BREXIT REALISATION: ITS RIPPLE EFFECT ON BRITAIN'S FOREIGN DIRECT INVESTMENTS

Research dissertation presented in partial fulfilment of the requirements for the degree of

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I certify that the dissertation entitled: **BREXIT REALISATION: ITS RIPPLE EFFECT ON BRITAIN'S FOREIGN DIRECT INVESTMENTS** submitted for the degree of: MSc in International Business and Law is the result of my own work and that where reference is made to the work of others, due acknowledgment is given.

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DEDICATION

I dedicate this work to God Almighty, my source of inspiration, wisdom, knowledge and understanding. He has been the source of my strength throughout this program and to Him alone be all the glory.

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I would like to thank my mother, Mrs Olufayo Christianah for the sacrifices she made in other for me to have this solid education. My special thanks to my siblings for their support and love towards me all through my master's programme.

And finally, my profound appreciation goes to my supervisor, Dr Garrett Ryan who guided me all through my dissertation despite his busy schedules.

ABSTRACT

This research work sets out to study the impacts of Brexit on Foreign Direct Investors in the UK. Brexit is a portmanteau of the words Britain and exit which refers to the UK's exit from the EU. The UK left the EU on the 31st of January after the June 2016 public vote – referendum with a 52 to 48% margin. Furthermore, the research aims to provide an evidence-based post Brexit projection for the UK economy and key government initiatives to make the economy thrive again. The dissertation conducted an extensive review of relevant literatures to provide a background understanding of major events that led to Brexit. This also helped formed the conceptual framework which served as the basis for further works into the study.

The research work employed qualitative data sourced from various secondary sources. The research approach involved the use of Documentary Research Analysis composite with Thematic Analysis method of study in processing, analysing, and appraising the research outcomes. This research produced several key findings: An analysis of the number of abroad companies that invested in the UK before and after the referendum and the rate of the countries fallout from the UK especially with the top investors – US, Germany and France. These countries began to reduce their investment in the UK after the referendum as the prospect of a "no-deal Brexit" repeatedly sank sterling and further showed that the U.K. already suffers from Brexit. Similarly, the thematic analysis revealed that the implications on FDIs included uncertainty, fear, risk-ready, negative and positive reactions to Brexit. Thus, the economy has slowed, and many businesses have moved their headquarters to the EU.

In conclusion, the research work revealed that the impacts of Brexit on FDIs in the UK will continue to evolve in the post Brexit era. Hence, a key policy priority for the UK government is to plan towards a sound management of the macroeconomic performance indices in such a manner as to enhance keeping borrowing costs at reasonable levels as if the UK was still part of the EU. For instance, the findings of this research work can be utilized by the UK government to develop targeted interventions such as tax reduction incentives aimed at attracting new investors and initiatives to encourage any foreign EU corporate entity that chooses to remain in the UK. That the UK is exiting the EU is an auspicious opportunity to learn a few new things about international relations with its attendant legal implications as it affects international trade, which is central and pivotal for future research.

Table of Contents

List of Figures

List of Tables

1.0 INTRODUCTION

1.1 OVERVIEW

Brexit has been of priority economic discourse worldwide. Its' expected far-reaching implications have been of concern to political observers and actors, economic managers from diverse backgrounds, most notably from Europe and the United States. Some smaller economies that are tied to the United Kingdom (UK) and her European Union (EU) counterparts have shown keen interest as to how this major politico-economic decision of the UK could affect them going forward (Fischer, 2018).

The major thrust of this research endeavour is the critical appraisal and determination of the **immediate and long-term implications of Britain's exit from the European Union (Brexit)** as it impacts on the UK's economic performance and the possible consequences of a drain in its inward Foreign Direct Investments (FDIs). According to Nhh et al. (2001), FDIs play significant roles in the economic growth and expansion of any nation, Britain, not being an exception.

In June 2016, the UK held a referendum where majority of its citizens gave a unanimous verdict to exit the EU. This led to the UK's eventual exit from the EU on the 31st of January 2020. Just about three and half years after the UK referendum, Swati Dhingra, an Associate Professor of Economics and Research Fellow at the Centre for Performance at LSE Department of Economics; and Thomas Sampson, a Lecturer in the Department of Economics and a Trade Research Programme Associate at LSE's Centre for Economic Performance, both spoke on the long term effect of Brexit on the UK's economy.

According to these two renowned scholars, the impact of Brexit has started since the June 2016 referendum, and may result in the following:

(a) A reduction in the Foreign Direct Investments,

(b) A reduction in trade with other EU countries,

(c) A reduction in the UK net fiscal contribution to the EU (Swati Dhingra and Thomas Sampson, 2019)

In effect, some companies have decided to leave the UK while some others chose to terminate workers' employment due to different uncertainties surrounding Brexit Independence News, (2019). In addition, the current economic scenario may likely affect how investors would apportion risk to various investment options as their investment strategy. Note-worthily, many of these actions taken by Foreign Direct Investors began occurring before the official announcement of Brexit on the 31st of January 2020.

1.2 RESEARCH PURPOSE

The primary purpose of this research is to examine the likely economic impact of Brexit on the UK's Foreign Direct Investments, considering its position as the leading European destination for FDIs Ebell and Warren (2016). In order to achieve the research purpose, the research work will appraise and analyse the total number of Foreign Direct Investors that have left or may exit the UK post Brexit.

1.3 SIGNIFICANCE OF THE STUDY

In today's global world, nations do not exist in isolation. Socio-political and economic alliances are formed with certain mutually beneficial vision or outcomes in mind for accomplishment by participating members. Gone are the days when some economies such as China and much of the Asian and Socialist- cum-Communist political blocks operated closed economies; Driffield and Karoglou, (2019). Globalisation has broken up such isolationist tendencies. Most nations have been compelled to converge socio-culturally, politically and economically, hence the emergence of Economic Cooperation Union. The British Isles (The UK) is a prominent gateway to the EU and there are different speculations on whether it might or might not be saved entirely or shielded from capital flights which could likely result from her exit from the EU. This research was primed at exploring possible capital drain resulting from exiting the EU.

This research aims to explore possible ripple effects of Brexit for the UK economy. It also explores opportunities to stave off the presumed ripple effects of Brexit economic policy options that serve as palliative measures should there be undesirable effects on local production, marketing, National Income per capita for her citizens, Gross National Income and Gross Domestic Products (Schoof *et al.*, 2015).

Furthermore, the research aims at reviewing the impact of Brexit on UK's Foreign Direct Investments. The predominant uses of Foreign Direct Investments in the UK are for capital restructuring or refocused on specialised core businesses, the improvement of production techniques and or the acquisition of relevant technologies aimed at improving and increasing the output of low capital-intensive start-ups. They also serve to boost global trade, lower international trade tariff costs, create multiple jobs with higher wages, improved conditions of service coupled with access to foreign knowledge, technology and expertise through highly structured multinational human capital development programmes (North East England News, 2017).

The Chief Executive Director of Airbus, Tom Enders, an ardent critic of the former UK Prime Minister, Theresa May, claimed that many companies were still unable to plan for their future even after the Brexit vote in 2016. He posited that he and his other colleagues in the Automobile Manufacturing business would leave the UK because of a cloud of uncertainties that would envelop the UK economy post-Brexit. Other companies set to leave the UK and laying off workers include: Aviva, Britain's second largest insurer, Barclays, British Steel, Credit Suisse, Dyson, Ford, Honda, Jaguar, Land Rover, Goldman Sachs, HSBC, JP Morgan Chase, Lloyds of London, Michelin, MoneyGram, Nissan, Michelin, Panasonic, P&O, Philips, Rolls Royce, Sony, Toyota, UBS, Unilever, Schaeffler (Independence News, 2019).

However, proponents of Brexit believe that after UK leaves the EU, London will retain its independence and global appeal as a financial centre, and thus protect itself from trouble in case the euro fails. Hence, the proponents believe that this "euro-proof protection" will make Foreign Direct Investors perceive London as a haven against Europe economic tides.

Given these presumed dire effects to Brexit, it is essential to present the rational for the UK's exit and explain the theory of self-determination. These, in other words refer to the desire to have control over their choices, lives, regulations and legal affairs. Ryan Bourne, Chair for the Public Understanding of Economics at the CATO, Institute spoke about ways self-rule decision can be an advantage to the UK. He claimed there would be free trade eliminating barriers to trade across international borders with the likes of the United States, Australia and other non-EU economies; not holding back their exchange and are ready to start at the ends of the year, 2020. It is obvious that a transition phase has begun although not much has really changed, the trading system, the regulations, free movement of people etc (Institute of Economic Affairs, 2016).

The UK is now at the wheel of her own destiny with no overt power sharing ties with the EU. There won't be an immediate change now that Brexit has happened but if the political authorities make sound economic decisions and choices backed by political will, it might be better off. On the long run, the consequence of Brexit might be that a good number of policy-making powers would be returned to the British political leadership which might include international trade and economic regulations; agriculture and Immigration coupled with external relations, etc.

Obviously, there are several arguments and counterarguments as to what the final outcome of Brexit will be for the UK and EU. The continuing debate is the focus of politics, economic think-tanks, prints and social media. A consequence of these polarised debates is the creation of much confusion for businesses and wider public.

Hence, the justification of this research is to collate the many forms of disseminated Brexit information, subject it to rigorous analysis in order to derive objective clarity as to the true possible outcome of Brexit on FDIs, which could either be negative or positive, and consequently, the implications on the UK economy.

1.4 RESEARCH OBJECTIVE

Two objectives are crafted for the purpose of this research. The first was borne out of the need to critically examine the impact of Brexit on FDIs in the UK. Similarly, the second objective was to develop evidence based post Brexit projections for FDIs in the UK, in addition to the role of the government in sustaining the UK economy.

Thus, the research objectives are stated as follows:

- A critical examination of literature framework: online media, peer reviewed, Economists views, and policies which have been a somewhat chaotic and confused picture of the post Brexit UK landscape for Foreign Direct Investments.
- Secondly, to subject this confused set of literature framework and the research data obtained to a rigorous scientific analysis, producing an evidence-based post Brexit projection for Foreign Direct Investments.

To achieve these objectives, the following research questions are proposed:

1. What is the implication of Brexit on UK's Foreign Direct Investment?
2. How can FDIs survive in the post Brexit UK, and what role will the UK government play?

1.5 STRUCTURE OF THE STUDY

This thesis has a five-chapter structure, Chapters 1 to Chapter 5.

Chapter 1 contains the introduction to the research topic: "Brexit Realisation: its Ripple Effects to Britain's Foreign Direct Investments."

Chapter 2, a highly significant chapter in this research endeavour contains the review of relevant literature on the topic, and the outlines of the conceptual framework that formed the superstructure of the thesis. This chapter is not just about summarising all relevant materials, but it initiated critically thinking about the information that would be sourced while working on this thesis. Information from professional and academic articles and publications in journals and magazines; industry and Capital Market Reports (CMR); books, etc. were consulted in this chapter.

Chapter 3 contains the research methodology and design deployed in carrying out this research endeavour. This chapter clearly explains the methods used in reaching out to the various sources of data collected. Given the current global health challenge, the research data gathering tilted largely towards the use of secondary sources for the scholarly processing, analysis, evaluation and appraisal of research outcomes used in carrying out this research.

Chapter 4 presents logically, the quantitative and qualitative outcomes from the interpretation and analysis of the research data gathered.

Chapter 5 concludes and presents in a succinct and most thoughtfully beneficial format, the research outcomes accentuating salient scholarly discoveries from the research topic, drawing conclusions capable of enhancing and increasing existing body of knowledge in the related field of study while making appropriate recommendations that would enhance capacity improvements on behalf of relevant stakeholders namely: the UK Government, foreign direct investors, corporate (economic) entities, high net-worth individuals, organised labour, the citizens as a whole as it reflects in their income per capita, a measure of their general and national wellbeing.

2.0 LITERATURE REVIEW

2.1 OVERVIEW

Britain’s legal system (heritage) forms the basis for socio-political and economic relations among nations. What is more, the impact of Brexit on all economic indices would likely generate remarkable ripple effects on countries that have political and economic ties with Britain. Tetlow and Stojanovic, (2018) Being a prime gateway to the EU and home to the one of the largest and oldest stock markets in the world makes the UK important to Europe. Her exit from the EU on January31, 2020 was an event of global dimension, importance and relevance. The impact of Brexit, however, cannot be fully grasped or understood until a thorough scholarly study of its implication on international trade, commerce and international jurisprudence is carried out. Such academic study would intend to proffer far reaching measures (mitigations) to arresting expected adverse consequences of Brexit on Britain as touching FDIs, the EU, and the rest of the larger global communities with which the UK has international trade relations (Armstrong, 2017).

This study would also serve to prepare relevant parties ready to take serious advantage of its promised benefits. It is against this backdrop that a study in Brexit and its implications for the UK, her allies and the rest of our world is highly significant.

2.2 TRADE, WTO, EU, UK AND BREXIT: A REVIEW OF LITERATURE

The world today is a global village, thanks to technological advancements, industrial revolutions, and international trade relations among the countries of the world. And, the UK is part of the global village. This strategic island known as the UK is a prime gateway to Europe. Its native language English is the most widely used language for conducting trade and commerce across the globe. Nuuttila, (2019) According to the John M. (2018), the names United Kingdom and Great Britain do not exactly mean the same thing even though they are often interchanged. More precisely, the United Kingdom is more of a political term that comprises England, Scotland, Wales and Northern Ireland. On the other hand, Great Britain is both a geographical and political term which refers mainly to England, Scotland, and Wales. Until Brexit, Britain was an active member of European Union (EU).

The EU is viewed as to be an international organisation than a Federal European Super state. It is on this ground, that it is viewed as a con-federal framework with more characteristics. It is generally of the Union of Independent States that have pooled or moved expertise in those zones of strategy where participation bodes well. Its individuals have avoided making a European government with autonomous forces. Furthermore, the EU stays particularly an intergovernmental framework in which choices are made by the legislature of its part states cooperating. There has likewise been a federalising inclination in a few; regions of strategy, for example, single market, exchange, agribusiness, and the environment. However, it's still just a club wherein the key choices are made by the members and not by an administering committees(McCormick, 2017).

The European Union (EU) is a summit of a long procedure of monetary and political mix among European states. The EU began as a free trade area and a custom union. It has become a supranational entity that takes after a government state and is represented by a byzantine organisation in Brussels. The EU professes to have achieved success and dependability in Europe, yet those cases are progressively at chances with the reality. Europe is getting worryingly precarious and is falling behind different areas as far as monetary development. The EU model, which is set apart by overregulation and centralisation, appears to be progressively strange currently. What European nations need in the coming decades is receptiveness, as opposed to provincial protectionism, and adaptability, instead of overregulation from Brussels. Most importantly, what European governments need to do is to reconnect with their undeniably eager electorates, as opposed to overlook the last for the undesirable objective of a European super state (Cato Institute’s Center for Liberty and Prosperity, 2016).

2.2.1 TRADING BLOCS AND THE WORLD TRADE ORGANIZATION (WTO)

A trading bloc is a formal agreement between two or more regional countries which removes trade limitations and hindrances among the countries in the agreement, while keeping trade barriers for other countries Agarwal, (2020).

There are four main types of trading blocs, namely: Free Trade Area, Customs Union, Common Market and Economic Union.

A Free trade area is usually formed by two or more countries. In a free trade partnership, inter-trade barriers are usually lifted. However, each country maintains its own tariffs against other countries outside the partnership. Customs Union is similar to a free trade area with an exception that countries in partnership maintain the same tariff against non-partner countries. Common Market on the other hand, is related to customs union, except that there is usually an unhindered flow of the factors of production (labour, capital, tools, technologies etc.) among partner countries. In essence, citizens are allowed to work in partner countries without requiring any special permits. Lastly, an Economic Union builds further on the Common Market trading bloc, by adopting a common tax system and utilizing the same currency. A common example of Economic Union is the European Union.

According to Prateek Agarwal (2020), the two major elements of a trading bloc is trade creation and trade diversion. Trade creation occurs as a result of removal of trade hindrances among member countries. This often leads to an increase in domestic production and consumption. Thus, there will be reduction in wastage of limited resources as the more efficient producer produces. On the other hand, trade diversion involves the patronage of partner countries among themselves at the expense of non-partner countries, after which external tariff has been placed on non-partner countries. In effect, buying from non-partner countries becomes more expensive, leading to trade diversion.

Some major advantages of trading blocs include: Market Size, Technology and Economic Leverage. Trade blocs facilitates in large market size by increasing foreign direct investments which in turn, positively impacts the economies of participating nations, for instance the case of UK in EU. Similarly, trade blocs also enhance technology transfer, and provide opportunities to reduce average production cost by leveraging on mass production and economies of scale.

Nonetheless, there are certain demerits of trading blocs. The first is the loss of sovereignty among member countries. This is because over time, the partnership agreement extends beyond trade to involve others, like; environmental protection, crime control as well as human rights. Secondly, trading blocs leads to increased reliance on one another which may sometimes result in a somewhat perceived parasitic relationship among partner countries. This illustrates the perceived scenario for Britain's exit from the EU (Duce, 2003).

The World Trade Organization (WTO) deals with the global rules of trade between nations. Its main function is to ensure that trade flows as smoothly, predictably and freely as possible.

According to the WTO website; the roles of the WTO include operating a global system of trade rules, acting as a forum for negotiating trade agreements, settling trade disputes between members and supporting the needs of developing countries. Furthermore, all major decisions are made by the member governments: either by ministers (who meet at least once every two years) or by their ambassadors or delegates (who meet regularly in Geneva). The organization stands for a number of simple, fundamental principles forming the foundation of the multilateral trading system with the primary purpose of opening trade for the benefit of all (World Trade Organization, 2019).

2.2.2 THE EUROPEAN UNION: A BRIEF HISTORICAL BACKGROUND

The history of the European Union can be better understood by examining certain treaties of agreement among the EU member states.

First is the Maastricht Treaty. The Maastricht Treaty was signed about 27 years ago by 12 countries in the European Community. This led to the formation of the European Union, which was entered into force on 1st November 1993. It was a treaty that brought about the single currency (the Euro) which was a unified foreign and security policy and common citizenship rights and bringing cooperation in the areas of immigration, asylum and judicial affairs

Grieco, (1995) this article states that the Maastricht Treaty or the treaty on European Union was entered into force in November 1993, the part conditions of the European Community (EC) had all the earmarks of being setting out on a far reaching enterprise to upgrade the authority of Community establishments. Proceeding with a procedure that had started with the Single European Act (SEA), into power in 1987, Maastricht expanded the forces of the European Parliament. It built up systems whereby EC nations were to look to improve strategy coordination in such assorted territories as parties, high innovation, fringe controls, migration, and hostile to wrongdoing endeavours. It submitted the EC individuals to progress in the direction of the foundation of a typical outside and security strategy. Above all, it spread out a way and schedule for qualified EC individuals to accomplish Economic and Monetary Union (EMU) before the finish of the 1990s.

Furthermore, the European Council (2020) wrote that Maastricht brought about the formation of the European Union. At the point when European pioneers met up in Maastricht to settle the new bargain, they each carried their national worries to the table. However, they were likewise mindful of the need to convey a fruitful result, a result which would outfit Europe with the devices to manufacture another plan. A key piece of this was the making of the European single market. The single market conveyed success and development. A lot nearer financial combination opened the possibility of making a money related association with common cash.

The second is the European Union Treaty (2008). The EU is a single market with common rules which has powers to legislate exclusively on trade matters and international trade agreements based on the World trade organisations rules. The European Union treaty covers many like free movement of goods and services and capitals and payment, union policies on the internal market, customs union, customs cooperation, intellectual property and foreign direct investment McCormick, (2017). It is one of the largest single markets and a Union committed to the opening of world trade. One of its cardinal principles was having free trade among the EU Member States. The basis for the formation of the EU was trade liberalisation among Member States according to the Consolidated Version of the Treaty of the EU, Part 3, Union Policies and Internal Actions, Title II "FREE MOVEMENT OF GOODS."

Article 28 explains that: Originally free movements of goods were parts of a customs union between the member states and it involved the abolition of customs duties, quantitative restrictions on trade and establishments of standard external tariffs for the member states. The purpose of allowing free movement of goods is to create internal market (The European Union Treaty, 2008).

Similarly, the provisions of Article 30, Chapter 3 explain that free movement of goods is permitted on products produced in the EU member states and from third countries. These products are in free circulation in the member states (The European Union Treaty, 2008). Article 29 of the EU treaty explains that: "Goods coming from a third country shall be deemed to be in free distribution in a member state if the import formalities have been met and any customs duties or charges having an equal effect have been imposed in that member state and if they have not benefited from the complete or limited disadvantage of those duties or charges" (The European Union Treaty, 2008). Article 30 explains that "Member States will be prohibited custom duties on imports and exports and charges having equivalent effect (The European Union Treaty, 2008). Article 31 explains that the council shall set specific customs tariff on a request from the commission" (The European Union Treaty, 2008). Article 32 explains conditions governing the lists of tasks of the Commission. For a summary of the articles 28 to 32 which govern how the EU operates as a free trading union, go to Appendix A, page 94 of this research work.

Third is the Lisbon Treaty. Smyth, (2008) in the Irish Times said that the Lisbon Treaty isn't a settlement for the past. It is a bargain for the future, an arrangement that will make Europe increasingly present day, progressively effective and increasingly equitable," said Portuguese head administrator José Sócrates, who assisted with guiding a last trade-off between Europe's pioneers on the 200 or more page text during his nation's half year administration of the association.

For long-serving EU pioneers, for example, Bertie Ahern and Luxembourg's Jean-Claude Junker, the marking function more likely than not, brought back recollections of Rome's Capitolino exhibition hall, which facilitated the comparatively pretentious marking of the EU constitution in October 2004.

Only nine months after the fact the French and Dutch voters in submissions opposed it, transferring it to blankness. This set off a 18-month time of reflection until EU pioneers at long last started to create the Lisbon Treaty, which they concurred ought to follow intently the diagram of the dismissed draft constitution.

EU pioneers contend the arrangement is important to build the proficiency and adequacy of the association's organisations and dynamic systems, which they state are indicating the strain as the EU broadens. By refreshing the association's inside structures, it will be better ready to confront worldwide difficulties, for example; environmental change, vitality, security and movement.

In any case, arrangement cynics guarantee the change isn't required and that Lisbon speaks to a remarkable centralisation of intensity in Brussels. Others state the change doesn't go far enough and the EU stays unapproachable to the general population.

2.2.3 THE EUROPEAN UNION BENEFITS: INTERNATIONAL TRADE COOPERATION AND FREE TRADE AGREEMENTS

EU member states have an agreement between themselves to remove trade barriers and reduce or eliminate custom duty on mutual trade. For other non EU member states, there are always imposed common tariffs on imports from non- member countries. It also a single market which is a system that allows for the free movement of goods, services, capital and workers within the European Union with the absence of tariffs and taxes on imports and exports. It key benefits are from being a member of the EU, giving manufacturers and producers access to a huge pool of consumers throughout Europe.

The EU speaks to and haggles for the benefit of every one of the 28 member states at the World Trade Organization (WTO) and furthermore arranges Free Trade Agreements (FTAs) for their sake under the EU's Common Commercial Policy. Since the 2009 Lisbon Treaty, EU free trade agreements with third countries have included investment, including trade in goods and services. Being a member of the EU, the UK is represented in the European Commission, which proposes EU enactment, and the EU's Council of Ministers and European Parliament, which together decides on the last state of EU rules and guidelines (Booth *et al.*, 2015).

2.2.4 UNDERLYING REASONS AND RISING CONCERNS LEADING TO BREXIT VOTE

This section gives a brief background on the real reason which led many Britons to vote in favour of Brexit in the 2016 referendum. This is to help pinpoint the major motivating factor from a pool of perceived notions among the general populace and various bodies of stakeholders in the global arena.

According to Vox M. (2020), (Smyth, 2008) the two most common arguments in support of Brexit focussed mainly on the EU’s liberal rules favouring internal migration and the EU’s burdensome economic regulations. The EU’s liberal rules raised concerns among member states and Britons, especially.

Following the rising concerns among several member states; the then UK Prime Minister Gordon Brown broadly missed a broadcast function in which the pioneers of the 26 other member countries marked the settlement electing to protect an arrangement he had assisted with arranging.

Thus, considering a legitimate concern for ensuring Britain's money related division, David Cameron, disapproved the EU treaty in 2011. In mid-2013, he gave an eagerly awaited discourse where he sketched out the difficulties confronting Europe and vowed to renegotiate enrolment in the EU if his Conservative Party won a more significant part in the coming general election.

During the rising concerns among several member states, with the UK inclusive; there was a simultaneous growth in the British voters backing for the UK Independence Party (UKIP) and its firm stance against the EU. During financial distress in the European Member States, a progressing migrant emergency, UKIP and voters of a potential British exit from the EU expanded. Subsequent Cameron's re-appointment in May 2015, re-institutionalise the relationship between the EU and the UK, in addition to the vagrant government assistance instalments, budgetary protections and more straightforward ways for Britain to square EU regulations (Andrew Grice, 2014).

In February 2016, he reported the consequences of those arrangements, and decided that June 23rd would be another day for the British to vote again. The percentage of the number of the voters was 71.8 per cent, with millions of individuals casting a ballot. The difference passed by a thin majority 51.9 per cent to 48.1 per cent. However, there was a contrast over the UK. Northern Ireland and Scotland voted to remain in the EU while Britain and Wales were strong believers in leaving the EU. The Prime Minister Theresa May, on October 2016 spoke on her intention to incite Article 50 of the Treaty on EU, officially pulling out of Britain's goal to leave the EU. The EU government refused the UK's withdrawal agreement and a new date was chosen for the withdrawal agreement to be passed.

2.3 FOREIGN DIRECT INVESTMENTS (FDIS): A REVIEW OF LITERATURE

A detailed review of literature reveals that there are various theories and perspectives on the foreign direct investments subject matter. Furthermore, it shows that there are various indices for measuring FDIs impact in a country's economy.

2.3.1 FOREIGN DIRECT INVESTMENTS THEORIES: DEFINITIONS AND PERSPECTIVES

Dirk Willem te Velde, (2006), gives background information of foreign direct investment. He said different people have shared their concerns about what foreign direct investment is, some believe that it helps to increase economic growth and productivity in a country while others argue that it has a lot of disadvantages and uncertainties tied to it.

On the other hand, Duce, (2003) defined foreign direct investment according to the OECD and IMF definitions. It says FDI is the point of getting an enduring enthusiasm by an inhabitant element of one economy (direct investor) in an undertaking that is located in another economy. The "enduring interest" infers the presence of a drawn-out connection between the immediate investor and the direct investment undertaking and a noteworthy level of impact on the administration of the last mentioned. Direct investment includes both the underlying exchange building up the connection between the investor and the enterprise and all resulting capital exchanges among them and among subsidiary enterprises, both joined and unincorporated.

However, Wren, (2006) states it simply, by defining FDI as when a company owns another company in a different country.

An analytical report: *Estimating the economic impact of FDI to support the Department for International Trade's promotion strategy*; by the Department for International Trade (DIT) defined FDI as:

"… cross-border investments from one country into another, with the aim of establishing a lasting interest in an enterprise where the investor's purpose is to have an effective voice in the management of the enterprise."

The report expatiated further on the meaning of an effective voice, to ascertain a proper understanding:

"… for the purposes of FDI statistics, an effective voice means an ownership of at least 10% of the equity share capital. From a UK perspective, inward FDI is an investment from foreign investors who add to, deduct from, or acquire equity share capital in a UK resident affiliate enterprise (subsidiary or associate) or branch by a non-UK parent company or head office" (DIT Analytical Report, 2018).

Based on the DIT analytical report, transactions related to FDIs are of three major forms, namely: New (i.e. 'Greenfield'), Expansions and, Mergers and Acquisitions (M&As).

According to Boyce P. (2020), FDIs can be grouped into three: Horizontal, Vertical and Conglomerate FDIs. Horizontal FDIs involve investing funds abroad in the same industry as at home, while Vertical FDIs involve investing within the same supply chain abroad, but not directly in the same industry at home. Conglomerate FDIs involve making investment abroad, in a totally different industry, not linked in any way to the investors' business in their home country.

2.3.2 FOREIGN DIRECT INVESTMENTS' GROWTH: IMPACTS AND MEASURING INDICES

It is important to identify the various FDIs indices to accurately measure the impacts made on the different sectors in the United Kingdom; most especially, the economic sector.

Countries progressively perceive that they can influence the fascination of FDI utilising both general economic approaches and suitable explicit FDI strategies Isabella Mannucci, (2016). Eventually, they realised that in wanting to know if FDI is an advantage or a risk, there is the need to know the various FDIs there are, firm characteristics economic conditions and polices. The sort and sequencing of general and explicit strategies in zones covering investment, trade, innovation and HR are presently observed as essential in influencing the connection among FDI and development. While FDI is regularly prevalent as far as capital and innovation, overflows to neighbourhood economic development isn't programmed. Fitting approaches to profit by FDI incorporate structure up neighbourhood human asset and mechanical abilities to raise the absorptive ability to catch efficiency spill over from Transnational Corporations (TNCs).

In the UK, these indices are taken from the inward FDI stock (i.e. the international investment position). Hence, the FDI stock has three main components, which measures the total financial value of FDI in the UK at a point in time (usually at the end of a calendar year). These include:

i. Foreign companies' share capital and reserves

ii. Net amount due to foreign parents on the inter-company account

iii. Net amount due to foreign parents on the branch head-office account.

Source: Office for National Statistics (ONS).

An Analytical Report by the United Kingdom's Department for International Trade (DIT) on Foreign Direct Investment (FDI) gives more detail. According to the report titled: *Estimating the economic impact of FDI to support the Department for International Trade's promotion strategy*; there are up to 27,000 foreign-owned companies which already established in the UK, as at 2017.

Further beyond the impetus caused by actual investments, FDI also stimulates growth by increasing total factor productivity as well as, the efficiency of resource use in a host economy (OECD, 2002).

Thus, the impacts of FDIs in the UK cannot be over-emphasised. The impact of FDIs comes with the transfer and acquisition of knowledge, skills and technology. International companies shake up an industry in the host country. They also help in creating new jobs to strengthen the host country economies. We have multinational enterprises, and this is as a result of companies having their production unit in more than one country.

FDI has increased for 40 years ago and this is due to the increase of the multinationals and the rush of FDIs in the economy. At this point, people realised the importance and the value FDI has added to the economy over the decades. It was recorded that in the year 2000, FDI had close to $50 for every $1000 of GDP compared with less than 1 in 1970. The United Kingdom has so much benefited from FDI inflows i.e. having a ton of organisations coming to put resources into the United Kingdom with levels of $1000 of GDP reliably better than expected world levels since 1970s and the most noteworthy of any country over 1990s (Justin Kuepper, 2019).

According to the DIT Analytic Report (2018); Inward FDI flows also known as transactions reveals the net inward direct investments made during any reference period (both quarterly and annually). Typically, FDI flows consist of three elements, namely:

i. Acquisitions of disposals of equity capital;

ii. Reinvested earnings; and

iii. Inter-company debt and other capital, DIT Analytical Report (2018).

2.3.3 ANNUAL FDI PROJECTS IN THE UK AND THE DEPARTMENT FOR INTERNATIONAL TRADE

According to the GOV.UK website; the Department for International Trade (DIT) is an international economic department that secure UK and global prosperity by promoting and financing international trade and investment, and championing free trade. Being an international economic department, it is responsible for:

i. Bringing together policy, promotion and financial expertise to break down barriers to trade and investment, and help businesses succeed
ii. Delivering a new trade policy framework for the UK as she exits the EU
iii. Promoting British trade and investment across the world
iv. Building the global appetite for British goods and services

Summarily, DIT plays a vital role of seeking to attract new FDIs and helping foreign-owned businesses to expand in the UK. The have teams both in the UK and in overseas who focus on generating leads through a range of activities including identifying targets through business and financial media and analyst networks, networking events, referrals from DIT and commercial partners, and strengthening the UK's reputation as a place for business with prospective investors (DIT Analytic Report, 2018).

According to the DIT Analytic Report (2018); DIT targets increasing the overall number of projects investing in the UK, and prioritising support for those with the greatest quality using a framework made up of quantitative and qualitative indicators.

Emphasis is placed upon projects having greatest quality because the relevance and applicability of an investment program initiated by foreign investors is highly important in assessing its contribution to the host economy. The report further states some of the factors which determine the impacts and benefits of a potential FDI. Such factors include the intentions and quality of the investor, characteristics of the host and source country, nature of business operation, and sector in which the investment lands.

Hence, it is important to always consider the economic impacts of FDI projects in addition to the financial size of the investment by examining the nature of business, quality and other characteristics and applicability of the FDI project in creating a positive impact (DIT Analytic Report, 2018).

Table 1 of the appendix 6.1 shows the representation of the number of FDI projects annually before and after the British vote for and against Brexit with the percentage change. For evenness in the review, ten quarters both before, and after the referendum, was considered.

2.4: UK'S POST BREXIT'S INTERNATIONAL TRADING ENVIRONMENT

Considering the roles and high impacts of FDIs in the UK economy in the pre-Brexit era, as discussed in the previous section; it is germane to examine the post-Brexit international trading environment in the UK with an aim of assessing the current realities and also taking appropriate initiatives for managing the gaps that might be created in the economy by affected FDIs.

2.4.1 THE UNITED KINGDOM'S GAINS AND INTEREST IN THE EU MARKET

The European single market which is the largest international single market in the world is one of the benefits of belonging to the unified monetary body. Examples of this single markets are free trade, Inward investments from European companies, removal of trade barriers, reduction of business costs, free movement of labour, elimination of monopolies, cartels, tariffs and reduction of cost administrative burdens by using a single rule across the EU member states, regulation and qualifications harmonisation and an opportunity to be among the world's largest trade block Campos *et al.*, (2014). Also, Britain being a member of the EU has an unfettered access of 500 million customers in all states within the EU. Their membership in the UK has brought about greater economic and financial openness in the UK and this has in turn raised economic growth and boosted the UK's standard of living. The British can buy goods from or sell goods to other EU member states without having to pay customs duties irrespective of member state origin. The administrative and compliance processes for exporters are uncomplicated by the removal of non-tariff barriers to trade among member states within the EU member states. Britain has benefited from those efficiencies of common practice by being a member of the EU (Dhingra *et al.*, 2016).

Considering the many benefits of the UK membership in the EU, it is an imperative for the UK to make adequate preparations to salvage anticipated and likely impacts of Brexit on its economy.

2.4.2 THE UK TRADE POLICY OBSERVATORY (UKTPO)

The UKTPO is a partnership strategically positioned to comment on and provide analysis of trade policy proposals in the Brexit emergence. Created in June 2016, the UKTPO is committed to engaging a wide variety of stakeholders to help strategize and develop UK's post-Brexit international trading environment. The UKTPO partnership, between Chatham House and the University of Sussex builds on over 40 years of trade policy expertise located in the University; and works to support the development of new trade policies in the post-Brexit era. The partnership aims to ensure that new trade policies are constructed in a manner that benefits all in the UK, and is fair to the UK, the EU and the world. The UKTPO works closely with InterAnalysis, a University start-up which offers trade data expertise, analysis and training (Trade Knowledge Exchange, 2020).

According to CHATHAMHOUSE.org; the UKTPO engage in seven priority areas:

i. Overall trade strategy, including the internal effects of trade agreements and trade instruments, such as the selection of standards, preferences and services regulation.

ii. Monitoring the treatment of UK exports by others and UK de facto import policy.

iii. Devising policies for UK trade with developing and least developed countries.

iv. Negotiation support.

v. Institutional design.

vi. Enforcement (including trade defence instruments, WTO rights).

vii. Training for negotiating teams, government and other interested parties.

In one of its briefings; the UK Trade Policy Observatory said they attempted to investigate the inflow of FDIs since the UK decided in favour of Brexit. Their inquiry suggested that since the decision in favour of Brexit, FDI inflow from several organisations that habitually put resources into the UK economy decreased.

Post Brexit, the East Midlands, and many other regions in the UK saw a decline in inward FDI. Wales, the North East and the East of England saw the most significant decrease, with year-on-year FDI reduced by over 30%. The West Midlands and Greater London had the smallest decrease at about 10%. Altogether, normal FDI every reduced by 16%, a figure relative to past estimates while the contrasts between districts are eminent. It is too early to state that Brexit has changed the inflow pattern of FDIs in a factually noteworthy manner(UK Trade Policy Observatory, 2019).

2.4.3 OFFICE OF NATIONAL STATISTICS (ONS)

The office of National Statistics (ONS) far predates Brexit. It is the UK's largest independent producer of official statistics and the recognised national statistical institute in the UK. It is saddled with the responsibility of collecting and publishing statistics related to the economy, population and society at national, regional and local levels. Similarly, it plays a leading role in national and international good practice in the production of official statistics.

The ONS produces a wide range of statistics covering the UK economy, society and other key areas which makes it a good reference for getting up-to-date facts and figures accurately depicting the UK's international trading environment, post Brexit. Some of the key areas covered by ONS include:

i. Crime reduction

ii. UK population and demography, including births and death, and the 2011 Census for England and Wales

iii. Health and lifestyle choices

iv. Environmental issues

v. Societal well-being

vi. Fire and rescue services

Source: UK Data Service

However, ONS serves a major role in monitoring the implications of Brexit on FDIs in the UK. For instance, it measures and reports the estimated value of FDI earnings that foreign investors generate from their investments. Put together, the official statistics on FDI flow and FDI earnings form part of the Balance of Payments, while the FDI stock figures are reflected in the international investment positions (DIT Analytic Report, 2018).

According to the DIT Analytic Report (2018), the UK has the largest inward FDI stock in Europe and ranks among the topmost four for inward FDI stock on the global level.

2.5 BREXIT AND IT'S LIKELY IMPACTS ON EU AND UK ECONOMIES

The United Kingdom joined the European Economic Communities, the predecessor of the European Union in 1973. It was said that they joined the EEC to foster economic cooperation among European nations and nations that traded together would be less likely to go to war with each other. The UK was at the verge of backing out again after two years of joining the European Union. On March 29, 2017 the UK Prime Minister Theresa May submitted the Article 50 of the Lisbon Treaty withdrawal notification to the European Union. Article 50 explains the right of a member state to withdraw from the EU and the procedures member states must follow to manage the withdrawal (Craig, 2010).

2.5.1 HARD OR SOFT BREXIT: TWO POST BREXIT POSSIBILITIES

When talking about the impacts of Brexit on the UK economies, we must speak on "Hard and Soft Brexit" "What is a hard Brexit? A hard Brexit means that the UK would not leave only the EU but also leave the single market and the customs union. In other words, the

UK would be free from the EU's regulations and tariffs. Some voters agree that this is a good deal as the UK would be able to draw up its independent trade agreements. As for the soft Brexit, as its name implies, it's called a soft Brexit because it will still be closely associated with the EU. Hunt and Wheeler, (2016) The UK would have a common external tariff and negotiate trade deals as one with the EU.

This implies that it would not be able to sign its new trade deals with other countries. The UK still uncertain about the impact Brexit would have on the EU and the UK this is because Brexit has not been realised. The arguments of remaining in the EU centres on being part of a wider community and the favourable trading relationships made possible through the EU membership and it argues that if the UK leaves the EU, it will lead to trade barriers between the UK and other EU countries (Dhingra *et al.*, 2016).

2.5.2 BREXIT: IMPACTS AND EFFECTS

Those advocating Brexit frequently remark on how trade would be unaffected, inasmuch as the UK were to remain inside some looser trade course of action with the EU, obviously accepting that inward investment would stay unaltered. For instance, some believe that smaller companies rarely trade with the EU, and therefore would be unaffected by Brexit. Similarly, it is believed that after Brexit, the UK could regain its sovereignty and free itself from restrictions imposed by Brussels and become economically more successful. It is clearly a hugely important source of investment and jobs, especially during times of uncertainty surrounding Brexit. According to Guy Currey, Director Invest North East England, he stated that at this time various sectors are apparently encountering various effects with foreign investors having to face issues with language and culture, international connectivity and access to market, the weak pound and other things all appear to be inebriating for the investors. The UK according to him is the highest recipient for FDI with the USA still by far the biggest source of investment projects. Furthermore, the UK has always been a close partner of the US and can hence; continue to foster their traditional special trading relationship well after Brexit.

Also, those in favour of Brexit argued that Britain was paying an overly exorbitant fee for membership in the E.U. and that general E.U. laws was partial and questioned on the sovereignty of the U.K. parliament.

In a publication titled: “Brexit: Causes and Consequences,” the authors, Alan Riley and Francis Ghiles gave some perspectives on the European causes of the Brexit vote in the 2016 referendum. In the article, they explained that there is growing common European concern, anger and indeed hostility to the European project far beyond shores. They further stated that the concern is deeply anchored not only in the euro and surging economic crises, but also includes a failure of the E.U. to address the downsides of globalisation as well as the failure to develop a common and effective response to the rising migrant flows from E.U. member countries into the U.K.; posing a strain on UK’s employment and economic resources (Alan Riley, 2016).

CIDOB is an acronym for Barcelona Centre for International Affairs, is a Spanish think-tank based in Barcelona and dedicated to researching and sharing the contents different areas of international relations and development studies. The CIDOB report further stated that among all E.U. member countries, the UK as a country remains currency sovereign. As such, it is still capable of borrowing at fine rates on twenty-year terms in its own currency, which allows infrastructure and industrial funding to generate new sources of growth. Furthermore, the City of London is capable of pivoting toward deep regulatory competition against the E.U. and the significant fall in the currency provides the UK with the means to obtain a major competitive advantage in international markets; a plus to the UK economy at large.

Two individuals who played an important role in advocating Brexit are Nigel Farage and Boris Johnson. Nigel Farage is a leader of the far-right UK Independence Party (UKIP). Nigel argued that the migration of large-scale low-wage workers from European Union member states to the UK has caused a decline in wages for native-born Britons. Furthermore, he opined that a continued unchecked immigration to UK could cause greater competition for government services, and possibly expose British women to higher risk of sexual violence.

Similarly, Boris Johnson is the Prime Minister of the United Kingdom and Leader of the Conservative Party since 2019. He was Foreign Secretary from 2016 to 2018 and Mayor of London from 2008 to 2016. A typical case which he wrote in favour of Brexit stated that, "the more the E.U. does, the less room there is for national decision-making. Sometimes, these EU rules sounds simply ludicrous, like the rule that you can't recycle a teabag, or that children under eight cannot blow up balloons, or the limit on power of vacuum cleaners. Sometimes they can be truly infuriating – like the time I discovered, in 2013, that there was nothing we could do to bring in better-designed cab windows for trucks, to stop cyclists being crushed. It had to be done at a European level, and the French were opposed." Such view as this is clearly totalitarian in nature, partial, and unfavourable for Britons. Thus, the Boris Johnson case among others served to advocate the argument that Britain would be better outside the E.U(Lee, 2016).

On the contrary, those against Brexit believe that Britain's influence on financial markets and the reputation of London as the largest financial centre in Europe might be negatively impacted, after Brexit. Van Reenan, (2016) says that the long run economic effects of Brexit may lead to lower trade and foreign investment, and lower average UK incomes. It was said that unfettered access to the EU Single Market is a major reason for an inward FDI to Britain and when there is a lesser access, it will make the investors invest in other countries instead of coming to the UK. The CEO of Siemens, Joe Kaeser, expressed his concerns over the impact of Brexit on businesses in the Britain by saying "Nobody puts money (into) uncertainty. That's not the way it works," in an interview with CNN. Billy Perrigo, (2019)

Opponents of Brexit also raised concerns about the formation of the E.U. in the emergence of the World War II to avert a disastrous war from ever recurring in Europe, debating that the Union had succeeded in bringing about unity and cohesion in a once divided continent.

2.6 FDIS: IMPACTS ON UK'S ECONOMY AND INVESTORS' RESPONSE

Driffield and Karoglou, (2019) Job opportunities created by foreign firms have made inward investment more important to the UK economy causing a reduction in high unemployment. Also, foreign direct investment has made a positive contribution to the UK's economy by supplying capital, technology, and management resources. Inward foreign investment consultant WAVTEQ spoke about the importance of FDI to the UK economy than any G7 economy, with foreign companies in the UK having: 30% of the UK Gross Value Added, half of UK business Research and Development Spending, half of UK manufacturing Investment, one-third of UK manufacturing Employment (Bdaily Business News, 2017).

2.6.1 BREXIT: SUPPOSED NEGATIVE IMPACTS ON THE UK'S FDIS AND ECONOMY

a) <u>Political and Business Commentary, News, Print and Social Media:</u> BBC News, (2019) George Osborne a British politician and newspaper editor who served as Chancellor of the Exchequer under Prime Minister David Cameron stated that "A vote to leave would speak to a prompt and significant stun to our economy. That stun would drive our economy into a downturn and lead to an expansion in joblessness of around 500,000, "Gross domestic product would be 3.6% littler, normal genuine wages would be lower, swelling higher, authentic more vulnerable, house costs would be hit and open obtaining would rise contrasted with a vote with remain." He was expecting Article 50, the procedure by which the UK leaves, would be activated following the vote; in the occasion, it was nine months after the fact. Be that as it may, the admonition stands.

b) <u>Economic Think-tanks:</u> Barrell *et al.*, (2017) checks a gravity model of FDI between 34 OECD nations and find that Brexit would almost certainly prompt a fall in FDI to the United Kingdom by over a fifth. Also Dhingra *et al.*, (2016) said that a drop in Foreign Direct Investment will lead to a reduction in Gross Domestic Product by about 3.4%. According to Booth *et al.*, (2015), assumptions have been made about the threats and opportunities facing the UK leaving the EU.

c) Government and European Union Reports: A 2004 National Institute for Economic and Social Research (NIESR) study found that UK GDP would reduce by 2.25% for all time after withdrawal, specifically because of the reduction of Foreign Direct Investment (FDI) causing reduction in technical progress.

2.6.2 BREXIT: SUPPOSED POSITIVE IMPACTS ON THE UK'S FDIS AND ECONOMY

However, deciding the connection between inward FDI and EU participation is almost difficult as choices to contribute are spurred by any number of components, including the honesty of the UK legitimate framework, the accessibility of specific aptitudes and administrations and the status of the English language. Then again, the study that sees the advantage to withdrawal have tended towards a static methodology, figuring the different effects – financial, administrative, trade related – and adding them to create a general expense. To the extent these studies look forward, they assume further integration will increase these costs.

a) Political and Business Commentary, News, Print and Social Media: From a general FDI point of view, the UK being outside the EU may propose scope for the government to help reduce their taxes in other to make it attractive for the investors who would like to trade in the UK (The Economist, 2019).

b) Economic Think-tanks: Aichele and Felbermayr, (2017) mentioned that withdrawal followed by a pro-growth, reform agenda would however be better than staying in an unreformed EU, with withdrawal followed by a poor post-exit relationship, coupled with internal protectionism, the worst option. However, the EU has always been much more than a trading bloc. (Dr. Ulrich Schoof *et al.*, 2015) also cites that there are important political costs and benefits of EU membership – although these are also impossible to quantify: the balance between sovereignty and independent action on the one hand and the value of influence within and as part of a major bloc on the other. It is however clear that withdrawal could have different impacts on certain sectors of the UK economy, depending on the terms of withdrawal and the policies implemented by any UK Government post-withdrawal.

c) Government and European Union Reports: Recent exceptions include the winner of the Institute for Economic Affairs (IEA) ‘Brexit prize’, A blueprint for Britain: openness not isolation, which estimated the long-term economic impact of withdrawal to be between -2.6% and +1.1% of GDP, with a best estimate of +0.1%. In addition, the Mayor of London’s report, The Europe report: a win-win situation, which tested how London’s economy would be affected by four different scenarios based on the UK’s relationship with Europe over 20 years, found that London would be best off with the UK remaining in a reformed EU.

2.6.3 POST BREXIT: FUTURE EXPECTATIONS AND CURRENT REALITIES

Detailed review of literature makes it clear that, there are various impacts of Brexit on the UK’s economy, particularly on its Foreign Direct Investments. This has raised many concerns including challenges; fear and many uncertainties surrounding the UK’s economy post Brexit. However, it is noteworthy that the UK’s economy is not spiralling down already, and the rate of unemployment is at a peak minimum. However, the expectation of the UK for leaving the EU seems to be a long way from being attained, given the prevailing realities.

Research shows that Brexit which means British exit from the EU would impact directly on international trade if new rules and tariff regime emerges, national economic performance and labour relations, to mention a few. Brexit also created a scenario of uncertainties as far as Foreign Direct Investments and Investors are concerned Jafari and Britz (2020). The uncertainties (a mix of perceived and actual FDI impacts) created by Brexit necessitated capital flight from the UK, as some companies have already left. These evident uncertainties formed the fulcrum of the critical analysis of data in chapter four which provided the basis for the inferences and postulations presented in the concluding chapter of this research endeavour.

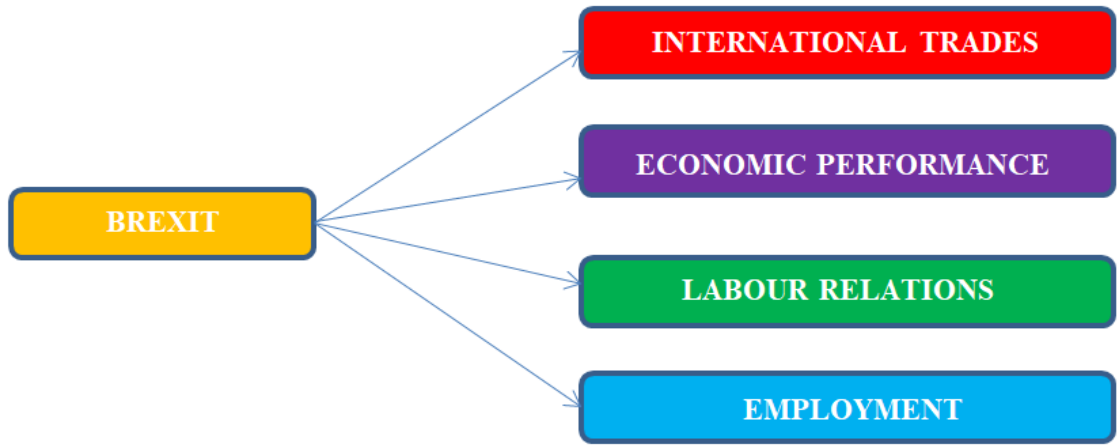

Figure 1: Research – Based Impact Areas of Brexit in the UK

2.6.4 FOREIGN DIRECT INVESTORS' RESPONSE TO BREXIT: SCALING THE HYDRA-HURDLES

Review of literature reveals that since the 2016 referendum which led to Brexit in January 2020, many FDIs had begun to initiate plans to leave the UK amidst diverse fears and uncertainties, plunging the UK economy, post Brexit. Thus, it becomes a great challenge: first, to reassess the perceived impacts that Britain's departure from the EU has on FDIs in the UK as was done in previous literature review sections. Secondly, to determine the actual impacts of Brexit on FDIs' income: share capital and reserves; patronage and partnerships necessitating the desire or urgency of FDI's departure from the UK – the main purpose of the research. And conclusively, to establish evidence based projections by finding a connecting link between the actual and perceived impacts as a way of managing Brexit thus mitigating FDIs impacts and salvaging the UK economy.

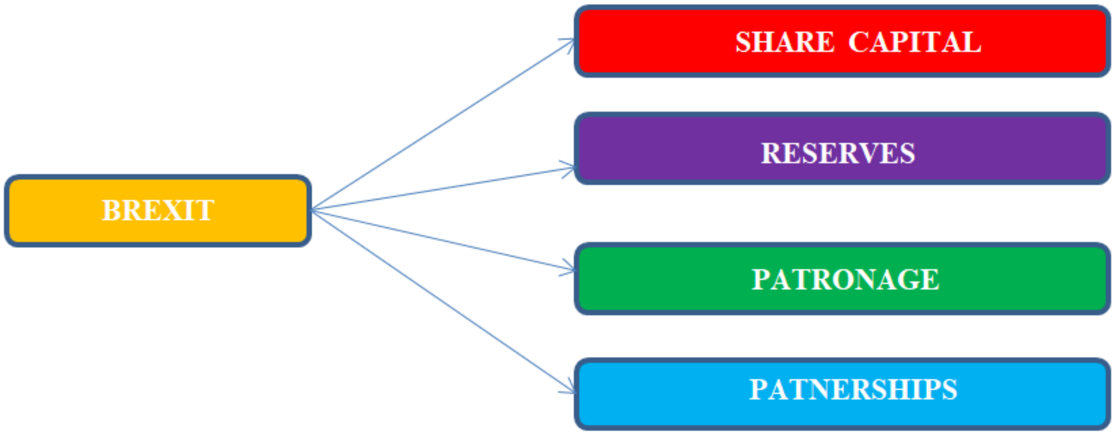

Figure 2: Research – Based Impact Areas of Brexit on Foreign Direct Investors

Achieving the foregoing requires a critical approach beyond mere speculations or forecasting. There is a need to clearly establish both the short and long term implications of Brexit on FDIs in the UK, through an appraisal and thematic analysis of a good number of Foreign Direct Investors in the UK, with emphasis on FDIs that have left, and/or planning to exit the UK post Brexit.

Brexit might indeed cause lots of uncertainties for FDIs with dire consequences on the UK economy. However, if well managed, the threats and challenges posed by Brexit could be turned into opportunities stake for FDIs which in turn, will positively impact the UK's economy, both directly and indirectly. Furthermore, The EU was the wellspring of around 46% of the load of FDI in the UK in 2013. This reliance has begun to fall to some degree lately, with the EU share down from 53% in 2009. The UK has numerous focal points that would be unaffected by Brexit, for example, language, considerable regulations and profound capital markets. All things being equal, the UK may battle to draw in as much new venture following Brexit (Hossain, 2019).

2.7 CONCEPTUAL FRAMEWORK

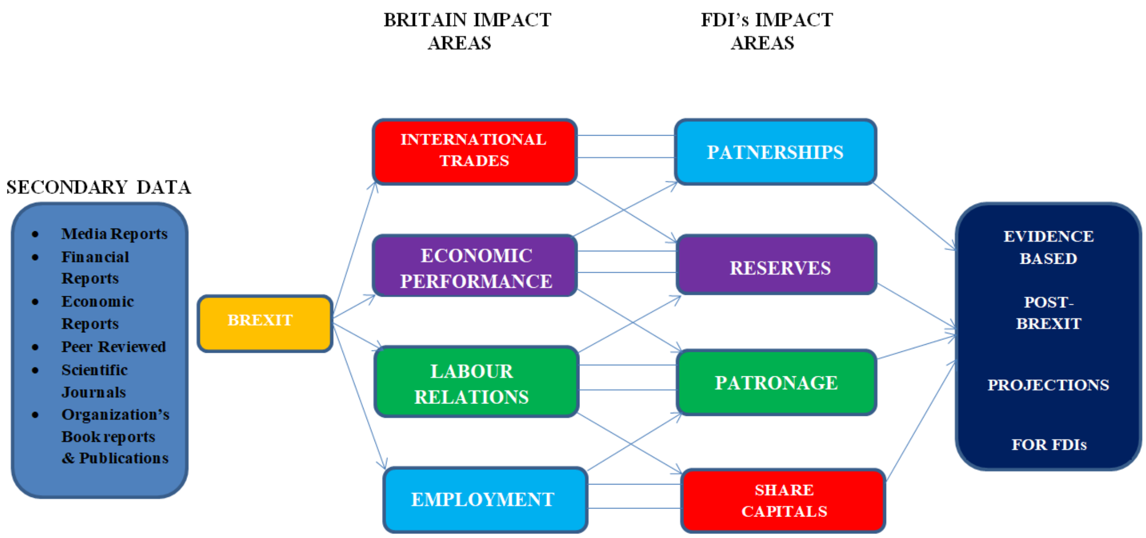

Figure 3: Conceptual Framework Created by the Researcher

The framework describes the researcher's approach to answering the research questions. Since the 2016 referendum on Brexit, there have been a lot of uncertainties in the air as a result of both perceived and actual impacts on the UK. Meanwhile, existing literatures have been able to establish the likely impact areas of Brexit in Britain to include: International Trade, Employment, National Economic Performance and Labour Relations among others. Similarly, literature established the impact areas of Brexit on FDIs in the UK as FDIs' Share Capitals, Reserves, Patronage, and Partnerships etc. However, there are yet to be adequate knowledge describing how the identified impact areas are inter-related and/or correlated – a knowledge that is highly useful in accurately examining the ripple effects of Brexit's realisation on FDIs in the UK. It is clear from literature that FDIs contributed positively to the UK's economy in the past. For instance, FDIs have help in the supply of capital, technology, and management resources. However, what is not clear yet, is the impact that Brexit will have on FDIs in the UK, as well as the ripple effects that it will have on the UK's economy itself.

This conceptual framework seeks to build on currently known relationships among all the variables involved in Brexit, to further establish a linkage/connection where gaps exist among the variables. As shown in the conceptual framework diagram, there is only one independent variable – Brexit. The secondary data itemizes sources explaining events and discourses surrounding several causative factors that led to Brexit, significantly the 2016 referendum. There are eight dependent variables being the eight impact areas majorly affected by the Brexit happenstance. The lines explain the correlation among individual impact areas in Britain and FDIs respectively. The arrow pointed explains the interwoven relationship that exists among each and every impact area, depicting the ripple effects implications that Brexit has on the UK and subsequently on FDIs in the UK. A proper understanding of these dependencies, and interrelations and correlations that exists among them will then precipitate into what the researcher describes as "Evidence Based Post-Brexit Projections for FDIs."

2.8 CONCLUSION

Brexit remains a topic of concern for the UK citizens, existing and intending investors in the UK. However, it is unbiased that Brexit will affect the UK's economy, though it has also been seen that it could present many opportunities that will make the UK thrive in the post Brexit era, if well managed by the government (PricewaterhouseCoopers, 2016). This chapter presented a detailed review of relevant literature materials, beginning with a critical look into a brief background of Brexit. The review of relevant academic and economic reports by different authors provided the socio-legal, political and economic framework for a research work of this nature. The researcher examines the origin of the European Union (EU), the formation of the United Kingdom Independence Party (UKIP), and issues surrounding EU regulations; all culminating to Brexit. Furthermore, the chapter investigates multifarious opinions about Foreign Direct Investments (FDIs), and indices for measuring FDI's impacts in the UK. It contains a review of the UK Trade Policy Observatory, inflow patterns of FDIs in the UK as well as annual FDI projects in the UK. Subsequently, it discusses the UK's interest in the EU Market, leading to a literature-based assessment of the likely impacts of Brexit on the EU and UK economies. Lastly, a conceptual framework which serves to fill literature gap by answering the research questions was established.

3.0 METHODOLOGY AND RESEARCH DESIGN

3.1 OVERVIEW

This chapter clearly explains the various tools and techniques used in the course of this research by the researcher. It describes in detail, the research philosophy, approach strategy, choices and time horizons of this research as illustrated in this research work. The author revisited the subject of research paradigms and focused on the aspects which were considered to have more usefulness for the purpose of this research. There is a critical explanation revealing why the author chose the methods, designs, research philosophy and the approach used in getting the research work done.

3.2 RESEARCH PHILOSOPHY

Why is research philosophy a necessity? A Research philosophy is needed to define the author's perspectives concerning the research work. It sets out the beliefs governing how data about a phenomenon should be collected, analysed and used. It could also mean a perception of reality and how knowledge is acquired. This, of course affected the conduct of the research and type of information gathered. Research philosophy has some classifications which are ontology, epistemology and axiology. They often help authors to know the exact approach to be used for their research work and why any of those approaches has been chosen Saunders *et al.*, (2019). The different types of research philosophies are explained below:

i. Ontology: This deals with the nature of reality. It says more about what exists and asks questions that pertain to beings or existence. Smith, (2012) Ontology has two major categories which are the objectivism and subjectivism.

   a) Objectivism elucidates that parties' intentions are proven from their words and this brings a form of certainty because parties do not have to contend with subjective intentions. Subjectivism talks about the intentions of the parties, that is, people who interpret the behaviours of other people in another way. It is a philosophy that emphasises on individualism Manus *et al.*, (2017). Objectivism has a more factual approach unlike subjectivism.

   b) Subjectivism works on the presumption of individualism. It emphasises the role of knowing subject which means that different interpreters can interpret the conduct of the other party in different ways. The subjective theory of interpretation is based on the actual intentions of the parties (Holden and Lynch, 2004).

Concerning morals in contrast, objectivism holds that moral solutions don't reduce to only proclamations of private or social kindness and it's a means of associating knowledge with reality to determine its validity. M.S, (2013) Additionally, subjectivism is a theory of knowledge and how it is achieved. It helps with the decision of how one investigates, to detailing speculations, to choosing philosophies, and deciphering information. Also, researchers are urged to think about the qualities and destinations they explore and how these influence the research effort. It holds therefore that getting information about the world is done through a reflection or self-examination(Ratner, 2002).

ii. Epistemology: This explains the revelation of how we think. A study of how to know reality, claim knowledge, the acquisition and interpretation of it. On the other hand, epistemology can be marked as the investigation of the criteria by which the author groups what does and does not comprise the knowledge. In other words, epistemology centres on what is believed to be valid. Gringeri *et al.*, (2013) Epistemology is crucial to knowing how and why we think, as it were, how we gain information, how we depend upon our senses, and how we create ideas in our brains. It is also vital for the improvement of sound reasoning and thinking, which is the reason such a lot of philosophical writing can include surreptitious conversations about the idea of knowledge(M. A. and B. A., 2020)

iii. Axiology: Explains what the researcher values in his research work especially in the area of data collection or data analysis procedure. It is a theory of value that stresses the heterogeneity of values. It's a way of knowing something good and the quality. It refers to very much established norms of good and bad that endorse what people should do, for the most part regarding rights, commitments, advantages to society, reasonableness, or explicit temperance's (Bennington, Dax R., 2018)

For this research work however, epistemology was the philosophy adopted on the basis that its sole focus is on what is believed to be valid, that is: reliable and valid tools, and suggests the existence of facts. It makes the researcher discuss 'truth claims' he or she was able to bring out of reality while undertaking the research. Brexit realisation is a topic that has become a reality and its consequences on the foreign direct investments in the UK was explored to give a reasonable solution to both local and international investors in the UK.

3.3 RESEARCH APPROACH

Azungah Theophilus, (2018) ascertains that there are two major research approaches which are Inductive and Deductive research. In research, these two approaches are quantitative (deductive) and qualitative (inductive). It is concerned with deducing conclusions from propositions. A deductive approach always begins with a theory in the form of a hypothesis which is tested to determine the validity of an observation. An inductive approach on the other hand, begins with a specific observation, detects patterns and regularities, formulates tentative hypotheses that is can be explored and finally ends up developing theory. Daniel Miessler, (2018) depicts both approaches (see figure 2)

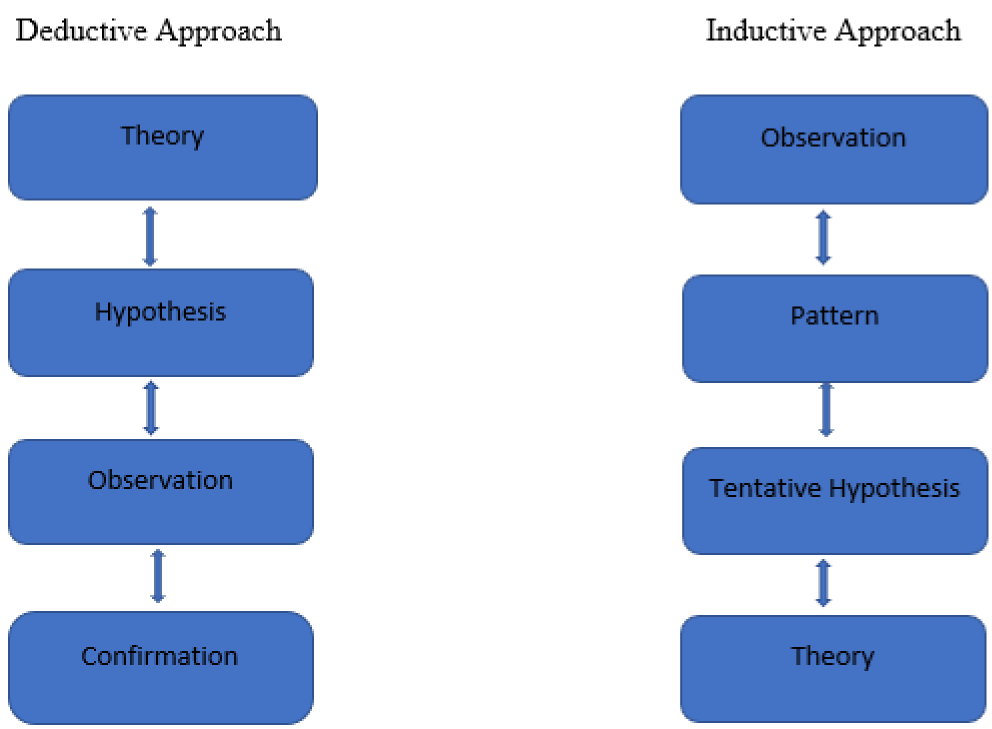

Figure 4: Deductive and Inductive Approach

(Daniel Miessler, 2018)

3.4 RESEARCH STRATEGY

There are seven types of research strategies which are experiment, case study, survey, grounded theory, action research, ethnography and archival research as explained by Saunders, Lewis and Thornhill (2015). They are listed and explained briefly below;

i. Experiment: This form of research strategy is applied when a researcher writes a test to measure his reasoning abilities, through conversations, papers or on computers. Saunders et al., (2013) It might include any social activity or different form of tests or even completing a questionnaire.

ii. Case Study: Zainal, (2007) points out that the essence of a case study is to provide a researcher the opportunity of intently examining data in context. By and large, it chooses a small area or an extremely limited number of people as the subject of study. In their actual quintessence, investigate and examine contemporary real-life phenomenon through detailed analysis of a limited number of events.

iii. Survey: This is another form of research strategy that asks respondents for information via a questionnaire. As a researcher, the surveys you use are usually the ones sent to respondents. Data collected are statistically analysed, to draw up meaningful conclusions. Other survey research includes face to face survey research, phone survey and online survey research.

iv. Grounded Theory: This is a method of inquiry for collecting and analysing data. It is used both for a qualitative research aimed towards theory development. A decision of how to select cases for your research must be made. The categories that are developed will point to new cases to be chosen for further data collecting during the data analysis. Grounded theory involves several iterations.

v. Action Research: In this type of research strategy, everyone gets to be involved in the research work, that is, both the researcher and the participants. Data is collated according to the questions asked and the results are given back directly to improve the problem that brought about the research. Research action can also mean a form of learning in a place of work. It is a way of learning on your job from the knowledge you have acquired while working.

vi. Ethnography: This is a type of qualitative study whereby researchers observe and directly interact with their participants physically in a place. It helps to investigate and get a solution to complicated issues. The reason for ethnography is to get reliable insights into people's views through the collection of observations and interviews for a far better solution(Scott Reeves and Jennifer Peller, 2013).

vii. Archival Research: The purpose of this research is to find out about data or materials that reside in a database or historical archives. It gives a researcher access to documents that are otherwise inaccessible to individuals. For example, there are some archival data that the fire departments keep, such as record of spills, accidents, which might not be easily accessible. However, an archive researcher can get that from their experience.

Thus, the most suitable research strategy for this research is the grounded theory. As its name implies, the researcher will construct a grounded data. The attention is on making new information through a cyclic procedure. A researcher who uses this theory is not biased. He infers the exploration issue generally from the setting itself, and the information helps in creating more theories.

3.4.1 RESEARCH CHOICES

The nature of a research dictates the choice of the researcher in carrying out the research. Usually, there are various research instruments one can use in order to collate data and these are typically associated with the research approach. Qualitative research is used in understanding concepts, thoughts and experiences especially on topics that are usually broad or not well understood. It is also a method of inquiry that develops understanding of human and social sciences to know people's thoughts and minds. Interviews are the most common form used in a qualitative research study and there are two methods of inquiry which are open or closed questions. Quantitative research is used to measure variables and verify theories that exist. Data collated or gathered in quantitative research is used to generate new hypotheses. Questionnaires are the best and easiest form of gathering data from respondents.

For this thesis, the most suitable research study adopted is the qualitative method principally because it was considered an effective means and a smart way of gathering data. This method is good for addressing sensitive issues and for documenting without errors. It is an instrument good for data comparison and it is usually easy for analysis and nearly error-free.

3.4.2 TIME HORIZON

This requires a time when this research work should be completed. Within the well-known research onions Saunders *et al.*, (2007), there are two types of time horizon well identified which are cross-sectional time horizon and longitudinal time horizon. Cross sectional time horizon is done when data is collected to study a situation at a time and the researcher gives an accurate record of what he sees without any form of manipulation.

Longitudinal time horizon- goes beyond a small-time frame. It could take years and as a result can be expensive.

For this thesis, the best time horizon adopted is the cross sectional and this is because the time limit that was given for this work to be done was a four-month period which does not suit longitudinal time horizon.

3.4.3 TECHNIQUES FOR DATA COLLECTION

The most important types of data gathering are primary and secondary data. Primary data or raw data give a first-hand or actual information retrieved directly from the source. They are called raw data because they have not been subjected to any statistical/analytical treatment.

Secondary data is data that gone through processing or analysis by another researcher. Before secondary data is collected, the researcher must check their reliability, suitability and adequacy. Secondary data inquiries are cost effective and convenient tools for researchers to use to get their questions answered on a large scale Kabir, (2016). For this study, the most suitable research data is the use of qualitative secondary data that was collected by someone else. Secondary analysis of quantitative data provides an opportunity to maximise data utility, particularly with difficult to reach patient populations. It is an instrument used for data comparison and it is usually easy for analysis and nearly error free. It requires careful consideration and explicit description to best understand contextualise and evaluate the research results. The data sources were published in books, typescripts, magazines, academic and professional journals.

For the purpose of this research work, and also because of the lockdown created by the recent Covid-19 pandemic ravaging the world which has caused nearly all companies, organisations, and even the nations on the globe to shut down, this research endeavour basically employed secondary data sources for analysis and to draw its conclusions.

3.4.4 DATA SOURCES, COLLECTION, AND ETHICAL CONCERNS

The intent of this research work was to use primary data. In fact, an online questionnaire had already been developed and set for circulation before the global outbreak of COVID-19 pandemic. However, given the prevailing global health condition, a flexible research approach was thought which is relying on secondary data, books, articles in journals and magazines and related publications, for analysis and theoretic postulations.

Ethics are written and unwritten rules which refer to the suitability of your conduct comparable to the rights of the individuals who become the subject of your work or are influenced by it. Research ethics explains a set of standards of how a researcher can carefully conduct a research. When carrying out a research, the researcher seeks access to organisations, research institutions and even individuals in other to ensure a high ethical standard while collating, analysing and interpreting the data and this in turn expands their knowledge(Chapman, 2018).

Getting access to the population and sample of this research work might be quite challenging because of the COVID-19 outbreak. However, documented secondary data were used in getting the necessary data needed for this research work and due acknowledgements were given to authors whose works were used.

3.5 DATA ANALYSIS APPROACH

Data analysis is a way of generating raw data for insights that are core to the research work aims at taking decisions based on the analysis. Evaluation of data is one important thing that needs to be done to carefully examine every unit of data gathered. Once data are gathered from different sources, they are then reviewed and analysed to arrive at some conclusions (Chapman, 2018).

For this research work, the researcher made use of documented secondary data only. This was due to the critical limitation of getting respondents to fill the designed questionnaire.

3.5.1 DOCUMENTARY RESEARCH AND ANALYSIS

Documentary analysis is a form of qualitative analysis that requires researchers to locate, interpret, analyse and draw conclusions about the evidence presented. Documentary research is a form of interpretative research that requires researchers to collect, collate and analyse empirical data in order to produce a theoretical account that either describes, interprets or explains what has occurred. If documentary research is the main research approach, researchers must engage in systematic activities to ensure the reliability of their evidence and conclusions. This will involve the following 10 stages:

1. Identify the research problem or issue.
2. Devise a list of possible aims and research questions.
3. Identify the relevant theoretical and methodological frameworks.
4. Develop a list of key words or themes from the literature.
5. Locate physical (library, archives) and electronic documents.
6. Classify documents.

7. Collect and collate data.
8. Identify emerging themes from the data.
9. Interpret evidence and link with research questions and literature themes.
10. Structure and write a report.(Briggs *et al.*, 2012)

3.5.2 THEMATIC ANALYSIS

Smith, (2015) defines Thematic Analysis as a method of analysing qualitative data. It is usually applied to a set of texts, such as interview transcripts. The researcher closely examines the data to identify common themes – topics, ideas and patterns of meaning that come up repeatedly. There are various approaches to conducting thematic analysis, but the most common form follows a six-step process:

1. Familiarization
2. Coding
3. Generating themes
4. Reviewing themes
5. Defining and naming themes
6. Writing up

3.5.3 CHOICE OF RESEARCH APPROACH

From sections 3.3 and 3.4, the nature and the sources of the research data collected for the purpose of the research work being Qualitative Data and Secondary Data respectively, have been clearly established. Furthermore, 3.5.1 and 3.5.2 presents two different approaches to analysing qualitative secondary data. By considering the nature of the data collected for this research work, being sourced from national statistics and data repositories, news inventories, foreign direct investors, the use of thematic analysis will be much more suitable. Thematic analysis is a best fit for this research work considering that it gives room for flexibility in data interpretation, and allows the researcher to analyse large sets of data (useful in analysing the large numbers of FDIs in the UK) by grouping them into broad themes However, it must be noted that thematic analysis is often subjective and relies on the researcher's reasoning and sense of judgement. To as much objective analysis as possible, the research ensured to carefully reflect on the chosen choices and interpretations.

Having adopted thematic analysis as the research methodology, it is quite helpful to point out that the approach is further subdivided into two, as similarly noted in section 3.3 Research Approach.

1. Deductive Approach: this involves approaching the data sets with some preconceived notions or themes that the researcher expects to find reflected there, based either on established theory or existing knowledge.

2. Inductive Approach: this involves approaching the data sets without any preconceived themes or notions and allowing the data to determine the researcher's themes.

In the case of this research work, the research will adopt an inductive approach because it's a more suitable approach considering that the fact that the conceptual framework was designed based on what the researcher would find from the data sets collected. In other words, the researcher assumes no preconceived notion about the effects or impacts of Brexit on FDIs in the UK.

3.6 CONCLUSION

Research methodology is the bedrock of every research that explains lucidly what the researcher intends to accomplish, and strategies employed in achieving research objectives. There are different methodologies used in a research such as research philosophy and approach, research strategy, collection of data, access and ethical issues, data analysis, down to the conclusion. Research methodology is a collective term for an organised procedure of conducting research which is aimed at informing the readers why a research study has been undertaken, how the research problem has been defined, in what way and why the hypotheses have been formulated, what data have been collected and what technique of analysing data has been used and a host of other questions are usually answered when we talk of research methodology. This chapter presented an overview of the various research paradigms, narrowing further on qualitative research. Furthermore, it highlighted Thematic Analysis as the choice research approach and succinctly justifies the reason behind the choice of data. It further gave a six-step approach to undertaking thematic analysis and closed by stating the inductive thematic analysis approach as the preferred choice of analysis following the conceptual framework defined in Chapter Two of the report.

4.0 PRESENTATION AND DISCUSSION OF FINDINGS

4.1 OVERVIEW

This chapter aims to present an analysis of the research data that forms the basis for the assessment of the influence of Brexit on Britain's FDIs. The analysis also explains why some companies abroad have reduced their investments in the UK since the referendum.

First, a thematic analysis of the research data – mainly the FDI comments is provided. This is supported with a review of graphical representations from different sources, thus achieving a highly comprehensive analysis.

A total of 17 companies' commentaries on Brexit were analysed. Though the number seems a fraction of the FDIs present in the UK, it is a sizable cross industry representative sample in the UK, including; Retail, Telecommunication, Banking and Financial Services, Automotive, Conglomerate, Management Consulting, Professional Services, Heavy Equipment, Insurance, and Airline.

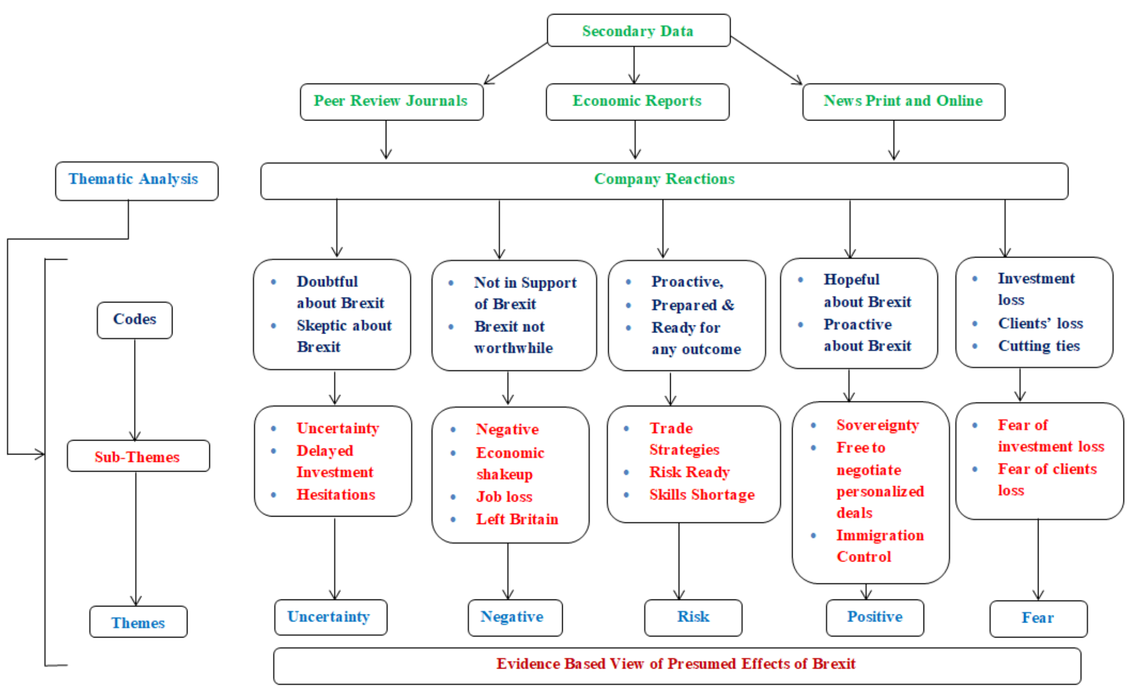

Figure 5: Research Data Analysis Overview

4.2 COLLATION OF RESEARCH DATA

The research data was mainly secondary data sourced from library archives, academic papers, prints and digital media accessed via the internet. An overview of the secondary data with the respective sources is first presented. The sources include authority news websites, economists, and reputable academics. Thereafter, a summary of the data is presented in tabulated forms. The first table comprises the name of company/foreign direct investors, the industry or sector of business operation, and the investors' reactions to Brexit. The second table comprises an additional column where the coding was presented. Similarly, a third table comprising of the emergent themes is presented. Lastly was the fourth table comprising of two-colour highlights of the reviewed themes.

4.2.1 RESEARCH DATA SOURCES

BBC News, (2016) iterated that Vodafone threatened to leave the UK if the leave vote did not favour its company. Vodafone explains how it has benefitted from the EU's free movement of people, capital and goods and said it would take the right decisions according to the Brexit outcome. It also sent various emails to different media firms that the EU's membership allowed Vodafone to thrive.

The UK is at risk of losing a telecoms giant company to Brexit and this might make some other companies reconsider not investing in the UK.

Lewin, (2016) said that Capita, a top UK business process outsourcing firm, expressed its concern at a prolonged period of subdued organic sales and a degree of underlying returns pressure.

RAC, (2016) advised that with Jaguar Land Rover, employing highly skilled staff may find recruitment difficult after the UK leaves the EU due to restrictions on the movement of people. And this might in turn, affect their output, hence makes the UK less suitable to continue doing business.

Ralph, (2016) cited that Lloyd’s of London was surprised about the vote to leave the EU and said it would be challenging for them. Staying in the UK has more positives than negatives, but Brexit might make them take their business to another country thereby taking their workers with them.

Thomas, (2016) cited that Virgin group, concerned about the referendum vote, chose to stop a deal of buying a UK company and recruiting 3000workers because of the possible impact that Brexit would have on the UK’s economy.

Felsted, (2014) said that the Chairman of John Lewis said that prices might go up as a result of a vote for Brexit in the UK. This might also make them leave the UK because they would not want to lose the customers they have had over the years.

Bloomberg, (2016) said that Easy Jet might move its operations to the EU owing to the Brexit vote because existing will hinder EasyJet’s access to the EU market. It is evident that Easy Jet is not in support of Brexit and would not want its business to be affected, hence the plan to migrate to another European country.

Writer, (2017) said that Hiscox is considering having a new operation at Luxembourg when Brexit happens. This is just a plan B to ensure its business does not collapse because of Brexit uncertainty.

Jones and Sabbagh, (2019) said that Nissan raised its concern about the impact Brexit may have on its economy and said it might hinder them from having proper plans going forward.

Long, (2016) in his CNN Business news, advised there was a global market panic about the consequences of the UK citizens voting to leave the EU.

Some banks were affected by falling shares prices. Barclays’ shares fell to 20%, Lloyds Bank shares fell to 21%, RBS shares fell to 18% and these banks threatened to leave the UK. Also, the US banks were affected, such banks as Morgan Stanley shares dropped by 10%, Citigroup dropped by 9%, Goldman Sachs dropped by 7%.

Car manufacturing companies like the Ford employing some 14,000 workers in the UK, saw their shares that drop by over 6.5%. Other companies like BorgWarner and Delphi Automotive shares fell by 10%.

Wallace, (2016) Barclays has just rejected its Brexit emergency plans as the circumstance is substantially less extreme than bosses had recently dreaded. The bank, along with the other sector, left the crisis mode despite the large fall in banks' share prices after Brexit vote, arranged for a leave vote in the referendum by accumulating money to supply clients who needed to withdraw money or shifts in other currencies.

BBC News, (2016) interviewed a JCB spokesperson who confirmed that the company had ended its membership of the Confederation for British Industry but did not give reasons why. Sky News had earlier reported that it was due to the group's response to the referendum outcome. JCB's chairman, Lord Bamford, was a prominent supporter of the Brexit campaign. During the campaign he said: "The UK is the world's fifth largest trading nation. We therefore have little to fear from leaving the EU."

He also wrote to his 6,500 UK employees to explain why he favoured a vote to leave the European Union, saying he was "very confident that we can stand on our own two feet". The CBI, on the other hand, warned that a UK exit from the EU would cause a "serious economic shock", potentially costing the country £100bn and nearly one million jobs.

4.2.2 RESEARCH DATA SUMMARY

Table 1: Research Data Summary

COMPANY	**INDUSTRY**	**REACTION**
Vodafone	Telecommunication	Warned that it could move its headquarters out of the UK
Deloitte	Professional services	Affirmed that the single market is less important than the ability of bringing workers with diverse skills to the UK

Capita Plc.	Professional services	Some of the company's potential clients delayed their decision-making process because of Brexit
Jaguar Land Rover	Automotive	The company will introduce new tariffs, becoming less competitive and putting into risk several job positions
Nissan	Automotive	Delayed some investments in its plant in Sunderland because of Brexit
Virgin Group	Conglomerate	Axed a deal that could be worth of 3000 jobs as a direct consequence to Brexit
Siemens	Conglomerate	Put the wind turbine's investment on hold and it needs to re-plan the strategy
John Lewis	Retail	Warned that prices could increase
Tesco	Retail	Found an agreement with Unilever after that the supplier was asking for a rise of 10%
EasyJet	Airline	Applied for an external-UK air operating certificate
Hiscox	Insurance	Considered having a subsidiary in Europe, for example in Malta or Luxembourg
Lloyd's of London Bank	Insurance	Axed plans for 9 billion pounds share placing because of post-Brexit market instability
Visa	Financial services	Considered to cut job positions in the UK, in favor of a relocation on the European continent
Barclays	Banking and financial services	Left the crisis mode despite the large fall in banks' share prices after Brexit vote

HSBC	Banking and financial services	Ruled out moving from its London office, even though it was considered an option initially
Oliver Wyman	Management consulting	Expected that more than 70 million job positions and £10 billion depends on the results of Brexit negotiation
JCB	Heavy equipment	Left the Confederation of British Industry because of its anti-Brexit stance

Sources: Financial Times and BBC

4.3 THEMATIC ANALYSIS OF REACTIONS' COMMENTARY OF FOREIGN DIRECT INVESTORS IN BRITAIN

Here, a six-step thematic analysis procedure is applied.

1. Familiarization

2. Coding

3. Generating themes

4. Reviewing themes

5. Defining and naming themes

6. Writing up (Smith, 2015)

The thematic analysis for this research work follows an inductive approach whereby the Researcher allows the data collected to determine the themes. This helps ensure that the Researcher makes no assumption regarding the implications of Brexit on FDIs in the UK by approaching the data collected with some preconceived themes based either on theory or existing knowledge.

i. Step One: Familiarization

First, the Researcher gets so well acquainted with the research data. This s achieved by critically reading and reviewing each foreign investor's comments or reactions on Brexit, and how it directly or indirectly affects their business operations in the UK.

ii. Step Two: Coding

Here, various sections (usually phrases or sentences) of the foreign direct investors' comments are highlighted; and are represented with shorthand labels or code to interpret their meaning. The codes in turn give a concise summary of the major points and frequent meanings that re-occur all through the data. Also, a latent approach is adopted in interpreting the meaning of the investor's comments as it involves examining the comments critically to understand the underlying ideas and notions in the stated comments.

Table 2: Reactions' Commentary Thematic Analysis

COMPANY	**INDUSTRY**	**REACTION**	**CODES**
Vodafone	Telecommunication	Warned that it could move its headquarters out of the UK	Doubtful about Brexit Not in support of Brexit Cutting ties from the UK
Capita plc	Professional services	Some of the company's potential clients delayed their decision-making process because of Brexit	Skeptic about Brexit Hindrance to Business Deals
Deloitte	Professional services	Affirmed that the single market is less important than the ability of bringing workers with diverse skills to the UK	Brexit not worthwhile Anticipating brain drain

Jaguar Land Rover	Automotive	The company will introduce new tariffs, becoming less competitive and putting into risk several job positions	Proactive about Brexit Prepared for any outcome Ready to lose to competitors and some work-force
Nissan	Automotive	Delayed some investments in its plant in Sunderland because of Brexit	Doubtful about Brexit Fear of investment loss Proactive about Brexit
Lloyd's of London Bank	Insurance	Axed plans for 9 billion pounds share placing because of post-Brexit market instability	Doubtful about Brexit Fear of investment loss Proactive about Brexit
Hiscox	Insurance	Considered having a subsidiary in Europe, for example in Malta or Luxembourg	Doubtful about Brexit Proactive about Brexit Cutting ties from the UK
Virgin Group	Conglomerate	Axed a deal that could be worth of 3000 jobs as a direct consequence to Brexit	Doubtful about Brexit Fear of investment loss Proactive about Brexit
Siemens	Conglomerate	Put the wind turbine's investment on hold and it needs to re-plan the strategy	Doubtful about Brexit Fear of investment loss Proactive about Brexit

John Lewis	Retail	Warned that prices could increase	Doubtful about Brexit Not in support of Brexit
Tesco	Retail	Found an agreement with Unilever after that the supplier was asking for a rise of 10%	Hopeful about Brexit Proactive about Brexit.
EasyJet	Airline	Applied for an external-UK air operating certificate	Doubtful about Brexit Proactive about Brexit
Oliver Wyman	Management consulting	Expected that more than 70 million job positions and £10 billion depends on the results of Brexit negotiation	Brexit will have great consequences Anticipating economic shake-up
Visa	Financial services	Considered to cut job positions in the UK, in favor of a relocation on the European continent	Doubtful about Brexit Proactive about Brexit Cutting ties from the UK
Barclays	Banking and financial services	Left the crisis mode despite the large fall in banks' share prices after Brexit vote	Doubtful about Brexit Proactive about Brexit
HSBC	Banking and financial services	Ruled out moving from its London office, even	Hopeful about Brexit

		though it was considered an option initially	Prepared for any outcome
JCB	Heavy equipment	Left the Confederation of British Industry because of its anti-Brexit stance	Hopeful about Brexit Cutting ties from the EU

iii. Step Three: Generating Themes

The relevant keywords and themes are generated from the Research literature after the researcher has been well familiarized with the research subject matter. The list of themes generated includes:

<u>Turning Codes into Themes</u>

Table 3: Turning Research Data Codes into Themes

COMPANY	**INDUSTRY**	**CODES**	**THEMES**
Vodafone	Telecommunication	• Doubtful about Brexit • Not in support of Brexit • Cutting ties from the UK	Uncertainty Negative
Capita Plc.	Professional services	• Skeptic about Brexit	Uncertainty
Deloitte	Professional services	• Brexit not worthwhile • Anticipating brain drain from the UK	Negative
Jaguar Land Rover	Automotive	• Proactive about Brexit	Risk Ready

		• Prepared for any outcome • Ready to lose to competitors and some work-force	
Nissan	Automotive	• Doubtful about Brexit • Fear of investment loss • Proactive about Brexit	Uncertainty Fear
Lloyd's of London Bank	Insurance	• Doubtful about Brexit • Fear of investment loss • Proactive about Brexit	Uncertainty Fear
Virgin Group	Conglomerate	• Doubtful about Brexit • Fear of investment loss • Proactive about Brexit	Uncertainty Fear
Siemens	Conglomerate	• Doubtful about Brexit • Fear of investment loss • Proactive about Brexit	Uncertainty Fear
John Lewis	Retail	• Doubtful about Brexit • Not in support of Brexit	Uncertainty Negative
Tesco	Retail	• Hopeful about Brexit • Proactive about Brexit	Risk Ready

EasyJet	Airline	• Doubtful about Brexit • Proactive about Brexit	Uncertainty
Hiscox	Insurance	• Doubtful about Brexit • Proactive about Brexit • Cutting ties from the UK	Uncertainty Fear Negative
Oliver Wyman	Management consulting	• Brexit will have great consequences • Anticipating economic shake-up	Negative
Visa	Financial services	• Doubtful about Brexit • Proactive about Brexit • Cutting ties from the UK	Uncertainty Fear
Barclays	Banking and financial services	• Doubtful about Brexit • Proactive about Brexit	Uncertainty
HSBC	Banking and financial services	• Hopeful about Brexit • Prepared for any outcome	Positive Risk Ready
JCB	Heavy equipment	• Doubtful about Brexit • Cutting ties from the EU	Hopeful Positive

iv. Step Four: Reviewing Themes

At this stage, the themes identified from the represented codes are reviewed in order to ensure that the themes accurately depict the data. To achieve this, a direct comparison is made between the actual data – being the "reaction" text extracts from the foreign direct investors' comments. The objective of this stage is:

i. To ensure that nothing is being missed,

ii. The chosen themes are truly present in the data, and

iii. To know what can be modified to make the themes work better.

The themes highlighted in yellow indicates that they were correctly coded and reasonably convey the message intended in the FDI's reaction comments highlighted in light grey.

Where some missing idea is observed in the FDI's reaction comments, new themes highlighted in green are added to obtain a comprehensive representative thematic analysis.

Table 4: Final Themes from Reaction Commentaries (Thematic Analysis)

COMPANY	INDUSTRY	REACTION	THEMES
Vodafone	Telecommunication	Warned that it could move its headquarters out of the UK	Uncertainty Negative
Capita plc	Professional services	Some of the company's potential clients delayed their decision-making process because of Brexit	Uncertainty Fear
Deloitte	Professional services	Affirmed that the single market is less important than the ability of bringing workers with diverse skills to the UK	Negative

Jaguar Land Rover	Automotive	The company will introduce new tariffs, becoming less competitive and putting into risk several job positions	Risk Ready
Nissan	Automotive	Delayed some investments in its plant in Sunderland because of Brexit	Uncertainty Fear
Lloyd's of London Bank	Insurance	Axed plans for 9 billion pounds share placing because of post-Brexit market instability	Uncertainty Fear
Hiscox	Insurance	Considered having a subsidiary in Europe, for example in Malta or Luxembourg	Uncertainty Fear Negative
Virgin Group	Conglomerate	Axed a deal that could be worth of 3000 jobs as a direct consequence to Brexit	Uncertainty Fear
Siemens	Conglomerate	Put the wind turbine's investment on hold and it needs to replan the strategy	Uncertainty Fear
John Lewis	Retail	Warned that prices could increase	Uncertainty Negative

Tesco	Retail	Found an agreement with Unilever after that the supplier was asking for a rise of 10%	Risk Ready
EasyJet	Airline	Applied for an external-UK air operating certificate	Uncertainty Fear
Oliver Wyman	Management consulting	Expected that more than 70 million job positions and £10 billion depends on the results of Brexit negotiation	Negative
Visa	Financial services	Considered to cut job positions in the UK, in favour of a relocation on the European continent	Uncertainty Fear
Barclays	Banking and financial services	Left the crisis mode despite the large fall in banks' share prices after Brexit vote	Uncertainty
HSBC	Banking and financial services	Ruled out moving from its London office, even though it was considered an option initially	Positive Risk Ready
JCB	Heavy equipment	Left the Confederation of British Industry because of its anti-Brexit stance	Hopeful Positive Risk Ready

v. Step Five: Defining and Naming Themes:

After the final list of themes has been completed in the previous section, each theme is further named and defined. Defining themes implies a precise formulation of the meaning of each theme as well as outlining how it enhances understanding of the data. Similarly, naming themes implies coming up with concise and easy-to-understand name for each theme.

A total of five themes were derived from the analysis of the data, namely: uncertainty, fear, risk ready, negative, and positive. Explanations of the themes are then given:

Table 5: Thematic Analysis Representative Themes Explanation

S/N	THEMES	EXPLANATION
01	Uncertainty	This theme is common to the majority of the FDI's whose comments on Brexit were analyzed. It is representative of reactions connoting **doubts** about the feasibility of continuing business in the UK as a result of supposed impacts of Brexit on their business operations in the UK.
02	Fear	**Hesitations**, **axed deals**, **delays in investment**, and **relocation of company headquarters to outside the UK** are some of the reactions of some FDIs to Brexit. These reactions could imply that these FDIs are afraid of continuing business in the UK post Brexit.
03	Risk Ready	Certain FDIs reacted by modifying taking proactive actions such as **modifying business strategies**, and thus prepare to bear the brunt from Brexit, as well as maximize all opportunities. Such FDIs **continue**

		trading and business deals in the UK amidst the uncertainties and risk surrounding Brexit.
04	Negative	Many of the FDIs believe strongly that Brexit poses unfair and unhealthy threats to their business operation in the UK. and consequence on the UK and its FDIs
05	Positive	Hopeful about Brexit. These FDIs had a positive disposition towards Brexit, with a belief that they are well able to mitigate the impacts on their business operations, turning them to profit.

vi. Step Six: The Writing Up is presented in the sections 4.5 and 4.6 respectively.

4.4 GRAPHICAL ANALYSIS ON EXAMINATION OF THE SITUATION OF FOREIGN DIRECT INVESTMENT IN BRITAIN

4.4.1 THE SITUATION OF FDI BEFORE THE REFERENDUM

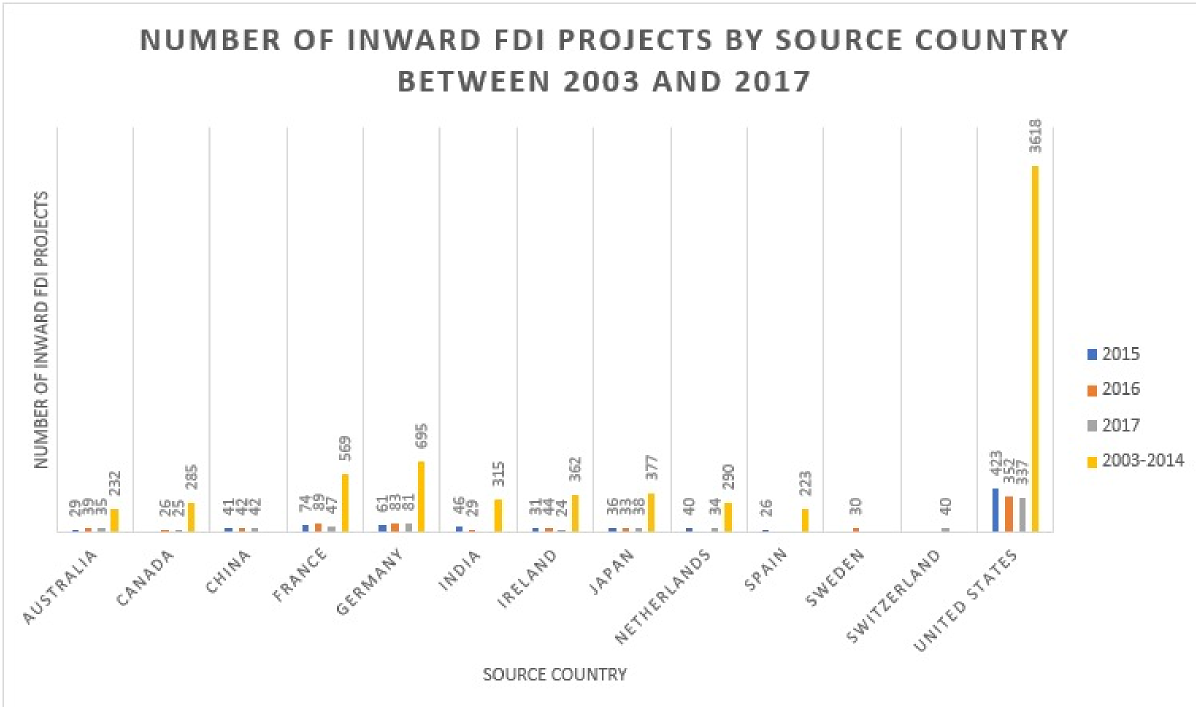

Figure 6: Inward FDI Projects by Source Country between 2003 and 2017

Source: FDI Markets, a service from the Financial Times Limited 2018. (Serwicka, 2018)

1a. Findings

Figure 3 depicts the top ten countries that have invested into the UK before the referendum from 2003 to 2017. Between the years 2003 – 2014, the United States had about 3, 618 FDI projects, and had the highest percentage at 40.2% of the total countries that invested in the UK. Germany contributed its quota in the FDI with 695 projects equating to 7.7% of their investments in the UK, Japan and Ireland had a slight difference in the number of projects, they had invested into the UK with Japan having 377 and Ireland 362 respectively equating to 4.2% and 4.0% overall investment. India, Netherlands and Canada had similar levels of FDI with projects amounting to 315, 290 and 285 respectively, equating to 3.5% for India and 3.2 % for Netherlands and Canada, Australia and Spain with 232 and 223 projects with a total percentage of 2.6% and 2.5% total investment brought into the UK. The total number of FDI projects brought in the UK between years 2003 to 2014 was 9,006.

In 2015, the United States had 423 projects invested in the UK and by percentage it was 37.1% which topped the lists of countries that invested in the UK in 2015. France had 74 projects and 6.5% overall in that same year. In 2015, France had overtaken Germany according to the number of projects or counts and Germany's projects had fallen a little to 61 counts and by percentage 5.4% then China, Netherlands, Japan, Ireland, Australia and Spain followed in that rank according to how much they invested in the UK. The sum of their projects totalled 1139 in 2015.

In 2016, again the United States topped the other countries with 352 investments, although there were concerns about the sudden reduction in the number of projects. France had 89 projects which increased more than how they had invested in 2015, Germany had 83 counts and 8.0%, Ireland had only 44 investments in the UK as at 2016, China with 42 counts, making it the 5th on the lists of countries that invested in the UK. Australia had 39 counts in the number of their projects with 3.7% in the order of percentage, Japan had 33 counts, Sweden had 30, India 29, Canada 26 and it totalled 1, 041.

In 2017, after the referendum, the United States, although it topped the countries with the highest number of projects brought into the UK at 337 it had considerably reduced their number of investments and every other country followed suit. Germany in 2017 had become the second country that invested more in the UK with 81 counts 8.1% France projects had dropped to 47 with 5.0% then followed by other countries in this order. China 42, Switzerland 40, Japan 38, Australia 35, Netherlands 34, Canada 25, Ireland 24 and it totalled 942.

1b. Meaning in Terms of Brexit and FDIs

Over the years, the US has reduced its investment in the UK and reduced it more significantly after the UK voted for Brexit. The reason might have been that they are afraid that Brexit will happen and so have decided to reduce their projects over time, even though it was still the leading investor till 2017. The same might have been the case for Germany and France who also had a fluctuating stand in the chart over the years in the UK. This also might have been as a result of Brexit uncertainty.

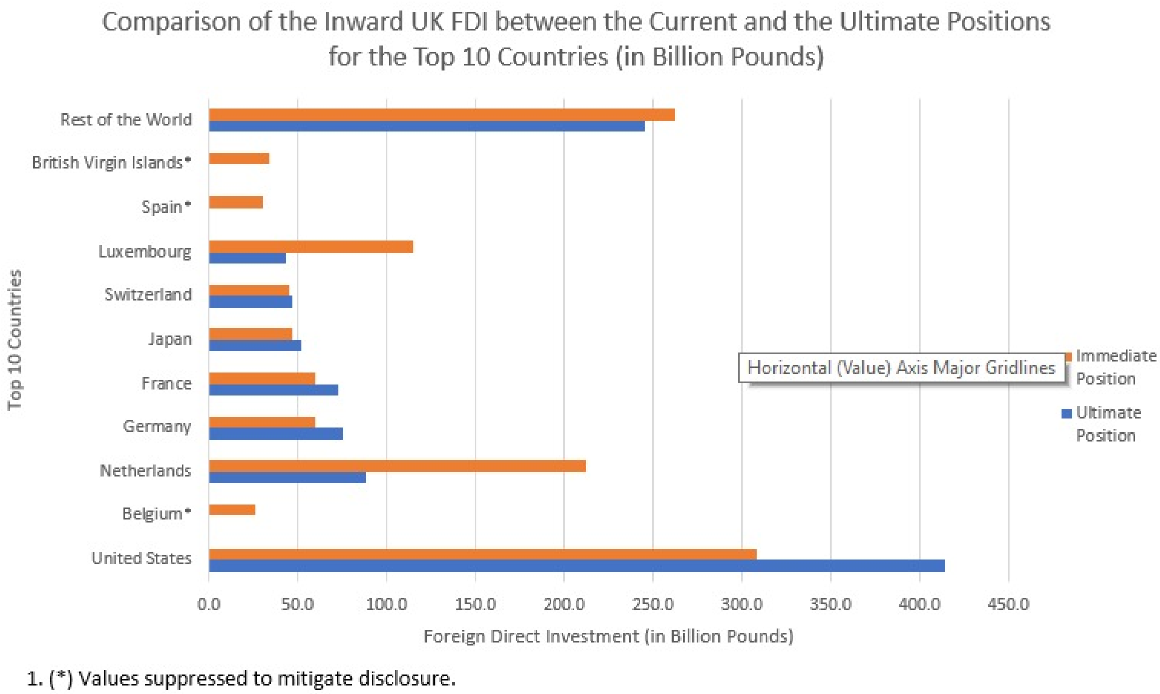

Figure 7: Comparison of the Inward UK FDI between the Current and Ultimate Positions for the Top 10 Countries (in Billion Pounds)

Source: the (Office for National Statistics, 2018)

2a. Findings

The data gotten from the office of national statistics above tabularized the top ten countries that have invested in the UK. The data shows that the United States had the highest investment into the UK from 2014 to 2016 based on an ultimate and immediate decision among the other countries that invested in the UK and then followed by the other countries like Belgium, Netherlands and the rest as seen on the chart.

According to the Office of National Statistics (2018) “the method for identifying the ultimate controlling parent country identifies the majority shareowner of a company (that is, the country with over 50% of the voting power)…” Furthermore, ONS reported that “on an ultimate parent basis, US companies still accounted for the highest value of inward investment at £420.8 billion, which was £110.8 billion higher than the immediate position. This was the largest increase in positions between the immediate and ultimate parent basis among all countries. This indicates that companies with ultimate parents in the US are investing in the UK through affiliates in other countries."

2b. Assumptions made by Different Economists

The International Trade Secretary Mr Liam Fox, cited in THE SCOTSMAN, (2016) mentioned during an interview that Britain is a top destination for foreign direct investment. He said between 2015 and2016, there were about 2,213 FDI projects invested in Britain contributing to provision of jobs for the British citizens, according to the Department for International Trade. Furthermore, over 390,000 jobs were created through the FDI from various countries who came into Britain before the 2016 referendum. He confirmed that the USA is the largest source of inward investment bringing over 570 projects into the UK before the referendum followed by China and India.

Statements from the OECD, (2017) support Fox's claims showing an increase in the number of FDI that invested in the UK between 2015- 2016 valued at $253.7billion. Moreover, the amount value of FDI has been the highest since 2005, making UK the top recipient of FDI in Europe.

The data analysis shows that countries aside from the countries in the European Union, the United States invested in the UK more than any other country, especially before the British referendum in June 2016. This was so because of the UK's business-friendly environment encouraging foreign companies to establish operations in Britain. The UK was a gateway to access the EU's restriction-free trading with over 500 million.

According to Serwicka, (2018) he reported that between year 2003- 2017, there have been over 12000 projects in the UK and this was brought by over 8000 different companies that invested about US$540bn and it resulted in almost 900,000 jobs for the masses in the UK.

The OECD also gave us a similar analysis that between year 2015- 2016, the UK had many investors coming into the country to invest and recorded the increase in the amount of money that was made in that period most especially which according to its report has been the highest made since 2005.

4.4.2 THE SITUATION OF FDIS AFTER THE REFERENDUM

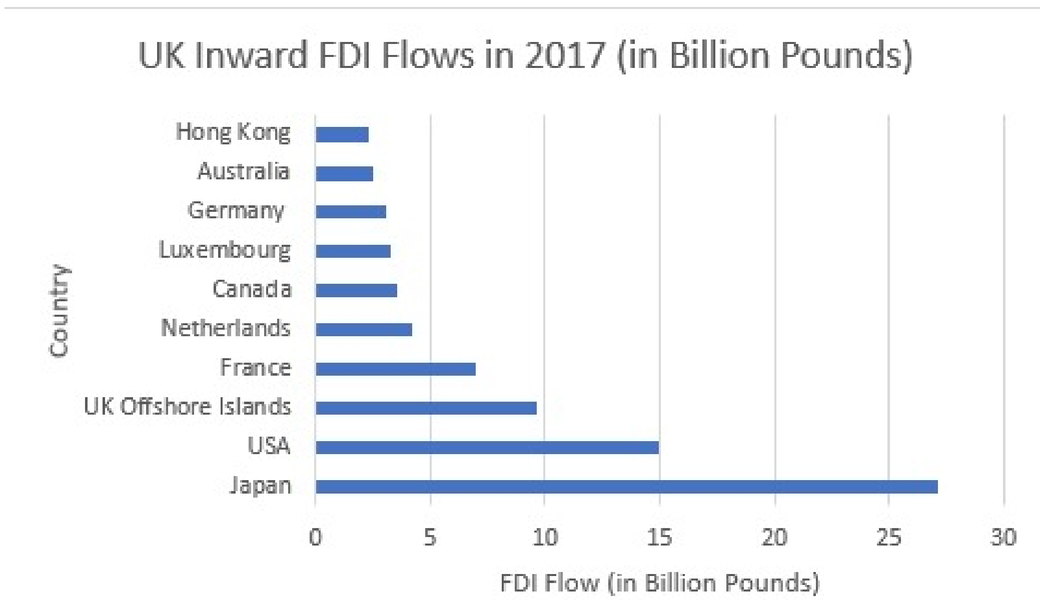

Figure 8: UK Inward FDI Flows in 2017 (in Billion Pounds)

Source: ONS (Ward, 2019)

According to chart above, in the year 2017, Japan had the highest inward investment in the UK. The countries projects were rated in billion pounds, Japan had 27.1billion pounds investment in the UK, followed by the USA which had 15.1 billion pounds. At this stage, there was a sharp fall in the USA foreign direct investment flow in 2017 according to this report because according to the reports from different economists and news, the USA has been having the highest investment and since year 2013 – 2016. The UK Offshore Islands had 9.6 billion pounds investments in the year 2017. According to this chart, the countries are beginning to reduce their investment into the UK which was after the UK had voted for a Brexit in 2015 and 2016 according to the data sourced from the financial times above, it was seen that France was the second country with the highest inward investment in the UK and in 2017 according to the financial times data, it was the third country after Germany. From the above chart, France was the fourth country in terms of the cash flow, Netherlands followed by 4.2 billion pounds investment. Canada, Luxembourg and Germany had almost the same FDI flow in 2017 but with a little difference then Australia and Hong Kong had the lowest FDI flow according to the House of Commons Library report.

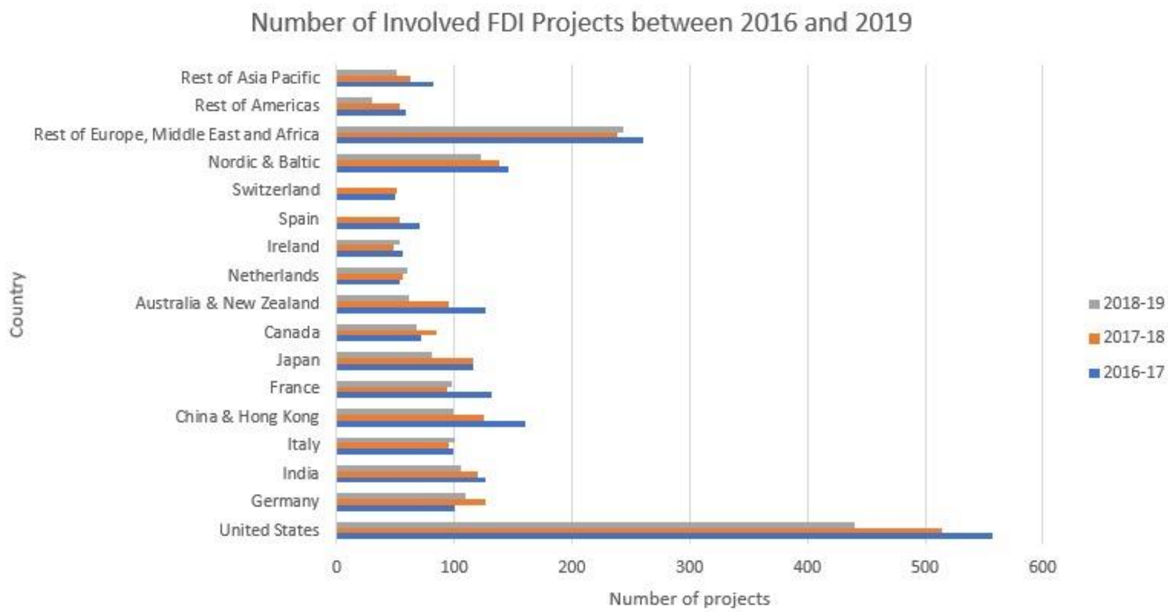

Figure 9: Number of Involved FDI Projects between 2016 and 2019

Source: Department of International Trade Inward Investment Result

This chart above illustrates FDI inward projects by countries in abroad according to the countries that invested in the UK from the year 2016 to 2019. This chart according to the source was not grouped by the country with the highest number of projects; it was only illustrated as a market breakdown for FDI projects from the year 2016 to 2019

i. Between years 2016- 2017

The United States had 429 projects after the UK referendum, and which made it the country with the highest number of projects in that period. The rest of Europe, middle East and Africa was grouped as 215 number of projects in that period then China and Hong-Kong had 151 projects, then Nordic and Baltic had 120 number of projects, Australia and New

Zealand had 116 projects, India had 114, Japan had 104, then France had 92, the rest of Asia pacific had 73 projects, Italy and Germany had 72 and 70 respectively, Canada had 60 then Netherlands and other countries had lesser than 40 in total.

ii. Between 2017- 2018

Again, the United States remained the country with the highest number of projects between 2017and 2018. Rest of Europe, Middle East and Africa with 196, China and Hong Kong had 117 in that same year, Nordic and Baltic with 103 projects and Japan had 102 projects, then Germany with 91, Australia and New Zealand with 89, Canada had 69, Italy with 67, Rest of Asia 54, Rest of Americas had 51, Spain had 50, Netherlands and Switzerland had 48 and 39 respectively and Turkey had the lowest investment which was 37.

iii.Between 2018 -2019

The United States according to this report maintained its position has the country with the highest amount of investment in the UK although some of its projects had reduced compared to the year 2016- 2018 figure which was 429. It is seen here that there was a decline in investment or a fall which has made some United States Companies to leave the UK after the referendum but still had more figures more than the other countries who also invested in the UK between the year 2018- 2019.The ratings of the countries that had the highest number of projects were fluctuating according to this data. The rest of Europe, Middle East and Africa had the second number of the highest investment or projects which was 182 then followed by India with 103 number of projects, Nordic and Baltic, China and Hong- Kong, Germany almost fell on the same level with 89, 87, 86 respectively. France had 71 number of investments compared to what it had in 2016, Italy and Japan had 69 and 68 number of investments, Netherlands had 48, the rest of Asia had 44, Ireland had 39, Turkey had 35 and the rest of America with 30.

James Ball, (2018) reported that according to the OECD, FDI has fallen by 92%. OECD recorded that in 2016, the UK made $196billion and by 2017, it fell by $15billion. A major contribution was due to the two big alcohol companies that merged and have their headquarters in London. According to this report, they haven’t been able to figure out the main reason for the huge fall, but from the economists, it would be seen by the overseas companies that the UK is beginning to lose its confidence and this might also be an automatic feeling for the overseas companies investing in the UK as an inability to continue to invest in the UK.

The OECD also cited that the fall in the UK companies did not only affect the UK as it was also a big hit on most economies globally. However, Brexit contributed to companies' drawback to invest into the UK because the FDI fall in the UK was more than all other countries. OECD concluded that there are not much certainty to this issue on ground as this could be that after Britain leaves the EU, it could get back the number of companies and many more investors that would still invest in the UK and it could also mean that the UK citizens who have voted to stay in the UK are the ones speaking ill of the UK's economy which could have a ripple effect on the economy as a no deal Brexit has been agreed on.

iv. Assumptions Made by Different Economists

According to a financial report by Christian Nordqvist, (2018), he expressed his concern for the decrease in size of FDI after the referendum in 2016. He said FDI has reduced and fallen by 10% since 2017. A co- author Dr Ilona Serwicka, also spoke about the decline in FDI since the vote for Brexit and he speculated that it might have a ripple effect on the UK's economy if not properly handled.

Office for National Statistics, (2016) reported that after the EU referendum vote, there has been a sharp change in the stock market and currency. It also said that the value of Sterling fell by 7.3% between the early August 2015 before the referendum but after the referendum, it further depreciated by 9.5% by the end of July in 2016

Little, (2017) Chairwoman Gisela Stuart, a former Labour MP and prominent Leave Campaigner, reported that after the Brexit, the UK economy will not be doing badly. It recorded that companies keep coming into the UK even despite their decisions to leave the UK and said some companies have decide to invest in the UK since the June 23, 2016 referendum. Some economists have said that the fact that Britain is breaking away from the EU doesn't mean that Britain won't be able to stand on its own. He reassured the UK citizens that workers and organizations will keep on succeeding once the UK leaves the EU as the UK strikes its own free trade deals with growing economies around the world, making provisions of job for the people throughout the UK. According to 16- strong economists for free Trade Group, it was speculated that the UK would still have a good break from the EU, and this will remove barriers such as taxes on imports from across the world. It even speculated that the UK's economy will increase by £135billion a year when there are no more tariffs on imports and many other benefits to the UK citizens after leaving the UK.

Significant names of the UK inward investors are Tata Steel, Jaguar Land Rover, Honda, Ford, Toyota, Dyson and Boeing, food firms McDonald's and Weetabix, pharmaceutical giant GSK, tech firms Google and Amazon, Barclays Bank and stores Lidl, Aldi and Ikea are additionally making development and expansion plans in the UK.

Romei, (2019) according to the report given by Department of International Trade, FDI in the UK has fallen since the vote for to leave the EU was cast. Till March 2019, there has been a fall in the UK's FDI projects by14% to 1782. The Chief economic adviser at EY Item Club, Archer Howard said, Brexit uncertainties have caused a lot for the UK foreign investors thereby making them extra careful before investing into the UK. Archer said Brexit uncertainty might have been the reason for many delayed projects because it's seen as the top destination for FDI, also it makes room for economic development, provision of jobs and other benefits but by the time other countries see that the UK has voted for Brexit, those willing to come into the UK to invest may want to have a rethink or a change of mind in wanting to invest in the UK. It was reported while the UK experienced its FDI fall; the rest of the EU member states had a stable FDI. It was also written that there was a report by the EY that released FDI projects of 1,054counts in the UK with France and Germany tapering the gap. Andy Baldwin, the global managing partner at EY, also said that Brexit is a major factor in the country that is causing investors not to have interest in investing in the UK. The fall also affected many workers in the year ending in March compared with the previous year.

4.5 EVIDENCE BASED POST- BREXIT PROJECTIONS FOR THE UK ECONOMY

In accordance to the second objective of the research work: to design action evidence based needed for FDIs to survive in the post Brexit UK, the researcher came up with certain evidences based on findings of the research work. The evidence can be compared to earlier evidence-based projections given by the UK government as one of the key initiatives to make the UK economy thrive in the post Brexit era.

4.5.1 RESEARCHER'S ACTION EVIDENCE-BASED PROJECTIONS FOR FDIS POST BREXIT SURVIVAL

There is no doubting the fact that the UK would desire a vibrant economy post Brexit. Therefore, as a strategy to upturn current slide in FDIs' impacts since BREXIT by Financial Institutions and Companies operating in this vibrant, investment destination, they might have to consider implementing, as a matter of urgency, the following evidence based projections:

1. Form a new and dynamic umbrella trade or economic association for institutions and companies to act as a pressure group to press for:

    (a) A 3–year tax holidays for fresh FDI into the UK economy. This would act as stimulus to draw foreign direct investors into the UK from countries which hitherto had never shown interest in the UK economy as an investment destination, aside the EU countries, who, despite Brexit, might find UK, a worthy despite her exit from the Union;

    (b) In the medium term, say a period of 3 to 5 years, demand for an appreciable reduction in corporate income tax rate which would enhance FDI to be able to repatriate a larger chunk of their profits to their home countries;

    (c) Initiate the elimination of withholding taxes and possible multiple taxes which may raise the costs of doing business in the UK;

(d) Make the economic environment investment-friendly by ensuring the cost and ease of doing business in the UK generally are drastically reduced and made friendly;

2. Parley with the government for the creation of a Public-Private Partnership like an Economic Advisory Council, making regular inputs into the domestic economic policies of the UK Government;

3. Form a viable, formidable pressure group dictating the direction of governance through solid alliances with popular political parties and actors; workers' or labour unions with a view to generating economic policy contents for players in government to guide their actions;

4. Enter into inviolable agreements with the UK Economic Authorities such as the Ministries of Commerce & Industries; Economic Planning, The Central Bank, and ancillary economic policy makers and regulators in the UK Economy etc., on or before additional or existing FDI could be allowed to flow in or remain in the economy;

5. Ensure that the solid, independent and impartial UK Judiciary as currently configured is further strengthened and EMPOWERED to remain so for the purpose of maintaining its independence and impartiality in trade or commerce arbitration;

6. Act as a formidable trade or economic association constantly reviewing and advising the UK Government as to flexible but credible economic policies and actions to take to remain the desired investment destination worldwide;

7. Evolving a think-tank that would always be thinking ahead of policy makers and supplying National Economic Managers in the UK with economic inputs for planning and budgeting from time to time.

4.5.2 THE UK GOVERNMENT GUIDE-PROJECTIONS FOR FDIS IN THE UK

AccountingWeb, (2019) cited that the United Kingdom has given some guide projections to how Foreign Investors can escape the grip of Brexit threats. These include:

i. The European Central bank is defending the pound sterling against all other currencies. The government has come out of their shell to interest FDI. There is a declaration of the pounds to make it attractive for investors. The government has come up with favourable rate of exchange to attract FDI into UK.

ii. Opportunities to invest in an economy with internal debt that is resident and that has withstood economy adversities.

iii. It offers unique advantage to do business in a capitalist economy that open and transparent with sound legal system that is out to defend investors and investments irrespective of origin as the independence of the UK judicial system gives confidence to external investors and the assurance that their investment and secured who are keen in acquiring UK assets and this same system assures them of good returns on their investment all things being equal under a sound independent legal system.

iv. The essence of a corporate friendly tax system allows foreign investors to earn a higher rate of return on their investment in their investment in the UK since corporate taxation is currently on 19% which will all to 17% by 1April 2020. The absence of withholding tax in any form further allows foreign investors to repatriate a higher percentage of the profit to their home country if they so desire.

v. The lower cost of servicing staff by way of national insurance seems to be attractive by Foreign investors as to mean cost reduction to them and when the cost is lower, the profit goes higher.

vi. Government should lower their taxes to make it attractive for foreign investors.

Talk Business, (2019) cited that foreign investors can stave off Brexit threats by getting an assurance from the government. It says that the government not knowing themselves the outcome of Brexit yet might not be able to give foreign investors the best assurance to keep their businesses growing. In general, Brexit has just had some effect on foreign investments. However, right now the fall out has been generally minor. On the off chance that the UK needs to proceed with its worthwhile relationship with investors, it will need to figure out how to guarantee them that Brexit won't harm the economy. With the probability of a no deal Brexit, there is justifiably a bit of fear about whether the economy can deal with this situation. A very good example is Nissan in the UK. It said that if the government can assure its company that Brexit will not have a negative effect on them, it would consider remaining in the UK.

4.6 CONCLUSION

All in all, the research objective has thoroughly been analysed and from the analysis, the main economy gives indications of productivity and genuine wage stagnation, according to some economists which has taken the UK much lower than other high-income nations since the vote for a no deal Brexit.

Some writers believe that the UK being in the European Single Market before had made the UK an attractive location for multinationals and then they think multinationals have complex supply chain which may become more difficult to manage if the UK left the EU and then lastly uncertainty over the shape of the future trade arrangements between the UK and the EU would also reduce the flow of FDI into the UK.

However, Owen Barder, (2016) talks on a few opportunities the UK might see in voting for Brexit; there is a chance to target UK aid all the more pointedly on the poorest nations and networks, or to move this aid to more viable multilateral establishments than the European Commission (prominently the World Bank).

The UK could offer preferential market access to developing nations, including duty free, quota free access and simplified rules of origin, if it leaves the European Single Market. This won't occur consequently, and the UK would be mindful to consent to WTO rules.

Although movement to the UK might be lower however, there might be greater opportunities for immigrants to go to the UK from non-EU nations, particularly Commonwealth nations, for example, Nigeria and India. That may increase the number of migrants to the UK from developing nations, which is acceptable both for the migrants themselves, and through expanded remittances for their families at home.

5.0 CONCLUDING THOUGHTS ON THE CONTRIBUTION OF THE RESEARCH, ITS LIMITATIONS AND SUGGESTIONS FOR FURTHER RESEARCH

5.1 OVERVIEW

This concluding chapter presents a concise rundown of the research work. Its' emphasis includes the implications of the findings obtained from the research work as defined in the objectives. In addition, it provides a review of the significant contributions of the research work to the body of knowledge in the areas of international relations, trade and economy as it relates to the UK, EU and the world at large.

Furthermore, the chapter discusses the various limitations encountered by the researcher during the research work in order to intimate the reader with the exact context and constraints under which the research was carried out. Thereafter, it presents the researcher's recommendations both for practice and future researches.

The chapter ends with some final thoughts from the researcher and insightful reflections drawn from research work as a whole. The data suggests that the investments in the UK economy may require more stringent decisions making than pre- referendum and also to look at the total value of investment from the EU minus the drop of investment from the United States of America equals to total investment fall out.

5.2 IMPLICATIONS OF FINDINGS FOR THE RESEARCH OBJECTIVES

At the beginning of the study, the objectives of the research work were clearly defined. The first is – a critical examination of literature framework: online media, peer reviewed, Economists views, and policies which have been a somewhat chaotic and confused picture of the post Brexit UK landscape for Foreign Direct Investments. Secondly, to subject this confused set of literature framework and the research data obtained to a rigorous scientific analysis, producing an evidence-based post Brexit projection for Foreign Direct Investments.

From the results discussion in the preceding chapter, the findings of the research work can be grouped into two: the thematic analysis findings and graphical analysis findings. For the first research question addressing the implication of Brexit on UK's FDIs; the thematic analysis findings revealed five possible implications. These are themes indicative of readiness to risk, uncertainty and fear, negative and positive reactions to Brexit. It could be said that Brexit has had far reaching not-so-positive impacts on many FDIs in the UK. Going by the results of the thematic analysis, most of the interviewed FDIs expressed serious concerns over the consequences of Brexit. Reduced patronage, loss of investment, loss of competitive advantages and reduced availability of skilled workforce from the EU among others, are some of the major impacts. Going forward, many FDIs excoriated Brexit, stating that it would hinder the many benefits such as the free movement of people as well as the ability to trade without restrictions or barriers within the EU. Hence, Brexit's happenstance led many FDIs to consider relocating from the UK to other EU countries such as Germany, as a viable palliative.

For the second research question, the findings revealed that it is possible for FDIs to survive in the post Brexit UK. From the findings however, it was seen that the UK government must provide certain projections that enhance (protect and promote) the continued operation of FDIs in the UK. Formerly, the UK enjoyed a high influx of investors from various countries of the world. Among all, the US brought in a lot of projects in the UK and was the leading investor in the UK FDI market up until after the UK referendum. At that point up till date, the US began reducing drastically, the number of projects it brought into the UK. Consequently, the vote for a leave in the referendum dampened the inflow of projects to the UK causing many FDIs to relocate and left the UK to other EU countries in search for a better market.

The impacts of Brexit on FDIs in the UK will continue to evolve in the post Brexit era. As a result, the UK government will need to remain on its toes in formulating and enforcing new and revised guide-projections that cater the need of existing FDIs as well as favours the attraction of new FDIs to the UK. Hence, future research work measuring the impacts of Brexit on FDIs as well as the effectiveness of government guide-projections remain quintessential for a successful and thriving post Brexit UK economy.

5.3 CONTRIBUTIONS AND LIMITATIONS OF THE RESEARCH

One major essence of every research work is to make contributions to an existing body of knowledge in theory and/or practice. As such, this study on "Brexit Realisation: Its Ripple Effect on Britain's Foreign Direct Investments" comprehensively examined existing literatures on the subject matter of EU, UK, Brexit and FDIs, as well as explored the intricacies of applying Documentary research analysis on qualitative research data. Significantly, the study helped to clarify the perceived impacts of Brexit on FDIs; identifying them as 'threats', while distinguishing them from the actual impacts of Brexit on FDIs; identifying them as challenges – as explained in the conceptual framework. For instance, the study established that Brexit has so far had a huge implication on UK's economy, with the number of FDIs falling by almost 20% since the EU referendum.

Furthermore, the research work ascertained the verity of Taylor's statement concerning Dharmash Misty; a general partner at venture capital firm, Lakestar. Accordingly, Taylor said "the UK would lose their investors to the EU markets if it doesn't strengthen a positive relationship with investors, as they are really afraid of Brexit's consequences on their business operations." This is tantamount to FEAR – a major theme outlined from the result of the thematic analysis conducted in the course of the study. Other themes identified were Uncertainty, Risk Ready, Negative and Positive reactions concerning Brexit.

However, the research work was not without its challenges that eventually proved as limitations to the extent of the work done and success accomplished both in part and in whole. This research work began in 2019 – the year preceding the fateful January 2020 Brexit. This was exactly around the same time there was a severe acute respiratory syndrome disease that became a global pandemic necessitating total lockdown and restriction on almost all kinds of movements. Among others, the main challenges encountered while carrying out the research are listed as limitations, heretofore:

i. COST OF ACCESS TO DATA AND MATERIALS – while conducting a comprehensive literature review, as well as retrieving the secondary data from online sources, the researcher faced the challenge of restricted access due to the cost of subscribing to news website. For instance, the researcher was unable to pay and access certain journals due to high non-membership prices which were beyond the researcher's budget.

ii. CONTENTS AVAILABLE – owing to the novelty of the research area, the researcher observed that there is a lack of peer reviewed literature on the subject matter. However, the researcher strived against all odds to obtain as much materials as possible from various reputable and authority sources to conduct a quality research work. For instance, the researcher tried to extract ample useful information from many available data, including those that seem partly related to the subject matter.

iii. CONSTRAINT OF TIME – A total of 14 weeks was allotted by the college to carry the research work. However, the novelty of the research area, cost of access to research data and materials, as well as the limited availability of relevant materials, all served to put a serious strain on the researcher in completing the research work within the specified period. The researcher desires to have had more time to carry out a more extensive data collection, and in-depth analysis (think piece) of the research work.

5.4 RECOMMENDATIONS FOR PRACTICE

This research work has been subjected to a rigorous and a theoretical research. However, the -researcher is trying to bring out the clearest pictures in relation to post Brexit. The findings of this research work reveal a few practical implications, regarding effective measures for mitigating the impacts of dwindling FDIs on the UK economy amidst the EU:

i. ECONOMIC PLANNING: Evidence suggests that a way to tackling the impacts of Brexit on FDIs in the UK is seeking alternative means and measures of sustaining its economic competitiveness. For instance, searching for opportunities such as tax reductions to retain new investors. The UK economic managers and stakeholders can accomplish this by preparing a solid and sound economic blueprint to manage post Brexit outcomes.

ii. NEW PARTNERSHIPS INITIATIVES: Another suggestion from the evidence is that the UK needs to resist from making drastic decisions. Unless the UK government adopts forming strategic alliances with other economies of the south that promises mutually beneficial relationship, bringing unparalleled synergy to their economic and political collaborations; a more stable post – Brexit UK economy might not be easily attainable.

iii. PROPER ECONOMIC MANAGEMENT AND ADMINISTRATION: From the results findings, a key policy priority is to plan towards a sound management of the macroeconomic performance indices in such a manner as to enhance keeping borrowing costs at reasonable levels as if the UK was still part of the EU. Greater efforts are needed towards ensuring that both fiscal and monetary policies must be investments friendly for local entrepreneurs and seekers of capital from SU (Surplus Units). Managing the local (UK) economic indices will in turn raise hope and give confidence to local players in the political and economic spheres.

iv. MOTIVATION FOR LOCAL INDUSTRIES: The implications of Brexit on FDIs reveal that majority foreign investors are ready to exit the UK for other EU countries with many opportunities that the EU membership offers. There is, therefore a definite need for the UK government to consistently motivate and/or reward local industrialists and investors with reliefs as tax holidays, and local pioneer status for local investors who are interested in taking up those critical aspects of the local economy which former EU players have abandoned owing to Brexit.

v. FOREIGN INVESTORS INCENTIVES: The summary of the findings of this research work can be utilized by the UK government to develop targeted interventions such as tax reduction incentives aimed at attracting new investors and initiatives to encourage any foreign EU corporate entity that chooses to remain in the UK and hence, continue their role in making the economic run at its full steam.

By diligently applying the recommendations, the UK economy will be able to stave off most implications of Brexit realisation, as well as successfully manage its ripple effects of Britain's foreign direct investments.

5.5 RECOMMENDATIONS FOR FUTURE RESEARCH

1. Trade and/or international business are at the heart of cooperation among nations. Global practice among nations is to seek collaborations among one another to ease the process of doing business. That the UK is exiting the EU is an auspicious opportunity to learn a few new things about international relations with its attendant legal implications as it affects international trade, which is central and pivotal for future research. The average British citizens are likely to be caught unawares of Brexit implications for their personal and social lives, if not duly educated about the withdrawal process.

2. Future research should conduct some primary research from some international companies and their endeavours would serve as eye opener for many, as they would come to the realisation of the full impact of Brexit on their national economy, personal income; the withdrawal of their EU citizenship; loss of basic access to EU rights to free mobility, education etc., within the sub region; apparent loss of or absence of technological synergy hitherto being enjoyed before Brexit; new rules guiding the UK citizens in EU countries after the Brexit Transition Period; the implications of Brexit for the UK and global economy and most importantly the loss of the readers/citizens' EU identity dovetailing into stricter travel processes and procedures between UK and the EU nations.

5.6 FINAL CONCLUSION AND REFLECTIONS

From the plethora of information gleaned from many sources, primary and secondary, Brexit promises some phenomenal transition and transformation for both the UK and the EU economies in several ways:

First, the shortfall in FDIs into the UK economy might create a scenario where both political and economic actors are compelled to seek alternative means and methods of sourcing needed funding for the local industries to keep the wheel of production up and running;

Second, the UK authority would be forced by Brexit to redefine parameters for economic performance measurement which will be stimulated by self-image of an average UK citizen who is imbued with the 'can do' spirit;

And thirdly the need to deepen the UK economic base to reduce dependency on international venture capital provider is instructive here.

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APPENDICES

APPENDIX A – CONSOLIDATED VERSION OF THE TREATY ON THE FUNCTIONING OF THE EUROPEAN UNION

FREE MOVEMENT OF GOODS

Article 28 (ex Article 23 TEC)

1. The Union shall comprise a customs union which shall cover all trade in goods and which shall involve the prohibition between Member States of customs duties on imports and exports and of all charges having equivalent effect, and the adoption of a common customs tariff in their relations with third countries.

2. The provisions of Article 30 and of Chapter 2 of this Title shall apply to products originating in Member States and to products coming from third countries which are in free circulation in Member States.

Article 29 (ex Article 24 TEC)

Products coming from a third country shall be considered to be in free circulation in a Member State if the import formalities have been complied with and any customs duties or charges having equivalent effect which are payable have been levied in that Member State, and if they have not benefited from a total or partial drawback of such duties or charges.

CHAPTER 1 THE CUSTOMS UNION

Article 30 (ex Article 25 TEC)

Customs duties on imports and exports and charges having equivalent effect shall be prohibited between Member States. This prohibition shall also apply to customs duties of a fiscal nature.

Article 31 (ex Article 26 TEC)

Common Customs Tariff duties shall be fixed by the Council on a proposal from the Commission.

Article 32 (ex Article 27 TEC)

In carrying out the tasks entrusted to it under this Chapter the Commission shall be guided by:

(a) the need to promote trade between Member States and third countries;

(b) developments in conditions of competition within the Union in so far as they lead to an improvement in the competitive capacity of undertakings;

(c) the requirements of the Union as regards the supply of raw materials and semi-finished goods; in this connection the Commission shall take care to avoid distorting conditions of competition between Member States in respect of finished goods;

(d) the need to avoid serious disturbances in the economies of Member States and to ensure rational development of production and an expansion of consumption within the Union.

APPENDIX B – ETHICS FORM

GRIFFITH COLLEGE DUBLIN

Griffith College Dublin
RESEARCH ETHICS COMMITTEE

NOTIFICATION FORM FOR **LOW-RISK PROJECTS**

Application No. *(office use only)*

Section A: Applicant Details

PROJECT TITLE:	BREXIT REALISATION: ITS RIPPLE EFFECT ON BRITAIN’S FOREIGN DIRECT INVESTMENTS
APPLICANT NAME:	OLUFAYO AFOLASADE ALAYONINUOLUWA
SCHOOL/UNIT:	GRIFFITH COLLEGE/ GRADUATE BUSINESS SCHOOL
APPLICANT EMAIL:	alayoninuoluwa@gmail.com
If a student applicant, please provide the following additional information:	
Programme of Study:	MASTERS IN INTERNATIONAL BUSINESS AND LAW
Supervisor Name:	
Supervisor Email:	

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Section B: Questions

1. Notification Review is reserved for low-risk social studies that fall under the following classifications. Please indicate your project type below:

Please mark as appropriate:	
✓	Anonymous Survey (the topic will not elicit significant difficulties for participants)
✓	Observation (without audio or visual recording) of a public setting

	Questioning participants regarding their opinions on products or services
	Questioning students about standard educational practices
	Study will monitor the impact of participants' daily activities
	Questioning public figures/professionals in their professional capacity regarding their professional activities
✓	Analysis of existing anonymised data which has been provided to the researcher by a third party
	Collection of biological samples which are anonymised and do not require invasive techniques (e.g. hair, nails).
	Other ***Please explain:***

2. Please provide a justification for why your study is considered to be low-risk?
I am going to be getting a secondary data which involves less of human interaction and more of a data that has been worked upon so the authenticity is verifiable?

3. Please describe how your participants will be recruited?
I will be involving participants that have sound knowledge or a direct relationship about Brexit and Federal Direct Investment. I will also like to involve UK citizens that will like to share their opinions on the current Brexit happenings.

4. Informing your participants – Plain Language Statement
A Plain Language Statement (PLS) should be used in all cases. This is written information in plain language that you will be providing to participants, outlining the nature of their involvement in the project and inviting their participation. The PLS should specifically describe what will be expected of participants, the risks and inconveniences for them, and other information relevant to their involvement. Please note that the language used must reflect the participant age group and corresponding comprehension level – if your participants have different comprehension levels (e.g. both adults and children) then separate forms should be prepared for each group. The PLS can be embedded in an email to which an online survey is attached, or handed/posted to individuals in advance of their consent being sought. ***A copy of the PLS should be attached to this application****. See link to sample templates on the website:* http://www4.dcu.ie/research/research_ethics/rec_forms.shtml

Please confirm whether the following issues have been addressed in your plain language statement for participants:

	YES or NO

Introductory Statement (PI and researcher names, school, title of the research)	**YES**
What is this research about?	**YES**
Why is this research being conducted?	**YES**
What will happen if the person decides to participate in the research study?	**YES**
How will their privacy be protected?	**YES**
How will the data be used and subsequently disposed of?	**YES**
What are the legal limitations to data confidentiality?	**YES**
What are the benefits of taking part in the research study (if any)?	**YES**
What are the risks of taking part in the research study?	**YES**
Confirmation that participants can change their mind at any stage and withdraw from the study	**YES**
How will participants find out what happens with the project?	**YES**
Contact details for further information (including REC contact details)	**NO**

If any of these issues are marked NO, please justify their exclusion:

I do not have the contact details

5. Capturing consent – Informed Consent Form

In most cases where interviews or focus groups are taking place, an Informed Consent Form is required. This is an important document requiring participants to indicate their consent to participate in the study, and give their signature. If your participants are minors (under 18), it is best practice to provide them with an assent form, while their parents/guardians will be given the Informed Consent Form. In cases where an anonymous questionnaire is being used, it is enough to include a tick box in the questionnaire (underneath the information section for participant), where the participant can indicate their consent. See link to sample templates on the website: http://www4.dcu.ie/research/research_ethics/rec_forms.shtml. ***A copy of the Informed Consent Form should be attached to this application.***

Note – IF AN INFORMED CONSENT FORM IS NOT BEING USED, THE REASON FOR THIS MUST BE JUSTIFIED HERE:

Important Notes:

- **Please ensure you attach any *additional* relevant documentation to your application: E.G.** copy of Survey/Questionnaire, copy of Interview/Focus Group schedule, copy of permission/approval from external sources (i.e. approval to access individuals in an organisation, school, community group)

- **The application should consist of <u>one electronic file only</u>.** The completed application must incorporate the plain language statement, informed consent form and all supplementary documentation
- **All sections of the application form must be answered**. The completed application must be proofread and spellchecked before submission to Research Ethics Comitee
- **Your application must be submitted on TurnitIn by week 9 as separate submission. Student applicants must e-mail their supervisor on that**– this applies to *all* student applicants (masters and postgraduate). **The form should be approved and signed by the supervisor in advance of submission to Griffith's ethics committee.**

Applications which do not adhere to these requirements will not be accepted for review and will be returned directly to the applicant. The administrator to the Research Ethics Committee will assess, on receiving such notification, whether the information provided is adequate.

<u>Please note:</u> Project supervisors have the primary responsibility to ensure that students do not take on research that could expose them and the participants to significant risk, such as might arise, for example, in interviewing members of vulnerable groups such as young children. In general, please refer to the Research Ethics Guidelines (REC) for further guidance on what research procedures or circumstances might make a higher level of ethical approval necessary.

DECLARATION BY PRINCIPAL INVESTIGATOR(S)

In the case of student applicants the Principal Investigator is their supervisor.

The information contained herein is, to the best of my knowledge and belief, accurate. I have read the University's current research ethics guidelines, and accept responsibility for the conduct of the procedures set out in the attached application in accordance with the form guidelines, the REC guidelines, the Colleges policy on Conflict of Interest, Code of Good Research Practice and any other condition laid down by the Griffith College Research Ethics Committee. I have attempted to identify all risks related to the research that may arise in conducting this research and acknowledge my obligations and the rights of the participants.

If there exists any affiliation or financial interest for researcher(s) in this research or its outcomes or any other circumstances which might represent a perceived, potential or actual conflict of interest this should be declared in accordance with Griffith College policy on Conflicts of Interest.

I and my co-investigators or supporting staff have the appropriate qualifications, experience and facilities to conduct the research set out in the attached application and to deal with any emergencies and contingencies related to the research that may arise.

Electronic Signature(s):

Principal investigator(s): Garrett Ryan

Print Name(s) here: *Dr. Garrett Ryan*

Date:

GRIFFITH COLLEGE DUBLIN

Griffith College GBS

Sample Template – Informed Consent Form (approx. 300 words)

An Informed Consent Form should generally contain the following information. Section 3 onwards should be written in the first person, e.g. "I will be asked to attend…I may withdraw from the research study at any point…..I am aware that the data…etc." The headings are there for guidance and do not need to be included in your form.

I. Research Study Title

- BREXIT REALISATION: ITS RIPPLE EFFECT ON BRITAIN'S FOREIGN DIRECT INVESTMENTS

Also identify the school/centre involved, the principal investigator and any other investigators

II. Clarification of the purpose of the research

I am trying to dissuade that when Brexit happens, a lot of companies will move out of the UK and go to other European Union countries because of the benefits of being an EU member. This will in turn affect negatively the economy of the UK when investors leave their country to set up their industries in another EU country.

III. Confirmation of particular requirements as highlighted in the Plain Language Statement

Requirements may include involvement in interviews, completion of questionnaire, audio/video-taping of events. Getting the participant to acknowledge requirements is preferable, e.g.

<u>Participant – please complete the following (Circle Yes or No for each question)</u>

I have read the Plain Language Statement (or had it read to me) *Yes/No*

I understand the information provided *Yes/No*

I have had an opportunity to ask questions and discuss this study *Yes/No*

I have received satisfactory answers to all my questions *Yes/No*

I am aware that my interview will be audiotaped *Yes/No*

IV. Confirmation that involvement in the Research Study is voluntary

I confirm that I am not been forced or coarsed to write this research work so I won't withdraw at any point in time up until I get my research work executed

V. Advice as to arrangements to be made to protect confidentiality of data, including that confidentiality of information provided is subject to legal limitations

I will make sure that there is confidentiality of information for all my data and it will be protected by the law and also the participants will confirmed that I have interviewed him or her so as to takeaway every form of doubt

VI. Any other relevant information

The sample size of my participants will be up to 200 participants ion other fopr me to get more opinions from different people and also a secondary data will be used as earlier said which would have already been reviewed before using it and it will be properly documented and referenced.

VII. Signature:

I have read and understood the information in this form. My questions and concerns have been answered by the researchers, and I have a copy of this consent form. Therefore, I consent to take part in this research project

Participants Signature: **AA**

Name in Block Capitals: **OLUFAYO AFOLASADE ALAYONINUOLUWA**

Witness: ______________________________

Date: **21/11/2019**

GRIFFITH COLLEGE DUBLIN

Griffith College GBS

Sample Template – Plain Language Statement (approx. 400 words)

A Plain Language Statement should use language that reflects the participant age group and corresponding comprehension level. It should generally contain the following information. The headings are there for guidance and do not need to be included in your form.

I. Introduction to the Research Study

BREXIT REALISATION: ITS RIPPLE EFFECT ON BRITAIN'S FOREIGN DIRECT INVESTMENTS

Identify the Research Study Title, the university department involved, the principal investigator (including his/her contact details) and any other investigators

II. Details of what involvement in the Research Study will require

1. Completion of questionnaires in an orderly manner on questions like: what is Brexit?
2. What is Federal Direct Investment?
3. What do you think about the current steps taken by Boris Johnson, the Prime minister of the UK concerning Brexi?
4. What do you think will happen to foreign investors when Brexit happens?
5. Solutions to Brexit as regards Foreign Direct Investment and so on

III. Potential risks to participants from involvement in the Research Study (if greater than that encountered in everyday life)

There is little or no risk involved as all the data that will be gathered will be directly protected by the law.

IV. Benefits (direct or indirect) to participants from involvement in the Research Study

Their opinions will be well documented and also on the long run if the research work comes to reality and people get to read it, it will be a personal fulfilment to my participants.

V. Advice as to arrangements to be made to protect confidentiality of data, including that confidentiality of information provided is subject to legal limitations

I will make sure that there is confidentiality of information for all my data and it will be protected by the law and also the participants will confirmed that I have interviewed him or her so as to takeaway every form of doubt.

VI. Advice as to whether or not data is to be destroyed after a minimum period

It should be kept for future reference and confidentiality of my participants.

VII. Statement that involvement in the Research Study is voluntary

I confirm that I am not been forced or coarsed to write this research work so I won't withdraw at any point in time up until I get my research work executed

VIII. Any other relevant information

The sample size of my participants will be up to 200 participants ion other fopr me to get more opinions from different people and also a secondary data will be used as earlier said which would have already been reviewed before using it and it will be properly documented and referenced.

<u>A Plain Language Statement should end with the following statement:</u>

If participants have concerns about this study and wish to contact an independent person.

Please contact:

- **Dr Garrett Ryan,**
- **Griffith College Research Ethics Committee**

South Circular Road, Dublin 8, Ireland

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Tel: +353 1 4163324