

30/07/2020

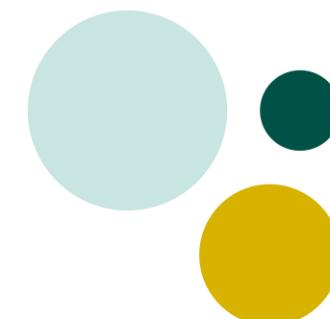
ECONOMIC IMPACT OF COVID-19

On black, Asian and minority ethnic
businesses & communities

Chiara Lodi

Policy & Research at BSWN

policy@bswn.org.uk

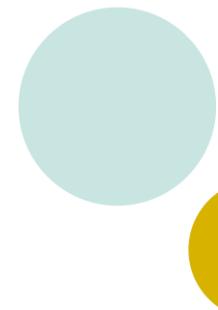


Black
South West
Network

OUR MISSION

To be a driving force for racial equality in the South West and nationally through releasing the agency and voice of minority ethnic people.

- ✓ 15+ YEARS OF EXPERIENCE WORKING WITH STRATEGIC AGENCIES & MINORITY ETHNIC COMMUNITIES IN BRISTOL
- ✓ EVIDENCE-BASED APPROACH
- ✓ RELATIONSHIP BUILDING / BROKERAGE / INCUBATION



**Black
South West
Network**

Economic context

From previous research done by us and partners we know that:

- ▶ BAME-led businesses face **systemic barriers** in accessing timely and accurate information, targeted support and funding/investing opportunities (BSWN, 2018)
- ▶ Minority ethnic entrepreneurs **are overrepresented in the sectors** directly hit by social distancing rules i.e. food industries and retail sectors, especially with small-sized businesses (BSWN, 2018).
- ▶ Minority ethnic workers and self-employed individuals are **overrepresented across low-income and insecure employment** sectors such as taxi drivers, takeaways, the arts, cultural and creative sectors (gov.uk, Runnymede, TUC)

“ Structural inequalities are not only placing BAME groups at much higher risk of severe illness from COVID-19 but also creating conditions for them to experience harsher economic impact from the government measures to slow the spread of the virus. ”

RUNNYMEDE, 2020

BSWN identified the higher risks for our targeted communities and developed an immediate response to monitor and cushion the impact.

BSWN's response



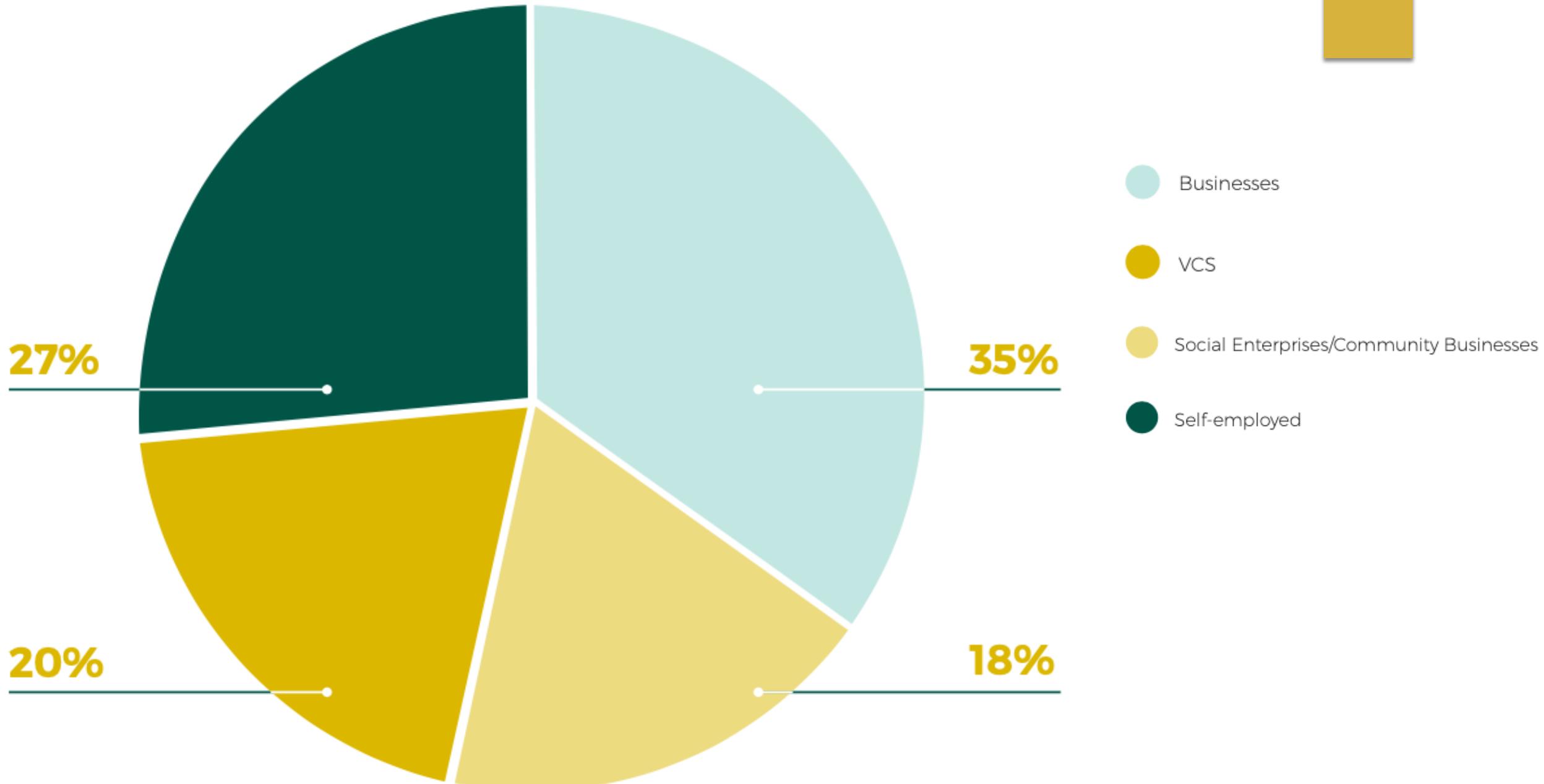
Voluntary Sector

- ✓ A survey was launched immediately after the lockdown on Monday 23rd March to assess the impact that COVID-19 on BAME led businesses, social enterprises, voluntary organisations and self-employed minority ethnic individuals.
- ✓ A series of virtual information sessions was started to ensure our targeted communities are accessing timely and accurate information on eligibility criteria and application processes to access national and local support.

Business Sector

Social Enterprises

[FIGURE 1] ORGANISATIONAL PROPORTION WITHIN THE SAMPLE



Impact of COVID-19 on Businesses

- ▶ 90% amongst all business owners indicated to have experienced significant financial loss in the first two weeks.
- ▶ 67% have had to close their businesses due to COVID-19 direct impact.
- ▶ **Almost half of the business sample** was unable to deliver products.

The numbers worsen when analysing the **food industries & retailers** sectors:

- ▶ 100% of this sample had experienced a significant financial loss.
- ▶ **9 out of 10** have had to close down their businesses.

This is due to various dynamics:

Closure of premises

Closure of business premises
with **inability to adapt**
products/ services to home
delivery.

*“The centre is closed, we can’t open
the kitchen.”*

(Food Business Owner from the survey)

Unavailable supplies

Suppliers closing down
or raising their prices
above affordability.

*“Can’t get the supplies, prices
have gone up on many items,
forced to close.”*

(Restaurant owner from survey)

Drop in sales

Drop in sales related to the
loss of customers and
sometimes staffs due to the
recommended isolation.

*“Due to C19, I lost 70% of trade.
People aren’t coming out”*

(Retailer from the survey)

“ The grant support, by tagging it to the business rate system actually misses a whole bunch of businesses that do need the help, are worthy of the support but because they don’t have a liability themselves, they fall outside of the scheme. ”

LOCAL SUPPORT EXPERT FROM THE BUSINESS VIDEO-SESSION

- The criteria for national financial support packages were systemically **exclusionary**.
- This affected in particular the **heritage, cultural and arts** sectors and self-employed individuals.
- The **discretionary fund** was then designed to fill in the gaps.

Key research findings

- ▶ The research has found that **the sectors where BAME people are overrepresented** such as - food industries and retailers, the arts, cultural and creative sectors, taxi drivers and other low-income jobs amongst the self-employed, and the rental spaces and charity events sector for the voluntary sector – **are also the ones hit the hardest** by the worsening economic environment created by COVID-19 itself and the government response to it.
- ▶ At the same time, there are **structural barriers hindering** these sectors **access to the national financial support packages**.

Our response to the findings

Food Hub Consortium

BSWN is coordinating a **Food Hub Consortium Project** with 7 local organisations.

Funded by **Quartet** and established in April 2020.

Feeding 400 people per week.

Virtual Sessions

Network Webinar Sessions.

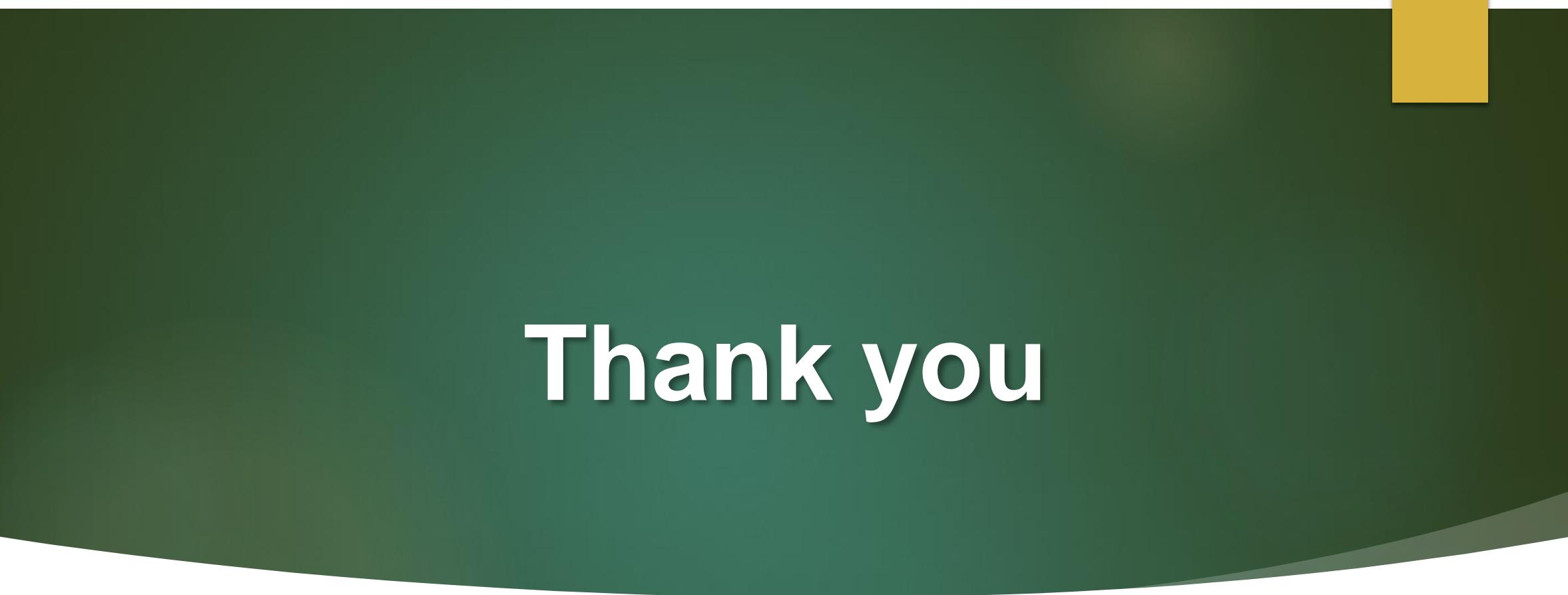
Back Her Business Programme.

Accurate and timely communication.

Further research

The monitoring continues through the **VCSE Sector recovery strategy** research.

Further research on the **Impact of Covid-19 on Health** in partnership with the University of Bristol.



Thank you

