-Brexit. As of February 2024, over three years since leaving the EU, UK REACH has passed nothing to restrict or ban any substances, nor has it placed any substances on the list of those considered 'Very High Concern' since before the official separation from the EU. In that same period the EU has restricted 8 harmful substances and designated 31 as 'Very High Concern' (Adie, 2024). This has wrought concerns about the gap between the UK and the EU in managing harmful chemicals and the capacities of DEFRA to manage the increased load of environmental regulation and keep up with the EU without access to the resources and expertise of European agencies.

All of this provides a strong indication that the economic effects of Brexit in the UK are likely to remain largely negative into the near future. Politicians pushed that regulatory divergence from the EU would bring boosts to the UK economy. Although there are certainly some potential benefits that could be wrought from regulatory divergence from the EU in certain sectors, the TCA immediately brought new costs to trade between the UK and the EU that have done significant damage to numerous industries. These new costs of trade have been a primary driver of the resulting negative impact that Brexit has had, and is expected to continue to have, on the British economy. The UK has essentially been forced to continue to follow EU regulation to the best of its ability in many cases, but the loss of shared resources resulting in relatively low levels of investment in regulation may make even this challenging. In pairing with the conclusion from the first part of this section that the high levels of non-EU immigration following Brexit are mostly due to a desperate need for them to help fill prevalent labor shortages that have been greatly exacerbated by the UK's departure from the EU, this indicates that this reliance is likely to continue into the future.

Additionally, many who voted to Leave in the referendum have become disillusioned with the campaign and data now shows that over 50% of UK citizens would vote to rejoin the EU if there was another vote. This majority also seems set to continue to grow in the future. From the beginning, Brexit has received most of its support from the older portion of the British population. Referendum voting data shows that the vote to leave received only 27%, 38%, and 48% of the population groups aged 18-24, 25-34, and 35-44 respectively. In the older age groups meanwhile, it received easy majorities of 56%, 57%, and 60% of the populations aged 45-54, 55-64, and 65+ (Statista, 2016). As put bluntly by Mr. Richard Simmonds in an interview "many people who voted for Brexit have died."

COVID-19 was reportedly responsible for 180,477 deaths in the UK between 2020 and February 2022 (Stewart, 2023). Over 98.5% (177,847) of these deaths were in the population aged 45 and above, the same populations that were most likely to vote in favor of Brexit (Statista Research Department, 2016; Stewart, 2023). There are some who still cling to the propaganda, with a somewhat staggering 32% of respondents still saying they thought it was the right decision to leave as of February 2024 (Statista Research De-

partment, 2024). Although this is still relatively high considering the many failures of the referendum that have been put on display, this number has been trending down over the past few years, failing to reach a majority at any point since the beginning of 2020.

Section II - An analysis of the potential impacts of selected populations

Who is immigrating to the UK in large numbers and how might their cultures interact with that of the UK?

In Section I we examined how the UK has through Brexit put itself in the position of being economically reliant on a significant immigrant population in their labor force for the near future barring significant change and briefly noted that trends in the British population may indicate a shift towards a more accepting society for this type of change. The latter point will be further discussed in Section III. This section will identify a short list of populations with significant levels of labor immigration to the United Kingdom in recent years and analyze the potential changes they may have on British business. It will continue with a discussion of the healthcare sector, which has been the industry with the most significant levels of non-EU immigration following the referendum as a result of other pressures.

India

By far the largest population of skilled workers immigrating to the UK over the past few years is from India, making up nearly 33% of all skilled worker visa issuances since Q4 of 2020 (Cooper, 2024). The two countries share strong historical ties stemming from India's days as a British colony. According to an International Affairs article by David Scott, after independence relations were unstable for decades with India remaining in the British Commonwealth of Nations but each nation taking issue with the other's actions on several occasions (Scott, 2017). However, with the end of the Cold War, the 1990s saw a shift in the relationship. Since then, the countries have had strengthening economic ties, and in more recent years India seems poised to hold the majority of the power in the relationship, with the British relying more on India than vice versa. Following Brexit, the relationship grew even further as the referendum shifted a large amount of focus in the UK from the EU market elsewhere in the world, with a large portion of this going towards India given the already strong relationship. The results of this are clear when looking at the data for worker and family visa issuances over the past two years. Due to the high demand for health care professionals during and after the pandemic, the UK government created two separate visa issuances for skilled work, with a "health and care skilled worker" visa made available to help fill demand for positions in the medical industry. Indian natives lead in visa issuances in both of these categories, receiving 32.94% of all skilled worker visas and 31.98% of all skilled health and care worker visas since Q4 of 2020 (Cooper, 2024). Additionally, their dependents accounted

for 35% of visas granted to dependents of skilled workers accounting for both categories. All of these numbers are the largest share of any nationality, and many of them are by an extremely wide margin.

Indian work culture is traditionally significantly different than what is typical in Western countries like the UK, with a significantly more hierarchical structure than many in the West would feel comfortable with (UK India Business Council, 2015). It is important to note that India, and indeed every country that will be studied, is a highly heterogeneous pluralistic society with many different ethnic, religious, and social groups. Thus, these trends cannot of course be applied to every individual, and certain groups may follow these trends more than others. However, they are useful to gain a sense of the general norms and expectations that can be expected. Indians typically find a sense of psychological security in receiving extremely clear directions from their superiors and tend to be best motivated by having obligations to meet (Tripathi & Vijayan, 2020). Knowing exactly what they are expected to do and how they are expected to do it rather than finding their own methods to accomplish the task is the norm. Additionally, decision making is left to the top management, with even middle managers having minimal agency to act on their own when making decisions concerning the business (UK India Business Council, 2015). Something that may seem especially foreign to many Westerners is that Indians usually in lower ranks do not feel oppressed by this system but feel at home with the unequal balance of power (Tripathi & Vijayan, 2020). This is mainly due to some deeply ingrained parts of Indian culture partly stemming from the traditional Indian joint family. The traditional family saw several generations living together on the same land sharing common resources headed by the oldest male relative (Chadda & Deb, 2013; Miller, 2014). This is much less common in the modern world with 58.2% of all Indian households being made up of nuclear families by 2021 (Goyal, 2022). However, this long-time tradition still displays its impact in the collectivist mentality of many Indians. Deep seated respect for authority and the concept of gaining by contributing to something larger than the individual rather than through direct personal gain set the groundwork for many Indians to feel so at home in this hierarchical system (Tripathi & Vijayan, 2020).

This draws quite a contrast from the culture in the UK, where employees typically have significantly more agency to determine their methods and make minor decisions themselves, as well as to push back against their superiors at times as managers typically seek consensus although respect for the hierarchy is still maintained. It may be quite difficult for some Indian immigrants to adapt, and some employers may prefer that they don't adapt at all, enjoying the direct control they can exert over the work produced. However, Brexit is acting as an expedient for a shift in the balance of power between India and the UK economically, marking a possible shift in the dynamic between the two business cultures. With the UK relying on India more than ever after Brexit, Indian firms forming new relationships with British peers may be in a stronger position to request

that the Brits follow more of their protocol than before. At the most extreme level, the hierarchical control of top Indian managers could appeal to top managers in the UK and may cause many employers to decide that they wish to have more direct control over day-to-day operations in general, potentially causing a shift in the management culture in various sectors. However, given how long the UK has been an individualistic society in which employees are used to holding more agency, it is difficult to see this movement finding success. However, this could more realistically take shape in a change in how top managers in the UK interact with one another. The Indian style of negotiation is slow by Western standards, requiring a significant amount of personal trust to be built between the partners to ensure that they can rely on one another for an extended period (UK India Business Council, 2015). As this becomes more common for many British firms turning to India for opportunities that they no longer find in the EU, it could in turn make personal relationships between top UK managers more important in British business culture.

Nigeria

Although not at the scale of Indians, there have been extremely significant numbers of Nigerians immigrating to the UK following Brexit and the implementation of the TCA, making up just over 14% of all skilled worker visa issuances since Q4 2020 (Cooper, 2024). This has been highly concentrated within the healthcare sector, with health and care skilled worker visas making up nearly 94.5% of all skilled worker visa issuances to Nigerians in this period (Cooper, 2024). However, unique aspects of Nigerian business culture may serve to allow these same workers to have significant impacts on other sectors given time.

Nigerian business culture is like India's in that it is hierarchical and collectivist with the family being the backbone of everything (KPA, 2022). Family ties play an even more important role in Nigerian business though, as many of a business's most important relationships are usually formed between their own firm and firms belonging to their family and friends and the family business is seen as a major cornerstone of the identity of the nation's businesses (Kelani, 2024). However, what makes it especially unique is how this traditional structure mixes with the unique entrepreneurial spirit of the population. Entrepreneurship is extremely prevalent in Nigeria, with almost everyone running some sort of business even if it is something very small (KPA, 2022). Half of the total businesses in Nigeria are family operated businesses and there are also a significant number of sole proprietors working for the benefit of their families (Kelani, 2024; KPA, 2022). The difficult business environment has made Nigerian business people highly resilient and used to producing alternative solutions to problems. It has also led to an opportunistic nature that can be beneficial at times but can also lead to the prioritization of short-term gains over long-term profitability (KPA, 2022). Nigeria's population is also extremely young, with a median age of just 17.2 years there is significant possibility for the growing trend of immigration to the UK to continue (Nigeria Population (Live), 2023). Currently the majority of Nige-

rians moving to the UK are within the health care sector, but considering the strong familial ties in Nigerian business and data indicating that many Nigerian families have already moved to the UK as dependents the stage has been set for a possible explosion of small Nigerian-owned businesses in the UK if the growing Nigerian population maintains their entrepreneurial spirit.

E-commerce has also risen significantly in prevalence in Nigeria in recent years as internet service has become more widely available and more of the nation has had access to the disposable income necessary to make use of it (GO-Globe, 2023). The rise of e-commerce has provided thousands of jobs in Nigerian regions with high unemployment, and many young workers are gaining experience in operating this type of business (Guardian Nigeria, 2022). In immigrants looking to set up a business in the UK, this experience would be invaluable. A consistent and adaptable online network would allow them a great deal of operational flexibility to work through the challenges of starting a new business.

Despite its post-Brexit woes the UK is still ranked as 30th in the world in Economic Freedom as of October 2023 compared to Nigeria's ranking of 125th (The Heritage Foundation, 2023). As more Nigerians immigrate to the UK and find new opportunities plentiful compared to their home nation and its economic strife it is possible that they would find gaps in the market to set up a business of some kind or another. In its most extreme form if many of these were able to scale up to a small or medium size this may cause a significant increase in the importance of small, independent stores and companies in the UK driven by an increase in the number of Nigerian owned businesses fitting this category and an infusion of the Nigerian entrepreneurial spirit into the native population. However, considering that 99.9% of all businesses in the UK are already made up by small and midsize enterprises (SMES) that capture 52.5% of total turnover, these new additions would likely need to find serious improvements in efficiency or quality for a significant number be able to scale up and make this a reality (Merchant Savvy, 2024). Given the combination of a relatively strong economic environment in the UK and Nigerian entrepreneurialism however, it is possible that a small fraction of these enterprises would be able to do so and bring new Nigerian-owned contenders into the market. This could potentially act as an impetus for slower development of a strong Nigerian-owned sector within the UK economy.

As briefly mentioned, familial ties and personal relationships are of the utmost importance in Nigerian business. Most of a Nigerian business's most important ties both internally and externally are made with family members or otherwise close personal friends that they have a long-term trusting relationship with since the businesses will usually be passed on in their respective families (KPA, 2022; Limbs & Fort, 2000). If the Nigerian population in the UK continues to increase with dependents coming along with skilled workers, and if a small fraction of each incoming wave starts up small but successful businesses, their influence will continue to increase. Additionally, their strong prefer-

ence for familial or other pre-existing personal ties in their business relationships may lead them to prefer to largely network with one another as opposed to British peers or other immigrants as they navigate their initial challenges. This could lead to a strong preservation of their own business practices even as they develop and capture a larger share of the economy.

Zimbabwe

Although their total numbers have been significantly less than that of Indians and Nigerians, skilled work visa issuances to Zimbabweans have risen sharply in the UK over the past two years (Cooper, 2024). This has been extremely concentrated within the healthcare industry, with the "health and care" variety of skilled worker visas making up over 95% of all skilled worker visa issuances to Zimbabweans since Q4 of 2020. As such, the Zimbabwean population will be discussed largely within the context of their potential impact on the healthcare industry in the UK and will serve as an illustration of the additional challenges to causing change in this industry in the next part of this section.

How will this look in the healthcare industry?

Along with the extremely high demand for healthcare workers in recent years, the native supply of doctors and nurses in the UK has been shrinking due to low pay, bad working conditions, and the recruitment of British doctors to other countries. The number of visas granted to healthcare workers to enter the UK has significantly exceeded the number of other skilled worker visas granted since Q4 of 2020, representing around 66% of all skilled worker visa issuances in this period (Cooper, 2024). This may indicate that this industry is set for more significant change than any other. Indians still make up the largest percentage of these visas, but the number of Nigerians and Zimbabweans receiving this type of visa grew substantially in 2023 (Cooper, 2024). Pay for health care professionals in the UK is low compared to many countries, with the average doctor earning about 66,000 pounds a year and starting salaries for junior doctors at 28,000 pounds on average (Revising Rubies, 2022). However, this is great compensation when compared to Nigeria. Sources differ in the exact numbers presented, but some cite doctors' average salary at less than the equivalent of \$10,000 a year, less than 10% of the average doctor salary in many other countries (Uduu, 2023). Given all of this and the lack of native supply for health care workers in the UK, it is not surprising that Nigerian health care professionals are immigrating to Britain to work. In Zimbabwe the story is much the same, driven by compensation similarly terrible to Nigeria's, made worse by the rife instability in the economy and the second highest inflation rate in the world, only behind Venezuela (Fleck, 2023; Moyo, 2022).

With things as they currently stand, the result of all these facts and trends is a massive influx of immigrants from Nigeria and Zimbabwe to the UK compared to historical numbers, with the vast majority of these new arrivals concentrated within a single industry. This has the poten-

tial to cause a significant change in the day-to-day culture of the healthcare industry by adapting some of the cultural practices of these new arrivals. The UK health care system has relied on immigration to support its workforce since long before Brexit, but following the pandemic and the introduction of the health and care skilled worker visa in February 2022 that reliance has increased dramatically. Health and Social workers made up a bit over 66% of all skilled worker visas issued by the UK government in the three year period from Q4 2020 to Q4 2023, and they remain determined to fast track increasing this number (Cooper, 2024). To receive a skilled worker visa, a worker must usually meet certain criteria including salary requirements and most industries are required to pay significant application fees. However, the UK government has implemented several exemptions to these barriers for the health care sector. Firstly, the government has placed all types of health practitioners as well as health sector managers on the shortage occupation list, lowering the salary requirement to qualify for a skilled worker visa to 80% of the standard going rate (as determined by the NHS) for the position rather than the standard 100% (UK Visas and Immigration, 2021). This enables healthcare employers to pay lower rates if immigrant workers are willing to accept them, aiming to allow employers to sponsor more health and care workers to come to the country to ease the pressure of a labor shortage that remains persistent despite the already higher numbers of issued visas. Additionally, the government processes all health and care skilled worker applications with priority, meaning they typically return a response within three weeks rather than the typical eight weeks for a standard skilled worker visa (Morris, 2024). The UK government clearly recognizes that they have a need to continue to import healthcare professionals and are spending time and resources to expedite the process. Even the considerable efforts they have already made have not been enough by many measures. There are still shortages noted in most of the positions that have seen increased rates of immigrant workers including those with numbers that have risen dramatically like nursing positions. Additionally, there is still a critical shortage of several specialist positions that have not followed the rising trend of non-EU immigration with the rest of the industry (Foster, 94). This is important because it indicates that if there is trepidation about having a rising percentage of the workforce in such an important industry made up of immigrants the desperate need for the positions to be filled outweighs it significantly, at least for the time being.

Part of this acceptance may be a result of the fact that the NHS has heavily relied on immigration for labor since long before Brexit. As of September 2010, there was a headcount of 106,306 immigrants in the NHS workforce with a known nationality including the entire world outside of Britain, representing around 9.12% of the total workforce. However, by June 2023, this jumped to a total of 264,822 representing just over 18.31% of the NHS workforce (Baker, 2023). Even prior to Brexit the EU was not always the primary source of healthcare labor immigration to the UK, as the largest portion of immigrants working in the NHS

came from Asia until around 2014, when the EU surpassed it (Baker, 2023). EU nationals represented only around 3.1% of the NHS workforce with a known nationality in 2010, but in the years prior to the referendum this share trended strongly upward, reaching 5.5% by 2016. Following the referendum however, this trend halted entirely. There was a period of relative flatline following the referendum, followed by a slow but notable decrease to 5.2% as of June 2023 (Baker, 2023). This may not seem significant but draws stark contrast when compared to the share of employees identifying as Asian, which has increased from 4.7% of all employees with a known origin as of 2010 to 8.6% in 2023. Employees identifying as African have also increased their share, with 3.8% of the workforce in 2023 compared to 2.3% in 2010.

It should be noted that some of these percentages may be relatively distorted by the presence of a significant population which did not report their nationality in the earlier years mentioned. In 2010 there were 203,178 NHS employees with an “unknown” designation regarding their nationality (Baker, 2023). This represented over 17.4% of NHS employment, and thus the percentages of employees with a known origin ignores a significant portion of the workforce. This number has been greatly reduced over time, falling to 29,660 by 2023 (just 2% of the workforce) (Baker, 2023). It is therefore possible that some of the noted differences in workforce makeup are due to the identification of previously unknown nationalities of employees that have been in the NHS for several years. However, this issue was already mitigated by over half by 2016, which is where the trends truly become important for this discussion. Following the referendum the share of non-British NHS workers remained relatively stable until the pandemic struck, which is when the share of Asian and African employees in particular began to rise sharply as demand for healthcare professionals increased simultaneously with an increase in overall economic inactivity in the UK.

Although the entrepreneurial spirit prevalent in Nigerian culture may enable many of them to branch out into other sectors, it should be noted that the vast majority (~94.49%) of skilled worker visas issued to Nigerian citizens since the end of 2020 have been health and care worker visas (Cooper, 2024). As a result, their initial cultural impact may largely be limited to the healthcare sector. In a 2017 study Adisa and Osabutey found that Nigerian healthcare professionals tend to identify themselves significantly more with the overall professional culture of the general medicinal industry rather than the organizational culture of the particular firms they work in. They note that organizational culture is typically seen more as dealing with administrative issues in Nigerian healthcare and illustrate that individual professionals can step outside the rules of their firm to uphold their Hippocratic Oath and the traditional expectations of their role (Adisa & Osabutey, 2017). This may often be necessary, as the Nigerian healthcare system still globally ranks in the bottom quarter of healthcare systems according to multiple sources despite significant investment and development (Muanya & Ozioma, 2021). Comparatively, the British NHS with its policy to

provide free care for all citizens and its massive scale of resources may come as a bit of a shock (Harris, 2022). These policies and resources may lead Nigerian immigrant healthcare workers to feel more freedom to uphold their professional culture than they felt at home. They could bring an overall shift in medical culture that is unlikely to be significant. Medical culture is not monolithic, but splits more along the lines of different specialties than anything else within a system and maintains the effective treatment of patients as the primary concern (Asida & Osabutey, 2017).

Immigration from Zimbabwe is similarly extremely concentrated within the healthcare sector, but many doctors and nurses immigrating from Zimbabwe to the UK are in a bit of a unique position with regards to industry culture. To explain why this is, it's important to understand some details about the state of the economy and the health care system in Zimbabwe. The general economic environment is not conducive to business, with the second highest rate of inflation on the planet and reported unemployment of 9.26% in 2022 (Fleck, 2023; O'Neill, 2024). This already paints the situation in a grim light, but things only grow worse when examining the health care sector specifically. Hospitals in Zimbabwe are often horribly undersupplied and outdated. In an interview with *The Telegraph*, Registered Nurse Maggie Moyo (anonym) explained that hospital staff are often forced to tell patients that they will need to travel to a pharmacy and source their own medical supplies to receive proper treatment (Farmer & Thornycroft, 2023). This prevents them from advancing in their positions, but even if they could there is not much for many to aspire to. Moyo, an RN with over 15 years of experience under her belt, said in the same interview that she earns the equivalent of around £160 a month (Farmer & Thornycroft, 2023).

This circumstance also leaves the younger portion of the population of doctors and nurses unable to gain valuable practical experience. This then means that many are immigrating in the unusual circumstance of acquiring their first valuable experience in their new country despite coming on skilled worker visas. In an interview published in the same *Telegraph* article, an unnamed employee of a hospital in the capital city of Harare said "It's not just a question of looking after patients, it's also career training, because it's a practical career, where you gain more experience by doing certain things" (Farmer & Thornycroft, 2023). These professionals have been fully trained and are qualified in their home country, but coming from a system that is so obviously broken leaves them quite open to adapting to doing the job "the British way" for example, rather than having a wealth of already established conceptions about how things should be done. This potentially places additional limitations on the additions they may make to the culture of the healthcare industry in the UK. The proposed process of cultural development relies on immigrants maintaining distinct business practices in their new environment, and specifically discussing a business culture or industrial culture healthcare workers coming from Zimbabwe may wish to dispose of these practices as soon as possible.

Despite the nation's economic woes causing the development of a highly resilient nature in the nation's labor

force, the desperate situation of the healthcare sector has led many of them to seek opportunities in other nations. In an effort to prevent the nation's healthcare system from collapsing entirely the government has withheld documentation that is required for a professional's certifications to be recognized in another country to discourage them from leaving (Olufemi, 2023). However, many believe the prospects in their home nation to be so dim that they choose to immigrate as care workers or assistants with plans to get recertified later. Elizabeth Fadziso, one individual who took this route to the UK, said in an interview with [SciDev.Net](https://www.sci-dev.net) that she felt closer to her dream of being an international nurse working as a caregiver at a nursing home in the UK than she ever had living in Zimbabwe where she was already qualified to work as a nurse (Olufemi, 2023). For many individuals like Fadziso who find their new homes with opportunities to work in a well-functioning care system, they will quickly gain more valuable practical experience than they had in Zimbabwe. As such, the practices they used there are likely to fade rather quickly. In many cases we presume that the force stopping cultural change will be the dominant culture refusing to accept cultural practices that the minority brings with them, but in this case we may see the minority culture not wishing to bring these practices along with them in the first place (specifically speaking of business practices in their home country). Therefore, even though health and care worker visa issuances make up over 71% of all Zimbabwean immigration to the UK since Q4 2020 and about 95.5% of Zimbabwean skilled worker visa issuances in that same period, there could be significant limits on the impact they have on the culture of the healthcare industry in addition to those already established in changing such a deeply-rooted industry (Cooper, 2024). Considering the concentration of Zimbabwean immigrants within this industry this may ultimately indicate limits to their ability to drive significant change in UK business culture as a whole barring a shift in immigration patterns.

These effects may be further limited for these particular nations if government action is taken to preserve the healthcare systems of their native countries. The UK has been one of the top choices for both Zimbabwean and Nigerian healthcare professionals looking to immigrate, and the benefits of this new environment can be extremely significant for the trained individuals looking for better opportunities. Individuals have reported that they are able to provide for their family significantly better working in the UK than they could hope to back home (Adebayo, 2023). However, the mass exodus of these professionals is a major threat to the healthcare systems of their home countries, and this has already brought attention from government and international entities. Both Nigeria and Zimbabwe were placed on the WHO watchlist for nations with shortages of healthcare labor several years ago and the British government respected this, discouraging its firms from actively recruiting in these nations (Adebayo, 2023). The states' respective governments have also sought additional measures to discourage immigration among their healthcare workers. In April of 2023 the Zimbabwean government

tabled legislation to outright criminalize foreign health firms recruiting from their population (Singh, 2023). An amendment to the Nigerian Doctors and Dental Practitioners Act proposed around the same time would require doctors and dentists to practice within Nigeria for a minimum of five years before being licensed to practice elsewhere (Adebayo, 2023; Deji-Folotile, 2023). Both proposals were widely criticized in their nations, and data indicates that collective efforts have been largely ineffective at preventing professionals from leaving. Net numbers of healthcare worker visas from these countries have continued to rise, and Nigerians and Zimbabweans made up around 32% of all health and care worker visa issuances in the three years from Q4 2020 to Q4 2023 (Cooper, 2024). Additionally, there was actually a marginal increase in their overall share of these issuances for the second half of 2023 (~32.34% in Q3&4 of 2023 compared to ~31.92% from Q4 2020-Q2 2023) well after the mentioned legislation had been proposed highlighting the need to protect their domestic healthcare capabilities (Cooper, 2024).

With previous attempts at stopping their healthcare professionals from leaving the country having failed, the governments of these nations find themselves in an increasingly dire situation that requires addressing. Despite the desperate need for action, they are somewhat limited in their options. Even their previous proposals were viewed as unconstitutional in their respective nations, and putting them into practice or raising new restrictions would raise serious legal issues surrounding the laws' legitimacy (Deji-Folotile, 2023; Singh, 2023). However, they must do something to stop the outflow or the nations' healthcare systems risk collapse. If this continues until it reaches an intolerable point, either government may choose to place the maintenance of their domestic healthcare systems over the rights guaranteed in their Constitution and enforce laws restricting healthcare professionals from leaving the country. This would have significant implications well beyond the scope of this analysis but would as a side effect place additional limitations on the cultural impact of these populations on healthcare in the UK.

Section III - Forces with the potential to amplify or limit these effects and the ultimate cultural impact of immigrants after Brexit

Shifting Balances of Power

Having examined some of the potential ways in which higher levels of immigration may change British business culture, this section will discuss an additional dynamic which has the potential to greatly amplify the overall impact. The economic challenges wrought by Brexit have caused a shift in the balance of power in some of the UK's most important economic relationships outside of the EU. At the same time, many British firms are placing greater attention on these same markets, opening the door for more relationships to be formed under this new balance of power. This may leave new, or existing, partners from non-EU nations in the position to demand more adaptations to their own cultures in doing business with their firms. If this be-

came widespread it could greatly amplify the receptiveness of many British firms to cultural change driven by immigrants and thus the ultimate cultural impact immigrants brought by Brexit have on the nation's business.

In a country with a working population of around 41,628,000 as of Q2 2023, The influx of immigrants bringing contact with different business practices has the potential to cause changes in the way businesses conduct themselves. This could additionally be compounded by the fact that many British businesses have been forced to place greater attention on the world outside of the EU following Brexit, which has strengthened relationships with the rest of the world and given these relationships a greater importance to many British firms than before. As illustrated, Brexit is causing major difficulties for British firms that have spent decades doing most of their business in the EU and likewise for their EU counterparts who have invested in the UK. Producers of goods and services have still found themselves facing significantly higher costs related to policies including but not limited to newly required strict border checks, new bureaucratic requirements, and new rule of origin requirements (Foster, 2023). The difficulties of these regulations can have a serious impact on the UK's viability as a place of continued investment for firms that operate in both the EU and the UK. Many EU firms are facing the additional costs to honor their contracts made with UK firms before they came into effect, but questions as to whether or not it will be worth it to renew them are rising as the benefits of shifting manufacturing to other nations become harder to ignore (Foster, 2023).

As such, the rest of the world with firms that are already used to these types of requirements is drawing more of the attention of British firms. Brexit still caused a large increase in uncertainty surrounding the UK which discouraged investors, but firms from outside the EU are not also suddenly dealing with new costs to doing business with the nation which has made it easier for them to be persuaded to overlook their concerns. As more official frameworks have been established in the UK for their post-Brexit existence direct investment has also seen a return to nearly equivalent levels to Q3 of 2016, but is still well below levels that linear prediction would have expected without the shock of Brexit (Colliac, 2023). However, this loss of power is still a bit of a new position for the UK with its history as a major global financial center and long-standing rock solid reputation. Since leading the Industrial Revolution, the UK has been one of the elite global economies holding the power in most of its global relationships. This waned in the 20th century with the era of the World Wars and the Cold War seeing it challenged and eventually overtaken as the world's premier superpower, but after recovering from World War II and the retraction of the empire it maintained a relatively strong position in the world economy (Maddison, 2023). The average UK annual GDP in the entire 20th century was 1990 GK\$ 467,168¹, over 270% of the average of the other 11 nations categorized in Western Europe (Austria, Belgium, Denmark, Finland, France, Germany, Italy, The Netherlands, Norway, Sweden, and Switzerland) with a total average of 1990 GK\$ 168,046¹ (Maddison, 2023). As the extent of the damage

of Brexit has become clear though, firms from the UK find their clout shrinking in a growing number of their international relationships.

India is a perfect example of this and seems to be in a prime position to have some of the greatest influence on UK business practices of any nation. Since the roots of the international relationship with India as a British colony, it has typically been the British holding most of the power in the relationship. However, the damage Brexit caused to the UK economy combined with the seemingly unstoppable progress of the Indian economy has seen this situation flip. David Scott reached the conclusion in a 2017 *International Affairs* article that “The economics of the partnership between the UK and India are of primary importance to the British side.” He noted at the time of his writing that India had already surpassed the UK in notional GDP in 2016 when figures were adjusted for Purchasing Power Parity (Scott, 2017). In the modern day, India has undeniably overtaken the UK in GDP and continues to see rapid economic development in many areas (Forbes India, 2024). With the strong pre-existing economic relationship India is an attractive choice for firms in the UK who have been forced to direct more attention to the world outside of the EU following Brexit. As a result of these trends, the UK now relies more on Indian operations than vice versa, with a net balance of trade of around -1.49 billion USD or in other words a net of \$1.49 billion in imports from India (Trading Economics, 2023). This gap also seems to be widening, which could further sway the balance of power in the relationship. UK exports to India decreased by 4.1% (~£640 million) in the four quarters ending with Q3 2023 when compared to the prior year ending with Q3 2022 (United Kingdom Department for Business and Trade, 2024). UK imports from India on the other hand rose by 18.8% (£3.7 billion) in that same period (United Kingdom Department for Business and Trade, 2024). In most business relationships between firms from these countries to this point it has been most common for the Indian party to adapt to Western business culture more so than vice versa as they were in a position of less power. However, this shift puts Indian firms forming new relationships in the UK in a new position to potentially hold enough influence within that relationship that their British counterparts must accommodate them by adapting to a more Indian style of business. The details of how this may play out have been illustrated in the previous section, but as another brief example Indian firms are extremely hierarchical and decisions come from the very top level of management (UK India Business Council, 2015). As such, Indian partners may expect a significantly more active role in the project from top managers than a British firm would typically be accustomed to. As the “bigger man in the room” as it were, it has usually been a decision up to the British firm whether to accommodate this or not, but this could shift with the balance of power between the countries.

These are just a few examples of how the circumstances of post-Brexit Britain could cause a relatively significant shift in day-to-day business practices in the UK and a shift in firms’ cultures. Not only are the immigrants coming to the UK and the relationships being formed with other na-

tions outside the EU making an invaluable economic contribution that the UK economy could not stand without, they also have the potential to cause these types of long-term changes in business practices that could shift the business culture of the UK as a whole if they gain enough traction. This could in some cases be significantly helped along by the UK’s overall loss of economic clout brought on by Brexit that allows some non-EU nations to demand more adaptation to their own ways of business in relationships between firms.

Cultural Inertia and reaction of the native UK population

Having identified the significant potential for cultural change associated with higher levels of immigration brought on by Brexit and discussed one of the most important factors that may serve to amplify this, it is also important to discuss one of the factors that may play the most significant role in limiting these impacts. The reaction of the native British population will be a key factor in shaping how these trends of cultural interaction advance and potentially even whether immigration trends will continue along their current trajectories. A general sense of acceptance would encourage the trends, while a widespread rejection of different practices and demands for full assimilation may have the effect of not only halting the melding of business practices, but also make the UK a less attractive destination for immigrants. Historically the British have enacted legislation against discrimination enacting the Race Relations Act in 1965 and establishing a policy of multicultural acceptance with many exceptions being made to laws to account for cultural and religious differences of immigrants (UK Parliament, The Race Relations Act (1965), n.d.). Critics of this multicultural structure have claimed that it has failed to integrate many immigrants into the larger society of the UK, instead making it too convenient for them to stay isolated within their own cultural communities (Manning & Georgiadis, 2012). There is also still a notable amount of racist sentiment among some of the British population, with some citizens holding onto an innate distrust of certain populations, most notably Muslims. In the chapter Concerning the UK from the 2012 book “Cultural Integration of Immigrants in Europe,” Manning & Georgiadis present statistics from the UK Labor Force Survey (2001-2008) showing that while Muslim individuals were the single most likely immigrants to report their nationality as British rather than their country of origin, they still face significant discrimination in the workplace (Manning & Georgiadis, 2012). This is of course not universal and not exclusive to the Muslim population, but it does lead us to a general sticking point in this narrative of cultural development.

In order for these immigrants to cause long-term changes in the way business is done in the UK, it is key that the immigrants who bring these differing practices with them are seen as a true part of British business society and not a sort of “other.” This must go both ways. Immigrants must be willing to largely integrate themselves into the British way of business while having the resilience and

adaptability to maintain some of their own cultural components that they find most key in a new environment. Likewise, their British counterparts must be willing to accept some of these differences and adapt to them rather than viewing these as points of concern. In turn this may result in the discovery that these adaptations improve the efficiency or mentality of the business, resulting in tangible changes in day-to-day business practices. Despite the long-standing official policy of multicultural acceptance, the reality of immigrant acceptance in the UK historically sees mixed results (Muchowiecka, 2013). As previously mentioned, immigration was also the issue with the single highest reported importance among Brits who voted for Brexit, and the Leave vote's victory indicates that a majority of the population viewed immigration as something that at least needed to be slowed down (Foster, 2023). Indeed, data from the British Election study shows that in 2015 71% of respondents believed that there were too many immigrants in the UK. However, this has trended sharply downwards in recent years, reaching only 52% of respondents by 2020. Similarly in 2023, a study by Kantar saw 52% of respondents indicate the belief that immigration numbers should be reduced (Richards et al., 2023).

Additionally, only 32% of those same respondents said that they believed immigration was truly harmful to the UK, with around 30% being neutral and the remaining 38% believing it is beneficial (Richards et al., 2023). The portion of those believing it to be beneficial seems low considering the invaluable economic contributions being made by immigrants who are filling major labor shortages in the UK, but all of this indicates movement in the direction of a more accepting society. When asked whether he believed that non-EU immigrants were perceived as outside of British society, Mr. Simmonds responded "Not as much as they used to be," which sums up the situation quite well. Compared to some other nations within Europe the UK is an accepting environment for immigrants, but it is still far from untainted diversity and acceptance.

While there will almost certainly be increased pressure for British business to become more adaptable to non-European ways of operation as a result of the increases in non-EU immigration and importance of the non-EU world following Brexit, the UK's own business culture is deeply ingrained and is not likely to be easily shifted. Cultural inertia is a phenomenon that suggests that members of the dominant culture will resist change unless that change is already actively occurring (Zarate et al., 2012). In a set of experiments, Zarate et al. found that the dominant culture of a region will resist cultural change unless they believe their culture to already be changing and develop higher levels of prejudice to migrants if they are presented as having the potential to change a culture that is currently static. Even when a group is introduced as having clear economic benefits, levels of prejudice are higher when it is perceived that this new group may cause a shift in the culture. They ultimately conclude that a significant portion of this prejudice is driven by how the cultural change is framed to the dominant population. When it is perceived as a new group forcing them to change their culture to accommo-

date them, levels of prejudice are predicted to be higher with a more forceful negative reaction from the dominant population. On the other hand, when it is framed as an opportunity for new experiences without forceful adaptation a more positive reaction would be expected (Zarate et al., 2012). Although neither of these general perceptions towards immigrants can be universally applied to a nation of millions of people, the circumstances of the post-Brexit UK seem generally more conducive to the former. As previously mentioned the balance of power in many business relationships has shifted as the UK economy has largely suffered through the first few years of post-Brexit existence. On a much larger scale this is similar to the dominant cultural groups losing their position and becoming a minority. Given that this change has happened in only a few years and comes on the back of a movement promised to bring additional strength to the nation, the reality of an increase in their reliance on other nations can be difficult to accept.

This theory does seem to find some ground in the reality of how immigrants are treated in the UK. In the healthcare industry for example, although the UK NHS relies on immigrant workers for the system to function, they are not always treated equitably compared to their native peers. In an Elsevier article published to the National Library of Medicine, Naqvi et al. examine the UK and US health care industries and argue that workers of an ethnic minority background are more likely to experience harassment and discrimination in the workplace while being less likely to advance in their careers than their white counterparts (Naqvi et al., 2022). They were also more likely to be placed in positions to work with infectious Covid-19 patients at a higher rate than their white peers during the pandemic. However, as previously noted the acceptance of immigrants is rising in the UK and it seems as though more of the population is accepting that the nation is in a state of relative flux at the moment and the important contributions of immigrants are becoming more recognized (Richards et al., 2023). This has the potential to grant new perspective that leads to additional acceptance of a period of cultural shift as these immigrants are seen less as an outside force that need to be accommodated and more as a resource for the nation to draw knowledge and experiences from as it continues to try to find its footing following its departure from the EU.

Things are moving in the right direction for there to be more openness for cultural change, but it can't be ignored that the group believing immigration should be reduced still holds a small majority at the time being, and as this comes in the midst of a sharp decline the popularity of a more closed mindset in the recent past could cause lasting impacts on the ability of immigrant workers to influence significant cultural change (Richards et al., 2023). This type of environment being the first experience for so many that have already arrived since the referendum likely drove many of them to feel significant pressure to integrate their practices with their British peers. As this has gone on for some time it could be established as the continuing social norm that immigrants are expected to adapt themselves to their new firms as necessary even if a majority of the pop-

ulation would generally be accepting of change. Any form of this could place significant limitations on the overall impact on UK business culture brought about by the forces discussed.

The Ultimate Impact of Immigrants on Business Culture in the UK

This analysis examines a topic that is still ongoing at the time of this writing. Cultural change is generally a slow process and the ultimate changes in British culture business or otherwise brought about by Brexit, whether wrought by immigrants or other forces, remain to fully develop and may still be affected by new developments in the future. Nevertheless, in the eight years following the referendum and four years since the official severance of the United Kingdom from the European Union trends indicate that there has been an undeniable increase in the UK economy's reliance on immigrants from outside the EU as well as a shift in the balance of power in many of the UK's relationships. These factors have the potential to leave the nation in a state more open to acceptance of these new practices while simultaneously giving it a wealth of this new knowledge to draw on, potentially causing significant and specific changes in the day-to-day business practices in the UK. However, this reality is likely to be inhibited by several factors including cultural inertia to potential government interference in nations with large populations emigrating.

The instances of specific possible changes discussed in this analysis attempt to follow a logical path of reasoning in pieces of other nation's culture that may be accepted and adapted by the UK to cause a new development. However, the reality of cultural change is never this simple and even the more realistic scenarios presented could admittedly never occur. Additionally, the populations discussed here are certainly not an exhaustive list of the populations moving to the UK in significant numbers, and future trends may see other nations' immigration numbers rival even India's. Pakistani immigrants in particular have seen rapid increases in more recent data releases, bringing an additional significant dynamic into the mix. The details of how cultural adaptations may play out are an interesting topic

for discussion and help illustrate the potential impacts and why this topic is important to examine, but they rely on a significant amount of extrapolation and prediction. It is important to reiterate that this analysis is limited in that the topic of examination is still in constant development at this time and that cultural change is a slow process, especially in a nation that has experienced such a dramatic shift in their focus in only a few years. British business culture is not something that is shifted easily, and even though Brexit has left it in a more open state than before it will still be a challenge for specific changes to be made. Additionally, future pressures either domestic or international could dramatically shift the UK economic, political, or social landscape in ways that may further cultural change or restrain it. At the current time though, things are moving in the right direction for change to continue to gain traction. Rather than the conjecture of particular changes which may or may not occur in the future, the more important conclusion of this analysis is that Brexit in its first four years has indeed increased the opportunity for non-EU immigrants to live and work in the UK while forcing the nation's businesses to shift their attention to the world outside of Europe to a larger degree than they have in decades. This has the potential to drive significant cultural change in British business that is in turn most likely to be driven in large part by adaptations to and for cultures of non-EU nations. The largest potential limitation to this at this time is resistance to cultural change from the dominant population in Britain. Current trends indicate that this resistance is shrinking and could continue to wane as time passes, but these effects may additionally be limited by other factors such as a lasting pressure on immigrants to adapt to the native culture or changes in the global geopolitical or economic pressures that drive this situation in the first place. Brexit has increased the importance of the non-EU world in the UK both in terms of its population makeup and its international business ties which has increased the opportunity for cultural development, but several factors may ultimately place significant limits on the change that occurs.

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Appendix A

The reality of Brexit exemplified: the Electric Vehicle Industry

One specific example of the difficulties the new barriers of trade with the EU have caused illustrated in Peter Foster's "What Went Wrong With Brexit: And What We Can Do About It" is the effect of rule of origin requirements on the electric vehicle manufacturing market in Britain. The TCA continues the policies of tariff and quota-free trade. However, to qualify for tariff-free entry into the EU, the UK must comply with rule of origin requirements, adding a certain minimum amount of value to the product making it "sufficiently 'made in the UK'" (Foster, 2023, pp. 83–84, & European Commission, 2021). This requirement poses a major challenge for EV manufacturers looking to assemble their cars for sale to the EU market in the UK. A finished car must have at least 55% of its value originating in the UK, or it faces a 10% tariff on import to the EU, making the operation economically unviable (Foster, 2023, p. 84). Over one third of the value of an EV comes from the battery, which the UK has an extremely limited capacity for producing. The situation was pushed off to the future by an exemption from the requirement until January 1, 2024 negotiated into the TCA, and once again by an extension until January 1, 2027 negotiated soon before the deadline was set to pass (Council of the EU Press Release, December 21, 2023). Prior to the second extension the automaker Stellantis warned UK officials that unless the exemption was extended, they may have to close their EV factory in Cheshire (Foster, 2023). When Tesla decided to build their factory in Berlin in 2019 Elon Musk cited Brexit as one of the factors behind the choice not to build in the UK, and Honda has already ceased manufacturing in the UK entirely. Despite Brexit politician's promises that the UK would continue to maintain a strong position in the automobile industry despite Brexit, the new difficulties imposed by the departure from the EU have clearly caused a marked decrease in the UK's viability for automakers in a way that seems poised to heavily affect future investment into the nation. Leave politicians argued that the UK would regain full control over their own policies without facing significant downsides in return. However, as this has played out in reality the additional requirements for export between the EU and the UK have made the proposition of continued investment into auto-manufacturing in the UK a fool's bargain.

A report from the European Automobile Manufacturers Association in 2019 measured the percentage of automobiles made in the UK that are made for export at 80%, with a massive 51% of this export going to the EU. EVs increasingly appear to be the future of the industry, especially in the European market, and many firms are looking to ramp up their manufacturing capabilities of Electric Vehicles in particular. Nissan, one of the few foreign manufacturers that has shown commitment to manufacturing in the UK even after Brexit, estimates that electrified vehicles will make up 98% of their sales in Europe by 2026. As noted,

the UK is now required to produce a minimum of 55% of the value of the finished automobile or else it will face a 10% tariff to be imported to the EU. To meet this requirement consistently for the EV market, the UK desperately needs to develop their capability to produce EV batteries.

Unfortunately for them, they have fallen far behind their EU counterparts in this regard since talk about Brexit began. The government recently announced their Advanced Manufacturing Plan, which included a provision for developing a battery supply chain including £50 million in funding for the project. However, the EU holds a massive head start; especially since the foundation of the European Battery Alliance in 2017 with an initial commitment of 20 billion Euros the EU has seen huge developments in their battery making capabilities. As of the beginning of 2023 the EU had 40 so called 'gigafactories' (the given name for major battery making sites) under construction or already running compared to one in the UK. This single site, managed by Nissan, is currently undergoing expansion to add greater production capabilities. Once this expansion is complete it will have the capacity to produce enough batteries for around 100,000 cars per year. This amounts to less than half the number of total vehicles that Nissan sold in the European market in 2022, and this is with the advantage of already having a plant operating in the UK. Any other manufacturer starting investment into a similar plant in the UK would be building their capabilities from the ground up in a market that is quite small and uncertain compared to their European counterparts. Additionally, the EU has subsidies for this type of technology as part of their EU Green Deal that are beyond what the UK on its own can put forward.

As it stands now, the extension of the exemption to the rule of origin requirement is the only thing truly keeping the existing industry viable and given the temporary nature of this agreement firms are nervous to invest heavily in the UK, as it is currently poised to come off the much worse option once the exemption ends. This leaves the UK in a difficult position. They need major manufacturers to invest in order to build the capacity to comply with the new requirements. However, with the EU and the US having already developed much of the infrastructure necessary for this new brand of auto making and the amount of money they can throw at manufacturers far outstripping what the UK has to offer, there is little reason for any of these firms to do so. Put simply the UK is starting from well behind the EU and moving at a much slower pace, and this is a problem considering that the auto industry is amid a major transition towards electrification. This need for a surge in production will not last forever, and despite Rees-Mogg's claims that the post-Brexit economy will include the future of transport the UK stands in a position to be largely left out of the next generation of the auto-manufacturing market. These illustrations of how Brexit has damaged the UK economy in widespread and complex ways that cannot easily be remedied lead to an important conclusion regarding the continuation of the current immigration trends. Brexit has not just caused a short-term shock to the UK economy that is recovering as time goes on and firms adapt to the new system. Brexit has damaged the UK's reputation for in-

vestment and contrary to its goals chained the nation economically to other powers which they hold no official sway over. Their economy has suffered as a result, and opinions have shifted