

IMMIGRATION, WORKFORCE COMPOSITION, AND ORGANISATIONAL PERFORMANCE: THE EFFECT OF BREXIT ON NHS HOSPITAL QUALITY

AUTHORS

Henrique Castro-Pires, Kai Fischer, Marco Mello, Giuseppe Moscelli

EXECUTIVE SUMMARY

Restrictive immigration policies can force organisations to alter their workforce composition, with unclear effects on organisational performance. We study the effects of the 2016 Brexit referendum, which reduced the share of EU-nationality nurses in English hospitals. Using administrative patient-level data and a continuous difference-in-differences design, exploiting hospitals' pre-referendum exposure, we estimate the causal impact of a negative labour supply shock on care quality. Hospitals with higher pre-referendum EU nurse shares experienced higher post-referendum emergency patient mortality, equivalent to 1,238 additional deaths annually in the three years after the referendum. Consistent with theoretical predictions, hospitals responded to labour shortages by relaxing hiring standards: foreign nurses recruited after the referendum were appointed to lower salary grades, suggesting lower skills and experience.



KEYWORDS

- Organisational performance
- Brexit
- EU-nationality nurses
- English hospitals
- Negative labour supply shock



RESEARCH RELEVANCE

- The Brexit referendum led to a significant decrease in the number of European nurses and a significant increase in the number of non-European foreign nurses employed by hospitals of the English NHS.
- Hospitals employing a higher share of European nurses before the Brexit referendum experienced higher post-referendum emergency patient mortality, equivalent to 1,238 additional deaths annually in the three years after the referendum.
- The risk of unplanned emergency readmission to hospital increased by about 4.17% in hospital organisations more exposed to the Brexit referendum shock, equivalent to about 13,956 additional unplanned readmissions.
- Hospitals responded to labour shortages by relaxing hiring standards: foreign nurses recruited after the Brexit referendum were appointed to lower salary grades, suggesting lower skills and experience.

BIBLIOGRAPHIC INFORMATION

Castro-Pires, H., Fischer, K., Mello, M., & Moscelli, G. (2026). Immigration, Workforce Composition, and Organisational Performance: The Effect of Brexit on NHS Hospital Quality. *Economic Journal*, Article ueag088. Advance online publication. <https://doi.org/10.1093/ej/ueag088>

“Sudden changes in immigration policy and/or in the composition of both the employed and prospective healthcare workforce have the potential to disrupt the quality of healthcare services provided.”

