

## **Migrant entrepreneurs' views on the potential impacts of Brexit on their UK businesses.**

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This working paper continues to be developed and is based on research undertaken by two networks in close touch with UK migrant communities: Migrant Voice and High Profile Club. It builds upon earlier works (Dos Santos and Silvester, 2016; Nelson, 2014) and it is expected that the research will be further expanded upon by each of these parties as the data analysis progresses.

**Abstract:** With numbers close to 250 million globally, migrants account for just 3% of the world's 8 billion population, and yet issues concerning this relatively small group occupy multiple media and news channels, much of it with negative connotations. However, data compiled by the United Nations shows that the number of migrants worldwide has indeed been growing since the millennium at an average rate of just over two per cent per annum and the proportion of migrants worldwide has risen from 2.8% in 2000 to 3.4% in 2017. As may be expected, migrants move mainly to higher-income countries and these countries now account for around two-thirds of the global migrant population. On average, migrants make up 14% of the population of high-income countries, and the migrant population of close to 9 million in the UK, the fifth largest economy in the world by GDP, is just below this at 13% of the national population. Nevertheless, media coverage of migrant-related issues is widely believed to have strongly influenced the outcome of the EU-Brexit referendum in 2016. Three years later, in 2019, the Brexit negotiations are still ongoing and the aim of this research is to provide a snapshot of how that process is affecting migrant entrepreneurs and their businesses in the UK. The results indicate that, while a minority of migrant entrepreneurs (1 in 5) see some potential upsides from Brexit, the majority (4 in 5) take a much more negative view, with many seriously considering relocating their businesses while, at the same time, being willing and able to share their thoughts and to actively support efforts to strengthen the UK economy.

**Keywords:** Impact; Brexit; UK; Migrant; Entrepreneur.

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**Biography:**

**Professor Simon O'Leary** is Director of Regent's Centre for Entrepreneurship & Family Business <https://www.regents.ac.uk/research/research-centres/entrepreneurship-family-business-research-centre> and Chairs the British Academy of Management's Entrepreneurship Group <https://www.bam.ac.uk/sig/sig-entrepreneurship>.

**Word count:** 2,250.

## **Introduction**

Human migration was raised by many as a prominent issue during the United Kingdom (UK) European Union (EU) membership referendum of June 23rd 2016 (Somerville, 2016) where the electorate was asked if the country should remain a member of, or leave, the European Union. The results indicated that 51.9% of those voting supported leaving the EU and this led to the invocation of Article 50 of the Treaty on European Union and a prolonged period of negotiation both in and between the UK, EU and others, the latest deadline for which has been extended to 31st October 2019. The UK withdrawal from the EU is popularly known as 'Brexit', a portmanteau of 'British' and 'exit', a term first publicised some years earlier (Wilding, 2012).

## **Migration**

Human migration is the movement of a person or groups of people from one place to another with the intention of settling temporarily or permanently in that new location. Internal migration, within the borders of a country, is the most common form of migration, particularly over the last century with large migrations from rural or countryside areas to populated urban areas such as cities (Martin and Sirkeci, 2017). This internal migration can also often be over much longer distances than the lesser migration that crosses national borders. Nevertheless, the term migration is often popularly associated only with migration that involves border crossings, even though it is a relatively smaller matter overall and accounts for around 250 million people or 3% of the world population which is heading for 8 billion (Kobler and Lattes, 2017).

It is believed that this population of close to 250 million migrants includes around 25 million refugees and asylum seekers, those moving for reasons of natural disaster, civil disturbance or persecution of various types. Therefore, the remaining 225 million may be considered what has been termed 'economic migrants' (European Migration Network, 2019), many of whom develop their employability capabilities through working with small businesses (O'Leary, 2017).

As can be expected, much of migration occurs as movements of people from less developed and less settled areas to areas that are more developed and more settled. This is the same for migration that occurs both within and across national borders. The former, internal migration, may take place in a fluid fashion or may be managed or monitored by national governments, regional and local authorities. The latter, migration across national borders, tends to be controlled at regional or national borders unless it takes place illegally.

## **Research**

To explore some of the key issues surrounding Brexit and how it may affect a selected entrepreneurial section of the migrant population, a survey was completed by 140 migrant entrepreneurs based in the UK. After a respondent confirmed their status as a migrant entrepreneur, the survey comprised eight questions; three of these further profiled the respondent and five outlined their views on a series of issues related to Brexit.

### **Profiling questions:**

- A. Original country of origin.
- B. Passport status.
- C. Availability for media interview.

### **Questions on views:**

- D. Expectation of an impact from Brexit on their business.

- E. Perceived direction of that impact.
- F. Degree of preparations made for Brexit in their business.
- G. If serious thought has been given to relocating their business.
- H. Potential capabilities that migrant entrepreneurs could use to help the UK economy.

Additional explanatory comments on these, and related, issues were also collected.

The details of the questionnaire are provided in Table 1:

1. Are you a migrant entrepreneur (born abroad and with a business in the UK)? Yes / No. <i>Qualifying question.</i>
2. Do you think that Brexit will have an impact on your business? Yes / No / Don't know / Comments. <i>Views D.</i>
3. If yes, do you think it will be Very Positive / Positive / Neutral / Negative / Very Negative / Comments? <i>Views E.</i>
4. Have you made preparations for any changes that may occur as a result of Brexit? Yes / No / Comments. <i>Views F.</i>
5. Have you considered relocating your business due to Brexit? Yes / No / Comments. <i>Views G.</i>
6. Do you think that migrants have a particular role to play in strengthening the UK economy at this time (e.g. have particular skills or qualities that can help the UK in this period of change as the country navigates Brexit)? Yes / No / Don't know / Comments. <i>Views H.</i>
7. What is your country of origin? <i>Profile A.</i>
8. Do you hold a passport from a country in the EU (including a UK passport)? <i>Profile B.</i>
9. If you would be willing to take part in media interviews regarding your responses in this survey, please share your email address with us. <i>Profile C.</i>
10. Any further comments? <i>Further explanatory comments.</i>

**Table 1: The questionnaire used to gather migrant entrepreneurs' views on Brexit.**

The survey, or questionnaire, was completed online using a well-established survey service (Survey Monkey, 2019). Invitations to complete the survey were distributed through their social media channels by Migrant Voice (2019) and High Profile Club (2019) to their national networks of over 27,000 members and followers. The research was undertaken between January 24th and April 4th 2019, the survey being completed by 237 respondents. Of these, 53 were parties who had an interest in the topic but were not migrant entrepreneurs and this therefore excluded them from proceeding further with the survey. Another 44 indicated their status as migrant entrepreneurs but did not complete the survey and such incomplete responses were omitted from the study. This resulted in 140 complete responses, 59% of those who commenced with completion of the survey and around 0.5% of those to whom the invitation was circulated. Figures such as these are not uncommon with online surveys (Wronski and Liu, 2017) and can be improved with more direct targeting. However, the sample size of 140 is sufficient to explore for statistically significant differences with margins of error of the order of plus or minus 9% (Science Buddies, 2019).

## Results

The results arising from the responses given by the 140 respondents are shown in Table 2:

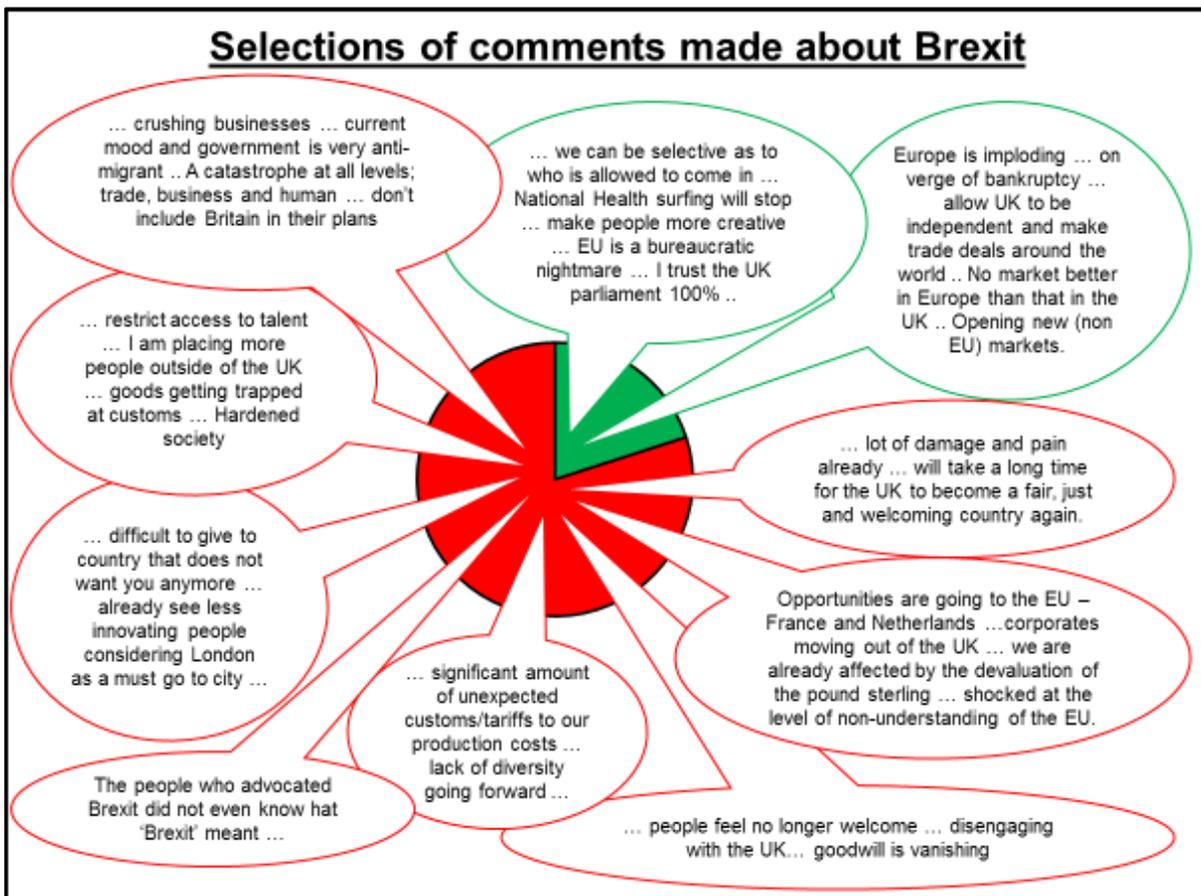
### Profiles of migrant entrepreneur respondents

A. 52 different countries of origin: 43% from Europe (35% EU / 8% non-EU); 25% Americas; 19% Africa; and 13% Asia. Specific countries include the following 26: <ul style="list-style-type: none"> <li>- 5 or more from USA, Brazil, France, Poland, Nigeria, Italy, South Africa &amp; India.</li> <li>- 2 to 4 from China, Germany, Spain, Belgium, Jamaica, Lithuania, Zimbabwe, Netherlands, Canada, Romania, Denmark, Democratic Republic of Congo, Colombia, Uruguay, Malaysia, Mauritius, Australia &amp; Pakistan.</li> <li>- 1 each from another 26 countries across the world.</li> </ul>
B. Majority, 74%, hold a UK or EU passport.
C. Nearly two-thirds, 64%, would be prepared to spend their time giving related media interviews.
The explanatory comments provided add some rich qualitative texture to the quantitative data and reveal, for instance, that these businesses represent a wide range of industries and sectors that include, for example and in no particular order: Tea; Public-sector contracts; Imports; Accommodation; Gardening; Painting & Decorating; Digital services; Construction; Languages; Music; Tourism; Student internships & European exchanges; Copywriting; Water; Publishing; Events; Photography; Coaching; Exports; Property maintenance; Drinks; Finance; Catering; Mental health; Personal development; and others.
<b>Views of of migrant entrepreneur respondents</b>
D. Expectation that Brexit will have an impact on the businesses of migrant entrepreneurs: Yes expressed by 85% of those with a definite opinion.
E. Direction of that impact on the businesses of migrant entrepreneurs: Negative impact view from 80% who noted a clear direction; 20% anticipate a positive outcome.
F. Business preparations made by migrant entrepreneurs for a Brexit outcome: 35% had made preparations for the outcome of Brexit; 65% had not yet done so.
G. Serious consideration given to relocating the business because of Brexit: Yes noted by 37%.
H. Migrant entrepreneurs have capabilities that can be used to strengthen the UK economy: Yes noted by 82% of respondents.
Additional inputs: 86% of the respondents provided a further 388 explanatory comments.

**Table 2: The perceived impacts of Brexit on 140 migrant entrepreneurs' businesses.**

These results indicate that the migrant entrepreneur population in the UK is a very diverse and international group with heritage from around the globe, the majority holding an EU or UK passport and willing and able to help support the UK economy. While there is a minority (1 in 5) who perceive potentially positive outcomes for their business from Brexit, the majority (4 in 5) expect Brexit to have significantly negative outcomes for their activities. Given the ongoing uncertainties surrounding Brexit, it is not surprising that only around one-third of migrant entrepreneurs in the UK has set in place concrete plans for their businesses concerning Brexit outcomes, although a very similar number were giving serious thought to relocating that business.

An overview of the various feelings about Brexit that exist among migrant entrepreneurs is further illustrated by the comments that they make in the survey. This is demonstrated in Figure 1 with a series of comments that reflect the 80/20 negative/positive split on the issue.



**Figure 1: Comments made in the survey by migrant entrepreneurs.**

This is a sample of both positive and negative feelings about Brexit and the total of 388 additional comments will be subjected to some further careful qualitative analysis.

## Conclusions

The survey provides strong indications that, while a minority are hopeful of a positive outcome for their businesses from Brexit, a clear majority have significantly negative expectations while, at the same time, being willing to help promote the value that they add to the UK economy.

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