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### *Citation for published version (APA):*

McIlwaine, C., Natalia, P., Peluffo, S., & Roman-Velasquez, P. (2021). Impact of Covid-19 for Latin American business clusters in London: Latin Elephant's response. *Journal of Latin American Communication Research*, 8(1-2), 3-9. [8: 1-2].

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## Impact of Covid-19 for Latin American business clusters in London: Latin Elephant's response

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### Impacto del Covid-19 para la industria de negocios latinoamericanos en Londres: la respuesta de Latin Elephant

### Impacto da Covid-19 para clusters de negócios latino-americanos em Londres: a resposta da Latin Elephant

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**Abstract:** The purpose of this report<sup>2</sup> is to shed light on the approach of Latin Elephant in the city of London and our experiences working directly with groups impacted by a form of regeneration that excludes Black, Asian and Minority Ethnic (BAME) and other economically disadvantaged groups in processes of urban change during the COVID 19 pandemic. In this report we consider the role that research, community activism and protest have to play in our search for social and spatial justice around gentrification in London.

#### **Keywords:**

Latin Elephant, Latin America, Latin London

**Resumen:** El propósito de este informe es arrojar luz sobre el enfoque de Latin Elephant en la ciudad de Londres y nuestras experiencias de trabajo directo con grupos afectados por una forma de regeneración que excluye a los negros, asiáticos y minorías étnicas (BAME) y otros grupos económicamente desfavorecidos en procesos de cambio urbano durante la pandemia

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<sup>1</sup> Latin Elephant is a charity based in London working with Black, Asian and Minority Ethnic (BAME) groups, Latin Americas in particular to increase participation, inclusion and engagement in processes of urban change in London.

<sup>2</sup> The report is part of the publication: Supporting migrant and ethnic economies through regeneration in London: Lessons from community research, activism and campaigning with Latin Elephant. (2021). <https://latinelephant.org/wp-content/uploads/2021/02/Supporting-migrant-and-ethnic-economies-throughout-regeneration-in-London.pdf>.

de COVID 19. En este informe consideramos el papel que la investigación, el activismo comunitario y la protesta tienen que jugar en nuestra búsqueda de justicia social y espacial en torno a la gentrificación en Londres.

**Palabras clave:**

Latin Elephant, Latin America, Latin London

**Resumo:** O objetivo deste informe é mostrar a abordagem do Latin Elephant na cidade de Londres e nossas experiências de trabalho direto com grupos impactados por uma forma de regeneração exclui negros, asiáticos e outras minorias étnicas (BAME) e outros grupos economicamente desfavorecidos em processos de mudança urbana durante a pandemia COVID 19. Neste relatório, consideramos o papel que a pesquisa, o ativismo comunitário e o protesto devem desempenhar em nossa busca por justiça social e espacial em torno da gentrificação em Londres.

**Palavras-chave:**

Latin Elephant, Latin America, Latin London

## **1. Context and Background**

As a charity, the aim of Latin Elephant is to advocate against the displacement of Black, Asian and Minority Ethnic (BAME) groups in regeneration projects, and to call for social and spatial justice in urban spaces with a specific but not exclusive focus on the Elephant and Castle area in Southwark in London. Indeed, as a borough, Southwark has a very significant proportion of BAME residents, with 46% belonging to a migrant and ethnic background (London Borough of Southwark [LBS], 2017), compared to London's 41% and UK's 14% (Office for National Statistics [ONS], 2011). Southwark is the London borough with the second highest number of Latin Americans in London, representing 9% of the total population, only surpassed by the London Borough of Lambeth with 10% (McIlwaine and Bunge, 2016, p. 17).

Economically, socially and culturally, the Elephant and Castle area of Southwark has been central for Latin Americans as a community. Latin American retailers started setting up businesses in the Elephant and Castle at the beginning of the 1990s and over the years have transformed the area and, in the process, contributed to a distinctive 'Latin Quarter' (Román-Velázquez, 1999). Indeed, the No Longer Invisible research found that 85 percent of Latin

Americans in London visited Latin American shopping areas such as Elephant and Castle, with a rate of 87% among Colombians. This commonly involved visiting restaurants, buying cooking ingredients, and sending money home; indeed, 70% of Latin Americans who remitted money did so from Latin American service points (McIlwaine, Cock and Linneker, 2011).

The Latin American presence in the Elephant and Castle core area comprises four clearly identified zones: Elephant and Castle shopping center, the Arches in Elephant Road, the Arches in Maldonado Walk (inaugurated on 10th Feb 2018, previously known as Eagle's Yard) and Tiendas del Sur in Newington Butts. A survey by Román-Velázquez in 2016 and 2017 revealed a total of 96 and 94 shops (respectively) in the immediate area around the underground station and shopping center, and if considering the shops in Old Kent Road (extending from the southern roundabout), the number increased to 110 shops (Román-Velázquez and Hill, 2016; Román-Velázquez and Retis, 2020). This represents a sharp increase in the number of shops registered at the beginning of the 1990s (approximately 22 shops); and 61 and 70, respectively, in 2012. Latin American retailers in Elephant and Castle are mainly from Colombia, Ecuador, Peru and Bolivia. Latin Elephant's survey shows that 72% are of Colombian origin and relatively young, with 77% born in the 1960s or thereafter. A significant proportion (41%) of businesses at EC are owned by women.

This should also be contextualized within the fact that Latin Americans are the second fastest growing non-EU migrant population in the city. According to this research that analyses the most recent census of 2011, two thirds of Latin Americans have arrived in the UK since 2000, representing the eighth largest non-UK born population in London. Although employment rates are high at 70% with 90% of working age, around half work in low-paid elementary, service, caring and processing jobs with marked concentrations in the cleaning sector. This is despite half of Latin Americans having some form of university level education (ibid. 15). According to an earlier study drawing on a survey with over 1000 Latin Americans in London, 11% earned less than the National Minimum Wage, which is 10 times higher than the national rate, with around half earning less than the London Living Wage (McIlwaine, Cock and Linneker, 2011, p. 65).

## **2. Impact of Covid-19 on Latin American traders in London**

As it has been widely reported, BAME communities have been disproportionately impacted by Covid-19 with the Latin American community being no exception. The unprecedented nature of this pandemic has put into stark relief and arguably exacerbated

existing social and economic inequalities for groups with protected characteristics, and BAME groups in particular who have been experiencing disproportionately high infection rates, not to mention economic precarity. Preliminary scientific papers (Kirby, 2020) and news reports (Butcher and Massey, 2020; Cookson and Milne, 2020) suggest that those with protected characteristics and BAME groups have been hit the hardest and highlight how existing inequalities are exacerbated under such unprecedented conditions. Community organizations, NGOs working with vulnerable groups and unions representing key workers and other low-paid staff have reported unprecedented levels of inequalities (UUV, 2020). For example, workers with precarious contracts who find themselves with very little or no help from the government, migrants who have lost their jobs and whose visa restricts them access to public funds, self-employed people, sole-traders and other SMEs that do not qualify for government grants. Here, we aim to highlight some of the issues we have identified and draw lessons from these experiences. We argue that inequalities present at the systemic level are exacerbated and replicated at community levels. BAME communities have been disproportionately impacted by COVID-19 with the Latin American community being no exception. The pandemic has exacerbated an already precarious condition for our community. In the case of Latin Elephant's beneficiaries, this has come in the form of a double impact: not only did COVID-19 not stop the imminent demolition of Elephant and Castle Shopping Centre, but it also posed an even bigger threat to the lives of hundreds with the pandemic hitting hard their livelihoods.

Despite the different forms of government economic support, many of our beneficiaries have not been able to access resources, many are ineligible for government schemes or with no resources to public funds. It is particularly distressing that a significant number of our beneficiaries belong Covid's age-risk group, adding an extra layer of disadvantage for those disproportionately affected due to their other protected characteristics.

Since the pandemic, our beneficiaries have had the following consequences:

- Beneficiaries falling into sudden unemployment, furloughed staff without the certainty to return to employment, poverty and precarious conditions
- Beneficiaries facing hardship as Covid19 closed their only form of income for their families in UK and abroad putting their livelihoods at great risk
- Beneficiaries within the Covid-19 age risk group having to face hard choices between continued isolation or risking reopening business

- Beneficiaries not able to qualify for government support or have access to any form of public funds
- Beneficiaries facing hardship due to closure of business while having to pay rent, service charges and bills
- Beneficiaries facing IT and language barriers to decipher complex Government fund applications
- Beneficiaries facing uncertainty with regards to Covid19 government guidelines, health and safety, social distancing and new rules to reopen business
- Beneficiaries facing a double challenge: while dealing with Covid19 consequences in their businesses also having to deal with landlords' commercial interests, mostly unaligned with BAME traders' interests (rents, date of reopening of businesses, regulations, and various costs)

### **3. Latin Elephant's response since the Covid-19 breakout (March 2020)<sup>3</sup>**

The above listed challenges impacting our community made us shift our priorities to tackle beneficiaries' urgent needs, impacting and increasing the delivery of our services. Raising awareness and providing advice on financial support available to beneficiaries hit by Covid19:

- Translation and dissemination of documents relating to government support
- An overwhelming number of queries on employment rights
- Advocating for local authority mediation and pushing for protection of tenants (beneficiaries) in relation of their contractual agreements with landlords
- Advocating for Hardship funds to reach those businesses (beneficiaries) left out from government support
- In turn, this has seen an increase in the number of beneficiaries in and around Southwark

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<sup>3</sup> **Southwark Demographics and the Latin American Community**- Source: Southwark Demographic Factsheet May 2015 [www.southwark.gov.uk/JSNA\\_](http://www.southwark.gov.uk/JSNA_)

- 9th most densely populated local authority in England & Wales (306,745).
- 48% BAME background (41% London, 13% UK)
- 12th most deprived borough in London
- Percentage of Latin American residents that make up Southwark population 8.9%

- Service delivery completely transformed and adapted online (Zoom, social media platforms) without affecting the quantity or quality of service delivered
- Intensified media presence to disseminate useful information to beneficiaries (Express News, BBC plus social media platforms)
- Moving towards offering business transformation support derived from changes to consumers habits – online shopping
- Work in collaboration with other community-based organizations and advice-giving frontline services to enhance the referral pathways to support individuals in need of social welfare advice (Housing, Money and debt, Employment rights etc.)

Initial work by Latin Elephant since the onset of the pandemic and associated lockdown, has begun to uncover the stark structural inequalities that permeate these business communities, and which potentially intensify during the crisis. This also sheds light on how alternative economic strategies which sustained migrant and ethnic communities which previously went unnoticed despite contributing to their very existence, are now at the core of their survival and possible demise. Latin Elephant's work on addressing the needs of these vulnerable populations during COVID-19 is beginning to tap into the implications that informality regarding registration, leases, contracts, and informal employment arrangements is having on BAME traders who were already under duress due to regeneration. It is therefore essential to capture the experiences of this neglected group of migrant and ethnic traders whose economic contribution has been central yet often invisible to the survival of BAME populations in London and beyond (Román-Velázquez and Hill 2016). An assessment of their experiences in the face of government support, or lack thereof, is also critical in appraising the economic and policy implications of the effects of COVID into the future, and ultimately enabling government policies to deliver better outcomes for BAME traders.

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