



## **Submission to the UN Summit for Refugees and Migrants**

### **The private sector, refugees and migrants: a human rights approach**

**5 August 2016**

The private sector can play a significant role to help generate economic security and the realization of basic rights for refugees and migrant workers. Companies can participate in initiatives to increase decent work opportunities and can, at a minimum, carry out robust due diligence to eradicate exploitation from their operations and supply chains, such as forced and child labour, and sexual abuse.

Unfortunately, this potential is only partly met. There is a vast breach between leader and laggard companies in terms of policy and practice. The evidence from our own extensive database, our survey of 30 garment brands regarding efforts to protect Syrian refugees in their Turkish supply chain, outreach to companies in Europe, and recent workshop in Jordan clearly demonstrate this performance gap. There is an opportunity to transform the business role with regard to refugees and migrants for the better.

Global business plays an intrinsic role in the experience of migrants and refugees. It is a generator of migration flows, a provider of services and goods, and an employer. And of course it derives benefits that include cheap labour, as well as the startling innovation and entrepreneurship that have been contributed by refugee and migrant workers over history.

The draft [outcome document](#) for the 19 September 2016 United Nations Summit for Refugees and Migrants includes various elements that relate to the private sector: from the strengthening of labour markets to respect for labour rights and non-discrimination against refugees. The role of business will be most effective and sustainable if companies embrace their internationally-recognized responsibility to respect human rights, as set out in the [UN Guiding Principles on Business and Human Rights](#).

#### **1. Supplement philanthropic contributions with long-term investments and decent employment opportunities**

Many companies are making welcome contributions to the refugee crisis. Approaches include service provision and donations for refugee agencies, support for education, and initiatives to enhance access to technology and banking services. However: as the draft outcome document highlights, the refugee crisis requires long-term solutions. This will involve a concerted effort by international business to invest directly and through supply chains in host countries, to generate opportunities for decent work for refugees, migrant workers and host communities alike – while ensuring that adequate standards are in place to avoid a “race to the bottom” in wages and employment conditions that can exacerbate tensions between these groups.

While the need and opportunity is clear, many more companies can take action. In October 2015 we [reached out to 35 companies](#) in Europe with questions on their response to the refugee crisis. Fifteen firms responded. We highlighted three areas where companies can go beyond donations to support refugees: *mobilising core business* (with examples from BMW, Deutsche Telekom, Facebook, SAP, Total and Vodafone), *calling for respectful societal and governmental action* (with examples from Aviva, SAP, Unilever, and German & French industry associations), and *ensuring business does not support abuses through products, services & investments* (with examples from HESTA and Mutanox). These clear examples can inspire other companies to follow suit.

A responsible approach by the private sector to the employment of vulnerable groups can also generate broader economic benefits. A [recent report](#) for Tent Foundation found that “investing one euro in welcoming refugees can yield nearly two euros in economic benefits within five years.”

## 2. Conduct human rights due diligence in operations and the supply chain

Our [outreach to garment brands](#) sourcing from Turkey in February 2016 found that many were turning a blind eye to significant exploitation of refugee workers in their supply chains, including discrimination, harassment, child labour, and hazardous working conditions. Companies' auditing programs were largely focused on first-tier suppliers and consisted of pre-announced factory visits, meaning they were unlikely to capture the scale of abuse. However a few of the companies were taking a meaningful approach to preventing exploitation. Next, for example, had developed a specific [Action Plan](#) for circumstances when Syrian refugees were found working at supply factories.

As we [wrote](#) in July 2016 after a follow-up visit to Turkey, the right response is not to cease sourcing from the country (given security concerns and reputational risks some brands are considering this). Instead they should stay, and develop a sustained, long-term view to ensure decent work opportunities that take into the accounts of refugees, migrant workers and the host population.

Companies sourcing from countries with high numbers of refugees and migrant workers can conduct robust [human rights due diligence](#) throughout their supply chains to prevent exploitation and discrimination. This involves four steps: assessing actual and potential human rights impacts; integrating and acting on the findings; tracking responses; and communicating about how impacts are addressed. Throughout the process, close consultation with local organizations that have deep expertise on the specific challenges and dynamics on the ground is essential, as is an awareness of the enhanced vulnerabilities of refugees and migrant workers in terms of barriers in accessing basic services and judicial remedies.

## 3. Ensure responsible investment by international financial institutions

The Syrian refugee crisis is generating a new wave of investments into the Middle East region. For example, eight countries and the European Commission have pledged a package of over US\$1 billion to the New Financing Initiative to Support the Middle East and North Africa Region (led by the World Bank, in partnership with the UN and Islamic Development Bank Group).

These investments hold major potential to support Syrian refugees and host communities in the two focus countries of Jordan and Lebanon, as well as recovery and reconstruction across the region. They are also an opportunity for the government agencies and multilateral development banks to uphold their stated commitments to human rights. Too often in the past, human rights have been overlooked and even openly abused in the context of development initiatives. For example, the 2015 series by the International Consortium of Investigative Journalists "Evicted and Abandoned" put the number of people displaced by World Bank projects at 3.4 million people, prompting the bank to review its resettlement policies. Special Economic Zones from India, to Myanmar, to Honduras are often the source of widespread abuses of the fundamental labour rights of vulnerable migrant workers – this has also been the case in Jordan, and was among the topics discussed at a [workshop](#) we co-hosted in Amman in April 2016. It is encouraging that the World Bank has recognized these challenges and outlined specific steps to address them in its recent environmental and social systems [assessment](#) for the new investments in Jordan. Companies, civil society and governments can work to help ensure that the necessary measures are implemented.

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Economic migration continues to increase, and global forced displacement is at a record high. The UNHCR's 2016 Global Trends report finds that on average 24 people were forced to flee their homes each minute in 2015, four times as many as a decade earlier. At the UN Summit and beyond, governments, civil society, business and financial institutions can forge a new approach to development that genuinely realizes the rights of refugees and migrants.

*Further materials: See the "[migrant workers](#)" and "[refugees](#)" sections of the Resource Centre website.*