

# Corporate Citizenship and Refugee Inclusion

Harnessing Global Private Regulation  
and Corporate Social Responsibility

**WORLD REFUGEE & MIGRATION COUNCIL DISCUSSION PAPER**

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## Acknowledgements

This discussion paper was prepared by **Lawrence L. Herman** for the World Refugee & Migration Council. It has been updated from the original version written in December 2019.

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### **World Refugee & Migration Council**

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## ▶ Introduction

*A Call to Action: Transforming the Global Refugee System*, the comprehensive report issued by the World Refugee & Migration Council (WRMC)<sup>1</sup> in early 2019, contains recommendations for urgent and concerted governmental measures to address the global refugee crisis. The report includes the establishment of a global business coalition as a way of bringing together the private sector in support of solutions to the ongoing refugee problem in today's world.<sup>2</sup>

Taking this as a point of departure, this memorandum in very summary fashion reviews areas where the private sector and international businesses could play an important, albeit complimentary, role in conjunction with governmental action

While not substituting for concerted State-based action addressed in the WRMC report, the private sector could be engaged through:

- ▶ linkages with international business organizations;
- ▶ corporate social responsibility (CSR) guidelines;
- ▶ private standard setting;
- ▶ private certification bodies; and
- ▶ the work of private foundations.

This paper doesn't review these in detail, other to mention some among the many hundreds of private sector activities that could be part of a set of a global solution to the plight of refugee communities and their host countries.

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<sup>1</sup> The World Refugee & Migration Council was known as the World Refugee Council prior to 2020.

<sup>2</sup> *A Call to Action: Transforming the Global Refugee System*, Action 39, p. 49. Reference in the report is also made to the philanthropic sector, such as the Tent Partnership (p. 50) and the IKEA Foundation (p. 51), about which more is said below. The *Call to Action* report can be found at: <https://wrmcouncil.org/publications/a-call-to-action-transforming-the-global-refugee-system/>

## ▶ International Non-Governmental Bodies

A starting point is to look at what the International Chamber of Commerce (ICC) has been doing in devising standards for corporate behavior and best practices in the refugee context.

The ICC is the world's largest business organization, representing more than 45 million companies in over 100 countries. In 2019, it launched a partnership with the UNHCR to enhance business engagement in the international response to the global refugee crisis.<sup>3</sup> As stated in the 20 June 2019 news release,

Both ICC and UNHCR envision a world, where business works for everyone, every day, everywhere. Today, ICC and UNHCR are working to identify areas for future collaboration, including investment opportunities for economies and populations impacted by the refugee crisis. A first initiative will be launched in Cox's Bazar, Bangladesh this year.

ICC will also continue to work with its global network of over 45 million companies to ensure that the world's most vulnerable people are protected. At the [11th World Chambers Congress](#) in Rio de Janeiro, [ICC's World Chambers Federation](#) (WCF), recognised the Gaziantep Chamber of Commerce (Turkey) for creating the first-ever business support service for refugees around the world. Known as "The Syrian Desk", the initiative connects refugees with Syrian businesses by helping them overcome language barriers and other professional support assistance.

The press release went on to define the areas where business can make a contribution in promoting and assisting refugees integration:

- ▶ **Entrepreneurship:** Supporting refugee-owned businesses can offer many opportunities for companies, e.g., as avenues for product distribution to new places and customers.
- ▶ **Employment:** Refugee entrepreneurs can become employers in the long run and contribute to the further integration of refugees. A recent study, conducted by the American-based Brookings Institution, found more than 10,000 Syrian owned businesses in Turkey, each employing 9.4 people on average.
- ▶ **Diversity:** Hiring refugees diversifies the workforce. McKinsey & Company found that ethnic and cultural diversity correlate with profitability.
- ▶ **Skills:** Evidence shows that refugees bring unique skills and experiences that companies may lack, which support entrepreneurial success.

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<sup>3</sup> <https://iccwbo.org/media-wall/news-speeches/5-ways-refugees-create-opportunities-business-society/>

- ▶ **Attractivity:** Companies that support refugees are more attractive to potential employees. A majority of millennials (55.4%) believe host countries should “try to include refugees in the national workforce, according to the World Economic Forum.”

The above shows a good deal of complementarity with elements in the *Call to Action*, indicating potential areas for collaboration. Of note is that the WRMC has already formed linkages with the UNHCR. Thus, there could be a possible (even if informal) tripartite arrangement to advance the WRMC agenda.

The ICC works in close collaboration with Business at the OECD (the Business and Industry Advisory Committee, or BIAC), a broad-based international business group that provides private sector input into OECD deliberations.<sup>4</sup> BIAC has an active agenda and a number of policy committees covering a range of business-related matters, including social responsibility and human rights issues on the OECD agenda.<sup>5</sup> BIAC and the ICC, together with the International Organization of Employers, have issued a statement supporting the Global Compact for Migration<sup>6</sup> and while not so far directly engaged in refugee-related issues, the subject fits within the ICC-BIAC agenda.

The suggestion is that the WRMC, as a next step, could create connections and linkages and possibly a program of joint action with the ICC-BIA-IOE triumvirate. More about the ICC connection below.

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<sup>4</sup> <http://biac.org/quick-facts/> BIAC and the ICC collaborates closely on policy matters with the International Organization of Employers (IOE).

<sup>5</sup> <http://biac.org/policy-groups/>

<sup>6</sup> “Joint business statement toward the negotiation of the global compact for migration”, BIAC/ICC/IOE, 2 February 2018.

## ► Corporate Social Responsibility

Corporate Social Responsibility (CSR) has profoundly changed corporate behaviour and has had a profound influence on the way international business is conducted. A vast body of commentary and analysis has been generated by the emergence of the CSR phenomenon.<sup>7</sup>

Some of these CSR standards, not legislated or mandated by governments, have followed the 2011 *United Nations Guiding Principles on Business and Human Rights*:

The responsibility to respect human rights is a global standard of expected conduct for all business enterprises wherever they operate. It exists independently of States' abilities and/or willingness to fulfil their own human rights obligations and does not diminish those obligations. And it exists over and above compliance with national laws and regulations protecting human rights.<sup>8</sup>

There are many examples of CSR policies adopted by the mining (extractive) sector as a prime example, not because of State regulation or international treaties but because of political and social pressure and the self-interest of the company involved to be seen as an ethically responsible actor. Other examples are found in the international fashion industry, a watershed being the international criticism resulting from the Rana Plaza clothing factory collapse in Bangladesh in 2013.<sup>9</sup>

As in the case of business standards respecting human rights, safe and responsible labour conditions and sustainability/environmental criteria, a set of guiding principles on refugees as part of CSR obligations and standards could be formulated by the WRMC as the next phase of its work, taking its cue from the UNHCR's *Global Compact on Refugees* and from the ingredients for governmental measures in the *Call to Action*.

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<sup>7</sup> See: Vogel, D., "Private Global Business Regulation" (2008), The author notes, "it is surprising how readily large, multinational corporations (MNCs) have adopted CSR standards and reporting mechanisms, considering the lack of financial incentives or regulatory coercion" (p. 268).

<sup>8</sup> [https://www.ohchr.org/Documents/Publications/GuidingPrinciplesBusinessHR\\_EN.pdf](https://www.ohchr.org/Documents/Publications/GuidingPrinciplesBusinessHR_EN.pdf).

<sup>9</sup> Perry, P., Wood, S., "Exploring the International Fashion Supply Chain and Corporate Social Responsibility: Cost, Responsiveness and Ethical Implications", in Fernie, J. and Sparks, L. (eds.) (2019) *Logistics and Retail Management*, 5th Edition, Kogan Page.

## ▶ Other Forms of Private Regulation

Closely related to CSR are other forms of private rulemaking and standards formulation that have expanded over the last decades. These actions shape corporate behaviour on an increasing large scale and have an important role in the refugee context:

Private regulation is a large and growing field of regulatory activity. Industry associations set health and safety standards for their member companies. Companies with global supply chains establish codes of conduct for their foreign suppliers regarding treatment of workers and the environment. Companies join voluntary programs that certify and label their consumer products to indicate compliance with social and environmental criteria. Private auditors are hired to assess corporate compliance with rules and standards developed by both governments and private entities. In all these forms of private regulation, private actors engage in developing and implementing rules that serve the traditional social goals of public regulation, particularly health, safety, and environmental protection.<sup>10</sup>

One simple illustration is the acceptance by Walmart, Home Depot or Amazon of a commercial, non-legislated standard — perhaps even a standard of their own formulations — could be as commercially significant as a tariff reduction on that particular product.<sup>11</sup>

Reference was made earlier about the work of the ICC in respect of refugees. Related to this is the commendable work being done by the Chamber on responsible sourcing — supply chain responsibility — developing business consensus on social factors to be taken into account when managing relations with suppliers.<sup>12</sup>

The idea here is that encouraging private standards for products and services emanating from refugee communities can be an aspect of at least partial relief and economic betterment in those communities. This is something that could figure into the next phase of the WRMC's work.

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<sup>10</sup> McAllister, L. K., "Harnessing Private Regulation", (2014) 3 *Michigan Journal of Environmental & Administrative Law* 291.

<sup>11</sup> For example, Home Depot in its *2018 Responsibility Report* (posted on its web-site) states its commitment to ethical sourcing and social and environmental (SER) standards and conducts audits around the world to ensure its suppliers meet these standards: <https://corporate.homedepot.com/sites/default/files/2018responsibility-report/index.html>

<sup>12</sup> *ICC Guide to Responsible Sourcing*, ICC 2008.

## ► Certifications

Another related phenomenon has been the impact of endorsements and certifications on international commerce, notably in the environmental and “fair trade” domain. These mostly involve actions of NGOs and their significance in shaping public and consumer attitudes and affecting international business is a growing fact.

One of the most significant is the “Fairtrade” certification administered by [Fairtrade International](#), a private standard-setting body, and its companion certification body, [FLO-CERT](#). As stated on its website,

[Fairtrade International](#) (FI) is a multi-stakeholder, non-profit organization focusing on the empowerment of producers and workers in developing countries through trade. Fairtrade International provides leadership, tools and services needed to connect producers and consumers, promote fairer trading conditions and work towards sustainable livelihoods. Fairtrade Labelling Organizations International is the legally registered name for ‘Fairtrade International’.<sup>13</sup>

Fairtrade certifications covers a wide range of products, including [bananas, honey, oranges, cocoa, coffee, shortbread, cotton](#), dried and fresh [fruits](#) and [vegetables, juices, nuts](#) and [oil seeds, quinoa, rice, spices, sugar, tea](#) and [wine](#).

In the same category are the “green” endorsements given by organizations that certify environmentally acceptable practices and processes. Among the earliest of these was the Forest Stewardship Council (FSC). The FSC’s certificates actually originated through the efforts of forestry companies in the early 1990s, seeking to assure consumers that their products were ecologically sustainable.<sup>14</sup>

Like the case of Fairtrade, FSC certification has become widely accepted, aided by the decision of companies like Home Depot to require the FSC stamp of approval from their suppliers. This is one of example of NGO standards being accepted by private industry and having a direct impact on international trade.

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<sup>13</sup> <https://www.fairtrade.net/standard/fairtrade-standards>: “Fairtrade Standards distinguish between core requirements, which producers must meet to be certified, and development requirements that encourage producers to continuously improve and to invest in the development of their organizations and their workers. This concept is developed for the target group of Fairtrade: disadvantaged producers and workers. It encourages sustainable, social, economic and environmental development of producers and their organizations.”

<sup>14</sup> <https://ca.fsc.org/en-ca/about-us>



In the fashion industry, referred to above, WRAP is an independent non-profit team of global social compliance [experts](#) dedicated to promoting safe, lawful, humane, and ethical manufacturing around the world through certification and education. Its [certification program](#) focused on the apparel, footwear, and sewn products sectors based on a facility's compliance with principles are based on the rule of law within each individual country and relevant conventions of the [International Labor Organization \(ILO\)](#).

Another illustration is Better Work, a partnership between the UN's International Labour Organization and the World Bank's International Finance Corporation. Better Work brings diverse groups together – governments, global brands, factory owners, and unions and workers – to establish guidelines to improve working conditions in the garment industry with a focus on developing countries.<sup>15</sup>

If these sorts of certification mechanisms were applied in the refugee context, such as goods certified as refugee-community-originating, the results could be highly significant in economic terms. This is another area where the WRMC could take the lead, perhaps becoming the accepted certifying body itself.

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<sup>15</sup> These and other best-practice-formulating organizations in a wide range of sectors are listed on the CSR Compass website: <https://www.csrcompass.com/textiles-and-clothing-industry>

## ▶ Private Foundations and Philanthropic Organizations

As referenced above, the involvement of private philanthropy and foundations features in the *Call to Action* (pp. 50-53). Among the most prominent is the IKEA Foundation and its work in creating job opportunities in refugee communities (described at p. 51). The Foundation's own website describes its work:

UNHCR and IKEA Foundation have built a unique and innovative partnership that has been transformative for UNHCR. It has introduced new ways of working and has deeply influenced how the organization partners with the private sector, particularly when it comes to access to clean energy as well as economic and financial inclusion.

Since 2010, IKEA Foundation has committed more than US\$198 million in both cash and in-kind donations to UNHCR's programmes. This strategic partnership shows how global companies can provide solutions that really work, helping us to respond in emergencies, identify and scale new ideas, and create more opportunities for refugees to lead dignified lives.

The Tent Partnership for Refugees is also referenced in the WRMC report (at p. 50), a public-private partnership that involves major global companies and non-profit groups with the objective of mobilizing the private sector in finding practical business-related solutions to the refugee crisis. Its objectives are aligned with the private-sector initiatives addressed in this memorandum.<sup>16</sup>

The significance of these bodies is that they are private-sector generated, providing a model or template for private foundations and public-private partnerships to link with international agencies (like the UNHCR) and with non-governmental bodies such as WRMC to generate wealth-creation projects in refugee communities. In fact, the WRMC could provide the link to the foundation sector by developing a set of guidelines or protocols for capital injection and risk management in this area.

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<sup>16</sup> The solutions sought through the Tent Partnership are well-expressed on its website, cited in the WRMC report at p. 50): [www.tent.org](http://www.tent.org).

## ▶ Afterword

The above are broadly-scoped suggestions for involving the private sector in the action menu provided in the *Call to Action*. It does not attempt to hide the fact that a myriad of details will have to be sorted out, including such basic elements as precisely defining the type of actions, the refugee communities, the ingredients of goods and services to be covered and a range of other operational matters.

Notwithstanding these challenges, the point behind this short paper is to show how to engage the private sector in putting refugee relief on its collective radar screen, committing to develop business standards and practices in an urgent humanitarian endeavour in partnership with UN agencies and governments.

## World Refugee & Migration Council

Chaired by former Canadian Foreign Minister Lloyd Axworthy, the World Refugee & Migration Council offers bold thinking on how the international community can respond to refugees through cooperation & responsibility sharing.

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