

Business

Black-owned eateries in US buoyed by grassroots support

Black business owners among the worst hit during pandemic

WASHINGTON, DC: Outside the Southwest Soda Pop Shop in the US capital, a long line of customers waits, both to buy ice cream and to show solidarity with restaurants owned by African Americans, a community particularly hard hit by the coronavirus pandemic.

"We went from 30 customers to 300 customers on a weekday. It's crazy," said Andrea Jones, the daughter of the ice cream parlor's owner.

"Every day, the line gets longer," the 21-year-old said. "They come out rain or shine, they bring their umbrella. They support us no matter what. It's beautiful to see." The shop, which sits on the banks of the Potomac River, had to close because of the virus, causing huge financial strain until Jones called for support on Twitter the day before a huge anti-racism protest in the US capital. Her tweet was shared almost 30,000 times.

In recent weeks, as the nation has focused on race issues in the wake of the killing of unarmed black man George Floyd in police custody, there has been an explosion of solidarity and support from activists, as well as social media and commercial campaigns, to boost African-American restaurant owners.

Uber Eats, the food delivery service run by the rideshare giant, launched a filter to promote black-owned restaurants on June 4 in several cities in the United States and Canada, and eliminated delivery fees for those eateries.

'Almost devastating'

Numerous studies have shown that black business owners, and in particular those in the food industry, have been among the worst hit during

the COVID-19 pandemic and the subsequent economic chaos.

"Oh man, it was almost devastating," said Oji Abbott, the owner of Oohh's and Aahh's soul food restaurant who is also known as Chef O. "We lost probably every revenue stream of money that you could lose," the 45-year-old said.

Close to Howard University, one of the most prestigious historically black colleges in the country, the eatery saw the flow of tourists and students dry up overnight. Just down the street, Ben's Chili Bowl, which famously counted Martin Luther King Jr as one of its customers in the days of civil rights marches in Washington, saw its business drop by 80 percent during the lockdown.

"Black-owned businesses tend to be much smaller, they have thinner profit margins," said Sifan Liu, a research analyst with the Metropolitan Policy Program at the Brookings Institution. "And they also have greater credit constraints and therefore, they are very vulnerable in any recession,

and particularly this one," she said.

Between February and April 2020, 41 percent of small businesses with African-American owners closed due to the coronavirus, according to a report by the National Bureau of Economic Research published in June.

During the same period, only 17 percent of small businesses with white owners went under.

Hard to get capital

As with many black-owned businesses, the proprietors of Ben's Chili Bowl and Oohh's and Aahh's were excluded from the first wave of the Trump administration's loans to help keep small



WASHINGTON, DC: Oji Abbott 'Chef O' sits in front of his restaurant Oohh's and Aahh's, one of the many on U Street in Washington, DC. —AFP

They support us no matter what

businesses afloat—a vital lifeline for many.

"In the first round of the PPP (Paycheck Protection Program), the application process relied on mainstream financial institutions to deliver loans, which favored existing customers at large banks," said Liu. "And because black business owners are likely to be unbanked or underbanked, they just don't have those existing relationships and they are less likely to get those loans," she said. Abbott opened his eatery in 2003 with \$30,000 of his own savings. He has never relied on a bank to help grow his business. "In general, access to capital is hard for black business owners," said Liu.

In 2018, big banks approved 29 percent of credit applications from African-American entrepreneurs, while approving funds for 60 percent of white business owner applicants, Brookings said in a mid-April study on COVID-19 and small businesses.

"There needs to be a more targeted effort to attack racial disparities," said Liu. While Abbott said he wants to see structural changes, he remains upbeat and has seen his business pick up since a loosening of stay-at-home restrictions.

"I'd like to support other black-owned businesses, the same way they come and support me," he said.—AFP

Women bear the brunt of virus fallout in workplace

LONDON: The reverberating economic shock of the coronavirus crisis has delivered a massive setback for women because so many work in the badly exposed services sector, experts say.

The nature of the outbreak means women are more likely than men to lose or quit their jobs in vulnerable low-paying workplaces like bars, conference venues, hairdressing salons, hotels, pubs and restaurants, which faced extensive shutdowns. School closures during lockdown have exacerbated the situation because more women than men tend to care for and teach their children, even while working from home.

The services sector, covering areas like hospitality and leisure, has been ravaged by lockdowns imposed by governments across the world trying to halt the spread of the disease.

Loss of income

"In the UK and the US, women more likely to lose their jobs because they are more likely to work in services," said Cambridge University economics lecturer Christopher Rauh. "When you lose your job you are not just losing income now—but also later on," he told AFP.

As lockdowns ease and infection rates and deaths fall, the services sector is often the last to reopen because it tends to rely on large numbers of people in close contact. In Britain, stay-at-home measures began to be relaxed earlier this month but pubs, bars and restaurants are expected to reopen only from July 4.

The phased reopening in England started with outdoor markets and car showrooms, and some younger children also returned to school. However, not all primary school children will return before the lengthy summer break that starts in mid-July and runs until the start of September.

Within family units, mothers have been 1.5 times more likely than fathers to lose or quit their jobs since the crisis began, according to think-tank the Institute of Fiscal Studies. Women are also more likely than men to have been furloughed, or temporarily paid by the UK government's jobs retention scheme, it added. Mothers traditionally assume a larger share of unpaid housework on top of their paid work.

Afraid to ask

Sarah, who works in London's film industry, stays up every day until 1:00 am to meet deadlines, long after her son and daughter have gone to bed. "I did not dare ask my bosses for a special work arrangement—I did not want them to think I can't manage," she said.

Single parents face even greater demands with one fewer pair of hands. "At the start of lockdown it was atrocious," said a single mum working in the pharmaceutical sector in Paris who declined to give her name. —AFP

Ooredoo launches Nojoom Deals

KUWAIT: Ooredoo Telecom, the first to introduce innovative digital services in Kuwait, launched its new Nojoom Deals, becoming the first telecom operator in Kuwait to reward its loyalty members with instant deals and unique offers from top brands in the market. The Nojoom Deals are a new redemption method in Ooredoo's award winning Nojoom Rewards Program, which allows Kuwait's Nojoom members to redeem their points by unlocking specific deals or offers, such as buy one get one free, unique gifts, cash vouchers, special discounts and service upgrades.

Ooredoo Kuwait partnered with Related Inc., the marketing agency specialized in the development and management of loyalty programs and rewards marketplaces, to drive digital transformation across the Nojoom

program. The newly introduced platform "Nojoom Deals" offers special discounts and relevant deals from attractive brands across various industries in the market, allowing its members to redeem their Nojoom points from as low as half a Kuwaiti Dinar worth of points.

Ooredoo is committed to providing customers with a comprehensive experience that enriches their lives and meets their expectations, this is portrayed through the Nojoom Rewards Program which has been tailor made to offer members free upgrades, vouchers and discounts from a large variety of partners to meet their lifestyle needs. In addition, customers can earn more Nojoom points from our most recent partners which include Kuwait Finance House, Booking.com, Johnny Rockets, Arby's, Floward, Joyalukkas, Cozmo, Paintball Kuwait, Mashawi, Chocolateness and many more to come in 2020.

The Nojoom Rewards Program has many benefits which include transferring Nojoom points to friends and family, donating Nojoom points for charitable causes, selecting specific Ooredoo



Services and top-ups, exchanging Points to Miles with leading Airline Companies such as Kuwait Airways and Qatar Airways as well as redemption for partners' cash voucher which are readily accessible through www.ooredoo.com/kw or the MyOoredoo App.

Established in 2012, the Nojoom

Rewards Program has been continuously revamped to match the Kuwaiti lifestyle, which is modern and youthful and meets local and international trends. Nojoom has been awarded the best loyalty program in the Middle East and Africa for three consecutive years in 2012, 2013, and 2014.

Pakistan ramps up health spending in budget

ISLAMABAD: Pakistan's ruling party vowed to double healthcare spending as it unveiled a new budget which dramatically slashed other expenditure with the coronavirus pandemic wreaking havoc on the economy.

To a chorus of boos from the opposition, the government announced plans to cut the overall budget by 11 percent compared with last year, as revenues dried up and deficits soared in the impoverished nation. "We have prepared this budget keeping the coronavirus pandemic in mind," said Hammad Azhar, the minister of planning and industries, during a speech to the lower house of parliament.

Pakistan's economy was already on life support before officials began shuttering large segments of the economy in March as an array of lockdown measures were rolled out in effort to fight the

spread of the coronavirus. The country has since called for debt forgiveness from international donors and the IMF as tax revenues cratered, inflation soared, the currency was devalued, and fiscal deficits widened.

"It is difficult to say anything with certainty about the coronavirus's impact ... but there is no doubt that our GDP—which we thought could grow around 3 percent—will now go down by around 0.4 percent," Azhar told parliamentarians.

Pakistan has struggled for decades to collect sufficient taxes, piling pressure on successive governments over the decades to provide ample funding for the country's ailing healthcare and education sectors. Estimates suggest that only around one percent of the 200 million population filed a return in 2018.

The unveiling of the budget came just days after the World Health Organization called on Pakistan to implement "intermittent" lockdowns to counter a surge in coronavirus infections that has come as the country loosened restrictions in recent weeks. Prime Minister Imran Khan has repeatedly



PESHAWAR: Government employees shout slogans as they march during a protest against government's fiscal budget for 2020-21, in Peshawar demanding an increase in salary. —AFP

lambasted the lockdown measures, saying the moves are disproportionately hitting the poor who are unable to absorb the economic damage.

Hospitals across Pakistan, however, say they are at or near capacity, and some are turning COVID-19 patients away. —AFP

Fed officials signal rising caution on US recovery

NEW YORK/WASHINGTON: Two US Federal Reserve officials sounded increasing pessimism on the swiftness of any economic recovery from the novel coronavirus epi-

dem and warned the unemployment rate could rise again if the disease is not brought under control. The central bank already made clear it expects a full economic healing from the impact of the virus to take years as it kept interest rate near zero at its policy meeting last week.

But nascent signs of recovery in US economic data, with better-than-expected job gains and retail sales for the month of May, had fueled some hopes that the United States could bounce back more quickly. Fed officials pushed back on that view on Friday and cautioned against reopening the economy too hastily after the end

of state lockdowns aimed at containing the virus, which has killed more than 118,000 Americans.

California, North Carolina and a string of US cities mandated or urged mandatory use of masks on Thursday to get a grip on spiraling coronavirus cases as at least six states set daily records. "This lack of containment could ultimately lead to a need for more prolonged shut-downs, which result in reduced consumption and investment, and higher unemployment," Boston Fed President Eric Rosengren said in a virtual event organized by the Greater Providence Chamber of Commerce. —Reuters