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ECONOMIC IMPACT OF COVID-19

On black, Asian and minority ethnic
businesses & communities

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**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



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



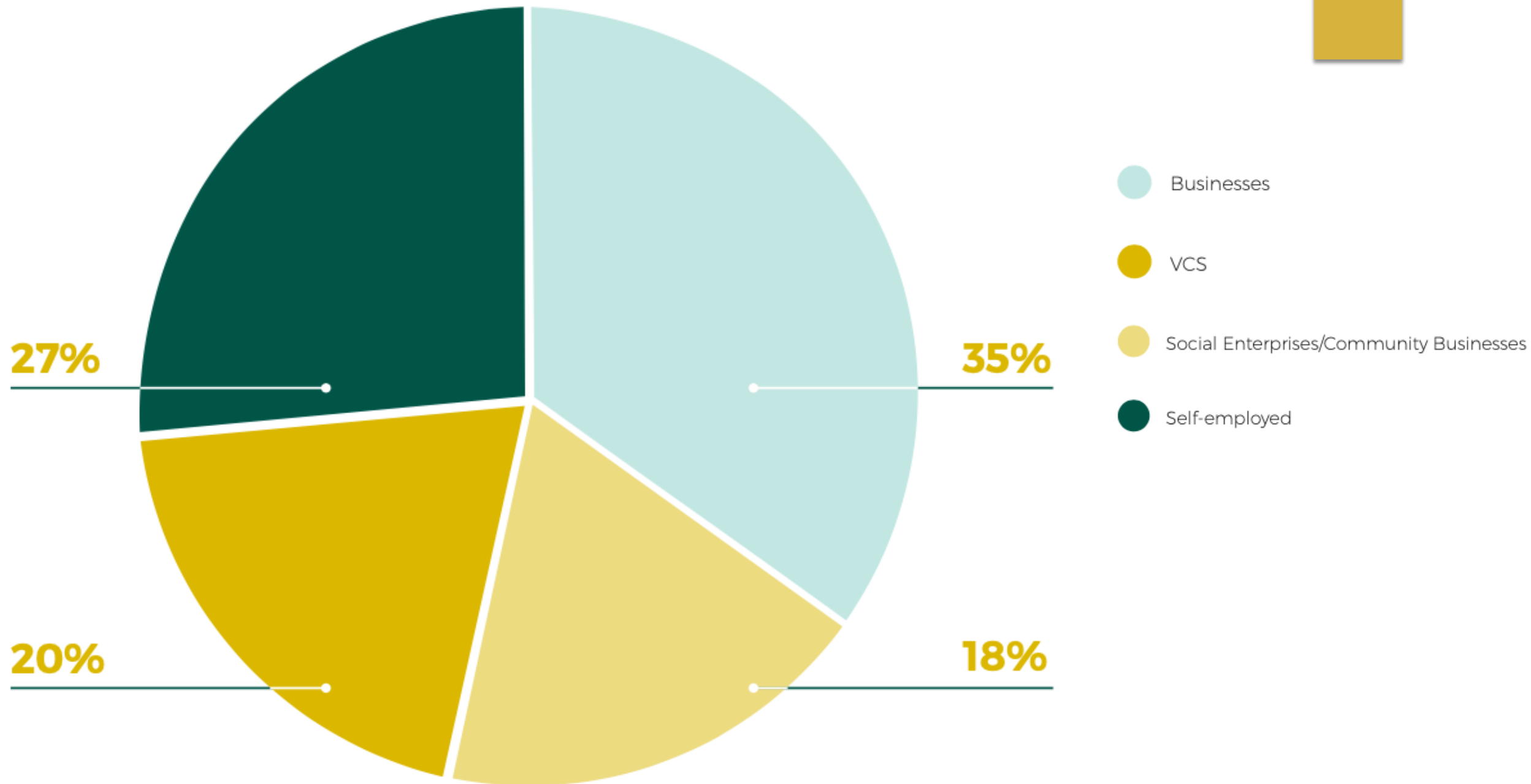
Business Sector



Social Enterprises

- ✓ 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.

[FIGURE 1] ORGANSATIONAL 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



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