



EXECUTIVE SUMMARY

THE CASE FOR LONDON'S LATIN QUARTER: RETENTION, GROWTH AND SUSTAINABILITY

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LATIN QUARTER VISION STATEMENT



That the current Latin American business cluster at Elephant and Castle is formally recognised as a Latin Quarter, and its contribution to the local economy and community cohesion be acknowledged.

The establishment of a Latin Quarter for London will:

- improve social cohesion by creating an environment which is welcoming and inclusive to all;
- enhance the current retail offering of the borough through the provision and delivery of specialist food, goods and services;
- expand local employment opportunities and improve access to skills and training;
- enable small and micro businesses to establish themselves in the area by acting as a small business incubator;
- cultivate and establish a more vibrant and safer public realm at Elephant and Castle.

Given the current programme of regeneration taking place at Elephant and Castle there are a number of existing development opportunities which could help make this vision a reality. If these practical initiatives were implemented the risk of displacement or further isolation of the existing Latin American business cluster would be greatly reduced. In addition, it would strengthen the position of emerging migrant entrepreneurs in the area and secure their role in the future prosperity of Southwark.

1. INTRODUCTION

This report sets out a strategic vision for the development of the existing Latin American business cluster at Elephant and Castle (EC) in the Borough of Southwark, London.

It is supported by a series of development proposals which together seek to maximise opportunities arising from the process of urban change. It also identifies existing barriers to growth for this business cluster and provides recommendations to overcome these so that the valuable entrepreneurial activity of migrant ethnic businesses (MEBs) can continue whilst helping to maintain social cohesion.

The existing Latin Quarter is widely regarded as an integral part of the current and future retail offering for EC. However, small migrant and ethnic businesses require alternative models for retention, economic growth and sustainability in light of regeneration. These have been considered throughout the study and are outlined in the report accordingly.

Finally, the report recommends the formal recognition of the business clusters as London's Latin Quarter as an acknowledgment of the role that the businesses have in the local economy, the prominence amongst the local community and the provision of a unique retail offer and experience for EC.



2. METHODOLOGY

Research methods:

- Literature review of migrant and ethnic economies and desk based search for comparable case studies.
- Manual mapping of Latin American owned businesses in the area during October and November 2014 and December 2015
- A short survey of 90 traders to create a profile of Latin American entrepreneurship in EC.
- Consultation with retailers and relevant stakeholders at Latin Quarter Workshop on 19 November 2014.
- In-depth research interviews with 15 Latin American retailers to better understand hopes and concerns over regeneration projects in the area.
- Meetings and interviews with stakeholders involved in similar activities across London.
- Formal meetings with representatives of Southwark Council, Delancey and Network Rail.
- A customer retail survey of visitors to the EC shopping centre on 28 March 2015.

Outputs:

- [Latin Quarter: Elephant and Castle Community Vision](#), report published by Latin Elephant, February 2015.
- [London's Latin Quarter](#), documentary directed by Silvia Rothlisberger, first screened at Tate Modern Community Cinema, 5 October 2015.
- [Latin American business mapping](#)
- [The case for London's Latin Quarter: Retention, growth and sustainability](#), report published by Latin Elephant, March 2016.



3. MIGRANT ETHNIC BUSINESSES AND URBAN CHANGE



"Oasis", Natural Juice, Arko 146, Eagle's Yard.

"El Costenito", Ecuadorian Restaurant, Arko 146, Eagle's Yard.

Regeneration schemes in London are taking place in deprived boroughs where there is a high proportion of diverse ethnic populations, thus minority groups and MEB's are disproportionately affected by these schemes.

MEB clusters often contribute to community cohesion and are underpinning of diverse communities in inner city areas, providing a valuable social as well as economic function. Currently, however, this is not accounted for and the importance of migrant and ethnic economies within urban areas are underestimated, as is the willingness and need for migrant entrepreneurs to remain clustered.

Throughout the process of urban change, MEBs instead often operate under conditions of great uncertainty, disengaged from planning processes and under-represented from retail strategies for Opportunity Areas. Although the causal factors behind this are varied, it is clear that strong policy frameworks alongside the provision of tailored business engagement and support service for MEBs together could go some way to help build in resilience of MEBs to withstand some of the risks associated with rapid urban change.

Priority Areas and Recommendations

Latin Elephant has identified 3 priority areas for MEBs in the context of urban change and makes 10 recommendations to overcome the current short falls experienced by London's migrant and ethnic business clusters.

Priority Area 1: Policy Frameworks

Despite the fact that small and micro businesses are proven to be crucial for economic growth, job creation and economic and social cohesion, local authorities are not making full use of planning policies and procedures to protect them throughout regeneration programmes, especially in the case of MEBs. Policy frameworks can act as a guide to: protect character areas; provide guidance and definitions for affordable retail space; secure accountability of allocated spaces; and inform the direction of public funding.

Priority Area 2: Business Development and Skills

Evidence suggests that business support and the transformation of business practices goes hand in hand with economic growth yet despite the range of programmes on offer migrant entrepreneurs are not yet supported and access to finance, appropriate business models, relevant advice and support services remains difficult for MEBs across London. Local businesses have a wealth of potential contractors with specialist expertise in particular, those from migrant and ethnic economies. However, opportunities for local people and specialist local contractors (e.g. architects, planners, constructors, artists and designers) are often not maximised.

Priority Area 3: People and Place

There are many missed opportunities in current regeneration programmes. Existing small and micro businesses have unique characteristics and conditions under which they have evolved and thrived. These can be nurtured and enhanced by regeneration if taken properly into account at the planning stage, allowing areas to retain original character and feel. For example, the clustering of migrant and ethnic businesses in EC has stimulated strong local, regional, national and international networks. When taken properly into account, this can be retained through inclusion, engagement and participation of the existing communities from the earliest opportunities in the development process.



Chiros Gustavo, Dressmaker, Arko del Centro, Elephant Road.

Extra Media, Newspaper distribution, Elephant and Castle.

RECOMMENDATIONS

The following recommendations will help to foster an environment within which migrant and ethnic entrepreneurs can better succeed and contribute to London's local economies and cultures in the context of urban change:

1. Improve channels through which London's growing migrant and ethnic populations can contribute to the planning process and access applicable funding streams.
2. Identify and acknowledge the specific contribution of MEBs within opportunity areas and for this to be reflected in local planning strategy documents.
3. Develop overarching retail strategies for development areas which draw upon the needs of existing communities and local economies and are inclusive to both small and micro businesses and MEB clusters.
4. Set guidelines to guarantee and monitor the quantity and quality of affordable business commercial units (rent space) for small and micro businesses in new and refurbished developments.
5. Create conditions which will enable existing business clusters to better manage urban change at every stage of the development process. This should include support strategies for transition phases whether this is relocation, compensation or a prioritised return for existing businesses.
6. Support the retention, sustainability and growth of existing businesses through a comprehensive business readiness programme to include: language support, business development assistance, financial planning, employment law advice, other training and to open access to financing options for MEBs.
7. Support local job and skills creation by sourcing local talent and skills to design and build locally and improve access to training, education and employment, especially for migrant entrepreneurs.
8. Invest in infrastructure that reflects community needs and supports the needs of micro business, for example flexible business units where complimentary activities can take place or public realm improvements to maximise footfall.

9. Involve the local population in a community vision for opportunity areas at the earliest stage in the development process.
10. Implement comprehensive monitoring mechanisms which fully capture the varied contribution of MEBs in London.

If local business and economies are to remain at the heart of government initiatives for economic development, the incorporation of migrant and ethnic businesses into plans for inner city regeneration cannot be ignored, especially in London. As the case of London's Latin Quarter at EC will highlight, a real mandate exists for policy frameworks, local business environments and profiles of people and place to be fully inclusive of MEBs. Only then will regeneration schemes fully utilise the role they can play in the transformation of local places and economies and help London to achieve its aspirations and vision of becoming a leading global city.



LONDON'S LATIN QUARTER FACTS

4. LONDON'S LATIN QUARTER

From arrival in the UK, immigrants from developing countries face distinct challenges which can obstruct the path towards socio-economic progress. Studies have revealed that up to 55% of Latin Americans in London are employed in low-skilled manual labour, in particular within the cleaning sector. One avenue that is available and often taken by a minority of migrants, to 'shortcut' up the occupational ladder, is to become an entrepreneur (McIlwaine et al., 2011).

Southwark is characterised by a high concentration of migrant economic activity, reflecting the ethnic diversity of the population (circa 300,000), over 60% of which are of minority ethnic background (London Borough Southwark, May 2014). People of Latin American heritage are a significant minority group in the borough, representing 8.9% of the total population (Census, 2011).

The Latin American business cluster located in EC's core commercial area comprises of four clearly identified zones: Elephant & Castle shopping centre, the Arches in Elephant Road, the Arches in Eagles Yard and the Draper Estate and Sherston Court in Newington Butts.

Key facts about the Latin Quarter:

- 120 small inter-independent Latin American run businesses exist in Southwark (as of December 2015)
- Around 100 of these are based in EC's core commercial area (as of December 2015).
- Some businesses are key employers for the community, although most remain small, family enterprises that employ up to 5 staff.
- The majority of business owners are of Colombian origin (72%) and relatively young, with 77% born in the 1960s or thereafter.
- A significant lag time exists between a migrant's arrival date to the UK and business opening dates.
- Whilst many are joint husband and wife ownership, women play a prominent role in enterprise, with 41% of Latin businesses at EC owned by women, significantly higher than the national average.
- The majority of businesses (80%) report their customer base to be Latino, but almost all aspire to attract new clientele from wider backgrounds.

CASE STUDY



Ana Castro Shoes

Ana Castro is a Colombian business owner who arrived in the UK 5 years ago to study English. As a graduate of business studies, Ana spent two years crafting a business plan which would fulfil her ambition to become an entrepreneur. In 2014, Ana was offered the lease on a central unit in the EC shopping centre and where she opened her business, 'Ana Castro Shoes', which imports women's fashion items from Colombia.

Within the first six months, the business has proven successful and she manages to cover her outgoings. Her business model incorporates a social aspect, in that many of the Colombian products are handmade, by women who otherwise find it difficult to gain employment in her home country. She also imports and sells products from France and Italy. In addition, she employs two local shop assistants and contracts to local service providers, such as a Window Cleaner and Electrician, all of whom are Latin American.

Despite her success, Ana is concerned about her future and uncertain about what will happen. The redevelopment of the area was a positive factor in her business plan which she hoped would help to expand her product line and enable business growth as she foresaw that the regeneration would bring new people to the area, with a greater demand for a greater diversity of products.

However, Ana has no provision for relocation or compensation from the property owners included in the terms of her lease. With the help of a lawyer and the support of Latin Elephant she has been able to renegotiate the terms and considering her options beyond July 2016 when her current lease expires. This may or may not mean staying in the Elephant and Castle area.

Asked how the temporary closure of the shopping centre would affect her Ana replied:

“*Immensely, people know my shop. It would be very difficult and complicated to start again.*

Ana feels a strong sense of community and affection for EC. She is an active volunteer with a local charity, and can spot opportunities to provide support to develop the skills of her fellow Latin Americans. She talks of a need for local, free English language classes and opportunities for cultural exchange to help with the embeddedness and social cohesion of the community. She perceives the Latin Community at EC to be strong, and as such, wishes that the business owners could find the time to build on this strength to plan ahead and work together to mitigate risk, but unfortunately the reality of day to day business operations takes over.

She explains,

“*...the business owners want to participate and have the opportunity to express what we feel.*

When it comes to the plans for redevelopment it should ideally ensure that

“*...the community is recognised for what we are: organised, hardworking and eager to make the most of the future and continue to grow our businesses here in Southwark.*

5. DEVELOPMENT OPPORTUNITIES

Summary Table

Latin Elephant have developed the initial ideas put forward by the local community in the Latin Quarter Workshop to present a series of project proposals to be implemented together, or on a project by project basis, in order to achieve the desired vision of London's first Latin Quarter. The project proposals have been informed through stakeholder consultation and an analysis of the current site, taking into consideration the information and recommendations laid out in the previous chapters.

Development Opportunity	Goal	Predicted Benefits	Risks	Funding sources	Timescale
Latin Boulevard	The creation of a Latin American shopping parade at the heart of the existing Latin Quarter which will celebrate, promote and help develop the existing business cluster.	<ul style="list-style-type: none"> A feature to draw people into the area Boost the local economy Diversify shopper profile Improve community cohesion and safety Improve public realm Better use of urban space 	That the existing businesses will not fulfil their potential, unsupported by the current policy framework and lack of investment and will be forced to disperse.	CIL, Community funds, Trusts and City Funds	Phased implementation to take into consideration other planned works.
Public Realm Improvement	Enhance the local environment to improve the attractiveness and visitor experience in the local area.	<ul style="list-style-type: none"> More use of public spaces Better perception of the local environment Improved desirability of the area as a place and destination 	<ul style="list-style-type: none"> Low desirability to visit the area Poor social cohesion and perceptions of safety for locals because the public realm does not reflect the nature of the business cluster and community that exist in the area. 	Council community fund and heritage funds, locality lottery funding, health?	With immediate effect and / or in line with phased implementation of Latin Boulevard.

Development Opportunity	Goal	Predicted Benefits	Risks	Funding sources	Timescale
Food & Craft Markets	Development of street market trading of Latin products (food and art) in the Latin Quarter, managed and supplied by a local community of traders.	<p>Latin community can share goods and culture in a street setting to animate the public realm</p> <p>Uniqueness of market will pull for tourists and visitors from outside of the local catchment</p> <p>A platform for existing businesses to diversify their customer base.</p> <p>Improves and builds entrepreneurial skills and creates jobs for the borough</p>	<p>Would be migrant entrepreneurs remain unsupported in business start-up</p> <p>Diversity of retail sector is lost</p> <p>Opportunities to improve social cohesion through cultural exchange is not taken.</p>	Joint public/private funding (public, private market management companies, mutual society)	In line with other developments and phased with implementation of Latin Boulevard / Pedestrian road
Community Hub	Establishment of a multi-purpose centre, in existing or new premises, that facilitates the provision of services, events and activities which are responsive to the specific needs of the Latin American and wider community of EC.	<p>A heightened sense of belongingness and permanency in the place where the Latin American community has settled.</p> <p>Provision of facilities to carry out a tailored and regular programme of activities for and by the community.</p> <p>A space to build skills and capacity of the community from within and a point of access for external service providers.</p>	<p>Social isolation and displacement of community members.</p> <p>No sense of rightful belonging for the community.</p> <p>Inequality of access to opportunities, support and services.</p>	Planning policy requirement of housing developers to provide for existing community need.	Built in to development delivery timescales. In the interim temporary space could be sought through disused retail units or temporary containers e.g. Library.
Arts, Cultural Events	Provision for regular programme of art and cultural events which will promote and improve knowledge of Latin American culture within the wider community.	<p>A heightened sense of belongingness</p> <p>Improved visibility for the LQ</p> <p>Increase in offers and footfall to the LQ</p> <p>Positive perceptions of safety</p>	<p>Decreased cultural offers</p> <p>Decreased opportunities for community cohesion</p> <p>Weak sense of social belonging</p>	Various art foundations, Art Council, GLA, Southwark Council	With immediate effect

6. CONCLUSIONS

This study has drawn on the current case of London's Latin Quarter in EC to identify and propose a series recommendations and guidelines for best practice approach to improve the situation of MEBs in the context of urban change.

The 10 recommendations serve to maximise possibilities for retention and growth and generally improve conditions for migrant and ethnic entrepreneurs in London across three priority areas: Policy Frameworks, Business Development and Skills, and People and Places. This is particularly prescient given that regeneration schemes across London are taking place in the most deprived and ethnically diverse boroughs in the capital.

There are significant lessons to be learned from the experiences of the Latin American business cluster at EC and many opportunities exist to incorporate the existing businesses into the future retail strategy of the area. For the Latin American business cluster, the formal recognition of the area as 'London's Latin Quarter' would give a significant boost to footfall, promoting it's specialist retail status.

The five development opportunities, identified through the consultation process with existing retailers and community groups: the Latin Boulevard, Public Realm Improvements, Food and Craft Markets, Community Hub, and Art and Cultural events along with the spatial vision have been designed to be easily adopted into the regeneration strategy at EC. These proposals are particularly viable now, given the rapid process of urban change underway at EC.

Investment and a compromise by different stakeholders will be necessary to achieve the mutual benefit from the attraction that a Latin Quarter will bring to EC and this document opens the channels for discussion. The study concludes that to realise the full potential of the business cluster, investment in the area needs to be accompanied by active involvement of the existing group of retailers at all stages of the decision making process. Only this will ensure that the vision remains community driven and that the Latin Quarter will continue to cultivate small independent migrant entrepreneurship for Latin Americans in London.

The adoption of the 10 proposed recommendations and 5 project proposals provided in the document will provide London with an example best practice and minimises the risks posed by urban change to micro and small businesses, with special regard to MEBs. The end result will mean better mechanisms and processes in place to ensure that we maximise the potential that migrant entrepreneurship has and will continue to offer London for many years to come.

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