

Latin Elephant's Submission to FALP (Further Amendments to London Plan).

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Policy 4.7 Retail and town centre development

Policy 4.8 Supporting a successful and diverse retail sector and related facilities and services.

Policy 4.9 Small shops

Latin Elephant welcomes the addition of managing clusters to take into account the value of community assets and the sense of place and local identity, and prevent the loss of small retail facilities and specialist shopping. Such amendments to the London Plan are important, however it is not clear what is meant by robust evidence. We at Latin Elephant have advocated for the need to find alternative ways of valuing community assets, whereby the value of a place, ethnic retail and business clusters goes beyond economic metrics. A footnote to clarify what is valid under robust evidence is probably needed, for example equal value should be placed to alternative and qualitative ways of measuring the value of community assets.

We also think that as in policy 4.10 (New and emerging economic sectors) policy 4.8 should include a stronger commitment to ethnic and retail business. The evidence included below as part of this response is clear about the contribution that this sector makes to the UK economy and to community cohesion. We would suggest the following point with similar wording: 'Support the evolution of London's ethnic and migrant retail, business and creative sector and ensure their growth and sustainability by the provision of adequate support and advice, and suitable retail and work spaces'.

Below we include a summary of what we have learnt from our experience of working with Latin American retailers at Elephant and Castle and further evidence about the contribution of ethnic and migrant businesses to the UK economy.

Latin Elephant

E&C is home to the largest Latin American business cluster in London. Research and work with Latin American retailers at E&C has demonstrated that there is little understanding of how ethnic minority businesses participate in processes of urban regeneration and what mechanisms are in place to guarantee their participation and involvement in processes that directly affect them (Roman-Velazquez, 2014). This is particularly relevant given that ethnic and migrant entrepreneurs contribute between £25 and £35 billion to the UK economy annually (Regeneris, 2010), and are an important aspect of multicultural urban life. Supporting specialist ethnic and migrant retail is relevant for regeneration schemes across London and a pertinent policy aspect outlined in the current consultation for 'further amendments to the London Plan'. It is less clear how Councils across London devise strategies and policy initiatives for the inclusion of ethnic minority businesses in regeneration schemes. Urban regeneration in London under the London Plan includes deprived inner city areas where migrant populations are high, and this is particularly so for Southwark and E&C in particular, so it is of utmost significance to ask about the role of ethnic minority businesses in these areas and what support are these receiving from central and local governments. Will regeneration imply a threat to settled migrant communities and their support systems, including long established ethnic enterprises? And, what mechanisms are in place to listen and incorporate long established ethnic and migrant business communities in consultations for urban regeneration in London? What is the impact of current urban regeneration initiatives in London for EMBs? Research that accounts for alternative ways of valuing the contribution of EMBs is needed. More is also needed to understand how ethnic minority businesses participate in consultation processes and the constraints or barriers to their sustainability under current urban development initiatives for London. Latin Elephant is working with Latin American retailers in E&C to address these questions.

Existing evidence about the contribution of Ethnic Retail to the UK economy*

(Part of book chapter to be published by Palgrave).

Recent studies on small and medium enterprises (SMEs) (Portas 2011; Communities and Local Government 2013) highlight the pressures that the economic downturn of the early 2000s had on retail spaces in local high streets and town centres and the need for government intervention. In the case of London despite numerous government initiatives (SQW and Middlesex U 2013) the drive for economic development and competition, increasing property costs, rents and business rates are putting independent small medium enterprises at risk (FSB 2013). However, until recently, little attention has been given to the role of ethnic minority businesses in London and their contribution to the UK economy and to community cohesion. This is significantly important given the current context of urban regeneration in deprived areas of London, where most Black, Asian and Minority Ethnic (BAME) businesses tend to concentrate (Regeneris 2010).

In London most business start-ups are from ethnic minorities. Ethnic minority businesses (EMBs) represent 'between 6.7% and 9.3% of the total number of SMEs in the UK' the greater proportion of which are in London (Regeneris 2010, 3). Whilst the government's department for Business, Innovation and Skills Survey of Small Business estimated that 6.2% of SMEs were from ethnic minority group - that is 295,000 shops out of an estimated total of 4,788,000 (BIS 2012). The survey by Centre for Entrepreneurship (2103) reported that migrant entrepreneur-founded companies employ 1.16 million people in the UK.

Over the last 10 years the number of EMBs in Britain has grown steadily. By 2004 the UK 'had created a quarter of a million firms contributing at least £15 billion (€19 billion) to the UK economy and accounting for 11 percent of new businesses start-ups, a growth rate double that for total business start-ups' (Ram and Jones 2008, 63). By 2010 a report commissioned by Ethnic Minority Business Advocacy Network (EMBAN) concluded that ethnic minority businesses contributed to an estimated £25 - £32 billion to the UK economy annually (Regeneris 2010).

Despite this economic contribution, a study commissioned by Department for Communities and Local Government (2013) found out that a high proportion of Black-African and Black-Caribbean people in the UK still remained underrepresented in these figures. By implication service provision and access to government advice for EMBs is not reaching all and the UK government has acknowledged that more needs to be done to make sure people from all backgrounds can achieve their aspirations of starting up a business. Driving this government agenda is the conviction that failure to encourage business start-ups by ethnic minorities in the UK is costing the UK economy approximately £8 billion annually. This is particularly relevant if considering that migration to the UK is on the increase, and that London accounts for a high proportion of this migratory flow and settlement.

The question as to why local governments should support ethnic and migrant entrepreneurs in their efforts to remain in areas under regeneration initiatives become ever more pertinent if taking into account that these enterprises are usually concentrated in areas with high indices of deprivation and in many instances contribute to the creation of employment and bring wider socio-economic benefits to these areas. They also have the potential to bring about wider opportunities in local economies and 'thereby increasing economic and cultural diversity, reducing unemployment and social exclusion, mitigating the problematic employment situation of young people in the ethnic segment and raising living standards in ethnic groups that often belong to the more disadvantaged segments in society' (Baycan-Levent, et al 2006, 3). Thus, ethnic and migrant small businesses play a significant role in their local communities by becoming role models, contributing to community cohesion and participating in the transformation of deprived neighbourhoods and local high streets.

* Material part of forthcoming book: Latin Americans Abroad: Transnational Cultural Spaces in London (Patria Roman-Velazquez and Libia Villazana-Kjaer), Palgrave, Macmillan, USA (forthcoming 2015).

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