

Researchers investigate impact of COVID-19 on BAME businesses

October 19 2020



A Stoke-on-Trent business involved in the pilot study into the impacts of the pandemic on BAME businesses. Credit: Dr Tolu Olarewaju

Black, Asian and Minority Ethnic (BAME) businesses have had to incur considerable costs to protect their businesses through lockdown, according to academics at Staffordshire University.

During lockdown, many businesses in the UK were forced to shut up shop while many others continued to at a reduced capacity and with lower turnover.

Staffordshire Business School have secured funding from the British Academy to investigate the specific challenges that BAME [business](#) owners have faced during the COVID-19 pandemic and lockdown, the strategies they used to keep their businesses afloat, and how they engaged with financial and regional support.

The crisis facing BAME businesses has been exacerbated by the fact that BAME individuals have experienced higher mortality rates. BAME owned businesses usually hire a considerable amount of BAME employees and attract more BAME customers than non-BAME businesses. Early indications are that BAME owned businesses have had to incur considerable costs to protect their businesses, staff and customers.

Dr. Tolu Olarewaju (Staffordshire University), Professor Fang Zhao (Staffordshire University) and Dr. Jagannadha Pawan Tamvada (Southampton University) have conducted a [pilot study](#) in the West Midlands, the results of which have been shared with the Centre for Research in Ethnic Minority Entrepreneurship (CREME).

Dr. Olarewaju said: "In terms of outcomes, we have found that many BAME owned businesses have struggled, some have sadly shut, others have barely managed to keep trading, and some have adapted and evolved.

"So far, our pilot study has focused on small-scale BAME owned retail businesses and we have found that business adaptability and evolution was essential in the few months following the government-imposed lockdown and small-scale BAME owned [retail businesses](#) that exhibited these characteristics fared better than those that did not. For example, many businesses had to adjust their operations to take account of social distancing, adopt new technology in day to day practices, and even venture into new business endeavours.

"Crucially, our research is highlighting that resource constraints and capabilities have been heightened for BAME businesses during the pandemic. We also are discovering how informal bodies and social units are stepping in to help businesses and individuals."

Dr. Jagannadha Pawan Tamvada said: "The COVID-19 pandemic represents not only a health and economic crisis but also has significant social and cultural impacts."

Professor Fang Zhao added: "The pandemic continues to have significant implications for BAME owned businesses because they are traditionally concentrated in sectors such as retailing, restaurants, hospitality, and other personal services."

The research team are now looking to expand their study to cover BAME and non-BAME businesses throughout the UK and are asking business owners to complete a short 10-minute survey which can help inform future business policy.

Provided by Staffordshire University

Citation: Researchers investigate impact of COVID-19 on BAME businesses (2020, October 19) retrieved 11 May 2024 from <https://phys.org/news/2020-10-impact-covid-bame-businesses.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.