Private Decisions, Public Results

The Legitimacy of German Business Action in Response to the Refugee Crisis

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ABSTRACT

The author aims to provide a better understanding of how large German companies are responding to the current refugee crisis and to ultimately interpret this within the framework of legitimacy. Moreover, the purpose is to examine the role of the UN Global Compact within the German refugee crisis. Though the term corporate social responsibility (CSR) gained in popularity, the academic literature on the role of the private sector in response to a humanitarian crisis is practically non-existent. By responding to the refugee crisis, companies can avert the social problems caused by the crisis and ensure a high degree of stability within society. Business action responding to the refugee crisis has social – and political effects on society. Since companies have no democratic mandate, questions about legitimacy of these roles that companies are performing vis-à-vis society need to be addressed. Legitimacy exists according to Beetham (2013), out of three levels: views of legality, views of justification, and acts of consent. Since German companies are commonly responding to the refugee crisis, more than elsewhere, Germany is picked as a case-study.

This explorative research is carried out by a qualitative content analysis of the corporate websites of all the 53 German companies who are on the most recent Forbes 2000 list of the world's biggest public companies. To verify the results, contact was made with these 53 companies through the e-mail. Results show nine different types of social private action, these are: financial donations, material donations, employee volunteering, human resources, education and training, advice and mentorship, social services and products, leisure activities and making connections and collaborations. Moreover, results indicate that on the global level the UN Global Compact signals business action in response to the refugee crisis to markets while on the local level it primarily functions as a learning platform. The main conclusion is that legitimacy can best be placed on a scale, with business action in response to the refugee crisis that is legal, addresses all refugee rights, addresses all social needs and is not subject to acts of dis-consents, being completely legitimate in its nature.

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1. INTRODUCTION – THE RESEARCH PUZZLE

"The importance of the private sector in humanitarian response cannot be understated. Businesses have extensive networks, deep contextual knowledge, and access to skilled staff and equipment, which make them uniquely well-placed to lead on response in certain scenarios."

Stephen O'Brien, Under-Secretary-General for Humanitarian Affairs and Emergency Relief Coordinator at the United Nations.[1]

The challenges of dealing with the refugee crisis requires support from all actors in society – including companies as per the UN Global Compact.[2] This is well illustrated by President Obama's call upon the United States private sector to: "…draw on its unique expertise, resources and entrepreneurial spirit to help refugees regain control over their lives and integrate into their new communities." (Whitehouse Office of the Press Secretary 2016). The European Bank of Reconstruction and Development also emphasises that a crisis of this scale requires action from all stakeholders in society. They strive to enhance private sector engagement and open-up a multi-stakeholder dialogue on best practices in order to enable the private sector to support refugee-hosting communities (EBRD 2016).

The large movement of refugees has a high level of urgency and complexity.[3] According to the UN Refugee Agency (UNHCR),[4] the total number of refugees has increased approximately 45 percent over the past four years. In the last year 60 million people, including 19.5 million refugees, have been displaced due to conflict and over 410,000 people have crossed the Mediterranean from Syria, Iraq and other countries.[5] In order for the international community to call upon companies to response to the refugee crisis, it is important to first understand how companies are already taking action.

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[1] *See* www.unocha.org/top-stories/all-stories/coming-age-humanitarians-and-private-sector

[2] *See* www.unglobalcompact.org/take-action/action/refugee-crisis

[3] A refugee is defined by article one of the 1951 Convention Relating to the Status of Refugees as someone who has fled his or her country: "…owing to well-founded fear of being prosecuted for reasons of race, religion, nationality, membership of a particular social group or political opinion". *See* www.unhcr.org/gr14/index.xml

[4] The UNHCR is the UN entity that occupies itself with refugees on a global scale. They have a number of information resources containing maps, statistics and research on the status of refugees. For the purpose of this research, this variety of resources is being used to assess the current refugee crisis (see Appendix I).

[5] *Ibid.* note 2*; see also* www.unhcr.org/cgi-bin/texis/vtx/home/opendocPDFViewer.html?docid=56655f4d8&query= statistical%20yearbook%202014

In response to the refugee crisis, the UN Global Compact, in partnership with the UNHCR, are calling upon companies, as well as other stakeholders, to take action.[6] The UN Global Compact engages the private sector within the broader United Nations (UN) system, such as in the case of the refugee crisis. They are an UN-based service that actively persuades companies to do business in a sustainable matter.[7] They urge that action in response to the refugee crisis can extend beyond financial donations and can include activities that touch upon the companies' core business, encompasses partnerships and public engagement.[8] Moreover, the UN Global Compact has identified hypothetical actions[9] companies can undertake e.g. providing internal and/or external education for refugees, setting targets to employ refugees, developing lending practices to spur entrepreneurship among refugees or promoting social integration by telling the stories of refugees.[10]

Nonetheless, dealing with conflict and peace has traditionally been regarded as the solely terrain of states (Scherer & Palazzo 2011: 899). The UN Global Compact underlines that the primary responsibility for peace rests with governments.[11] Since the UN Global Compact is an UN institution, its mandate is acquired from UN Member States.[12] By responding to the refugee crisis, businesses are executing, and are expected to execute, tasks which have traditionally been regarded as government responsibilities (Scherer & Palazzo 2011: 905). Private actors cover responsibilities such as public health, education, social security and the protection of human rights. These state-like activities go beyond the corporate social responsibility expectations of society (Scherer & Palazzo 2011: 900-903). With assuming social- and political responsibilities beyond legal requirement, companies have fulfilled the vacuum left by the state (Matten & Crane 2005: 166-170; Kolk & Lenfant 2013: 289) but they have no democratic mandate to do so (Scherer & Palazzo 2011: 907). This has evoked ambiguity around the *legitimacy* of these new roles that companies are performing vis-à-vis society (Scherer & Palazzo 2011: 899-913) that need to be addressed when researching business action in response to a crisis.

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[6] *Ibid.* note 2

[7] *See* www.unglobalcompact.org/about/governance

[8] *See* business.un.org/pledge_refugee_crisis

[9] An example of actual private actor response to the refugee crisis is the case of Facebook, a social media platform. Facebook has set up partnerships with various refugee shelters and has committed itself to provide internet access in all these camps. *See* www.unglobalcompact.org/library/3421

[10] *See* business.un.org/documents/business_action_pledge_refugee_crisis_illustrative_examples.pdf

[11] *Ibid*. note 2

[12] *See* www.unglobalcompact.org/library/3421

On the concept of legitimacy, though this is an often used concept, it is far from clear what it entails (Beetham 2013: *x*). One author that takes all dimensions of legitimacy into account is David Beetham.[13] He made a great contribution in operationalizing the concept of legitimacy and clarifying the different aspects of power that are in need of legitimation (Gilley, 2006b: 48). Beetham identifies three complementary levels in defining the social-scientific concept of legitimacy, these are: views of legality, views of justification and, acts of consent. Firstly, in order for power to be legitimate, it should be legally valid i.e. confirmative with the established rules. Secondly, the relevant social actors should hold the belief that these rules are justifiable according to normative ideas. Finally, legitimacy should be demonstrated by actions that provide evidence of consent (Beetham, 2013: 1-41). Therefore, I will use Beetham's operationalization and understanding of legitimacy for the purpose of this research.

In regard to private sector action responding to the refugee crisis, Germany provides an interesting case example since it is the main destination for asylum-seekers,[14] and the national response to sheltering asylum-seekers tended to be overall positive. Data from Eurostat indicates that the number of asylum applications in Germany almost doubled from 109,600 in 2013 to 202,645 applications in 2014.[15] The initial reaction of the German government towards refugees was very positive. They stated that the human right of asylum has a high priority for them and they see it as their obligation to host asylum-seekers (German Federal Ministry of the Interior 2014). Moreover, the majority of the German society welcomed the asylum-seekers with open arms. Citizens handed out food and clothes and signs with "refugees welcome" made up the German landscape (The Guardian 2015).

Additionally, the economic effects of the refugee influx were also framed positively and business action responded accordingly. "If we manage to quickly train those that come to us and to get them into work, then we will solve one of our biggest problems for the economic future of our country: the skills shortage", the Minister of Economy Sigmar Gabriel argued in front of parliament (Business Insider 2015). In addition, the private sector had a fairly active and positive reaction to the refugee crisis. As a result, there are many initiatives dealing with the outcomes of

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[13] Beetham first introduced his operationalization of legitimacy in 1991 in his book 'Legitimation of Power'. For the purpose of this research, I used the updated and revised book that came out under the same title in 2013.
[14] *See* www.unhcr.org/56701b969.html
[15] *See* www.ec.europa.eu/eurostat/statistics-explained/index.php/Asylum_statistics

the refugee crisis in Germany.[16] Since business action is most thorough in its scope in Germany, this is the most relevant example to study legitimacy of private sector action in response to the refugee crisis.

On the subject of private sector action in response to a humanitarian crisis, such as the refugee crisis, academic literature is practically non-existent. However, the subject fits into the broader trend that more and more research is focussing on the social responsibility of corporations (Carroll 1991: 39-41; Godfrey & Hatch 2007: 97-98). In this line, the literature on the potential positive contribution of business for society has been developing in the last two centuries. The previous negative stereotyping of business having a negative impact on society has given way to an emphasis on its potential positive impact (Hoffmann 2014: 1; Oetzel, Westermann-Behaylo, Koerber, Fort & Rivera 2010: 351; Abramov 2010: 481-490; Kolk & Lenfant 2015: 287). A separate branch within this broad field is the research on how business can foster peace in conflict situations (e.g. Oetzel et al. 2010; Wolf, Deiterlhoff & Engebert 2007; Haufler 2008).

Nonetheless, research on this topic mainly focusses on the role of businesses in violent conflicts and fragile states (Kolk & Lenfant 2015: 287-303) instead of conflict in a peaceful society. The current refugee crisis is caused by violent conflicts, but the countries that are sheltering refugees are often not considered fragile states, neither does the violent conflict takes place on their soil. It is, however, referred to as a humanitarian crisis.[17] Therefore, the role of business in responding to the effects of a humanitarian crisis, in this case the refugee crisis, creates a different context, since sheltering countries are not necessarily engaged in violent conflict, and so far no research has been carried out in this domain.

This research fills this gap by documenting and analyzing cases in which the German private sector took action in response to the refugee crisis. The aim is to better understand how German companies responded to the refugee crisis and ultimately couple this to the framework of legitimacy of this private sector action vis-à-vis the German society. Moreover, it aims to examine the role of the UN Global Compact within the German refugee crisis. This research is

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[16] *Ibid*. note 12

[17] A humanitarian crisis is: "…any situation in which there is a widespread threat to life, physical safety, health or basic subsistence that is beyond the coping capacity of individuals and the communities in which they reside" (Martin, Weerasinghe & Taylor, 2014: 5).

the first to sketch the terrain and seeks to lead to valuable knowledge, insights and lessons pertinent to understand the role of the private sector in the refugee crisis.

This will be done by focussing on three main sub-questions, that will be answered in chapter three, four and five respectively:

1. How do the biggest German public companies act in response to the refugee crisis?
2. What role does the UN Global Compact plays in German business action in response to the refugee crisis?
3. How can this business action be interpreted within the framework of legitimacy?

Hence, the research puzzle that guides this Master thesis can be formulated accordingly: *"How can we understand the legitimacy of German business action in response to the current refugee crisis?"*.

The outline of this thesis is as follows. In chapter two, I discuss the operationalization of the research questions and the research methods accordingly. In chapter three, I examine the kinds of action companies undertake as part of their social sustainability and discuss the results of the case study on how German companies responding to the refugee crisis. In chapter four, I identify the role the UN Global Compact plays in business action in response to the refugee crisis, in particular in the German context. In chapter five, I analyse whether German business action can be regarded as legitimate. In the last chapter I present a general conclusion, limitations and the possibilities for further research.

2. METHODS AND OPERATIONALIZATION

This chapter is dedicated to describing the methods and techniques for data gathering and interpretation. Informed by variables, theories and concepts, the raised sub-questions are broken into smaller components and operationalized accordingly. Subsequently, this is identified in the outline of how the research design was set up and the way empirical data was collected. Paragraph 2.1. deals with measuring German private sector action in response to the refugee crisis, paragraph 2.2. with determining the role of the UN Global Compact and paragraph 2.3. with measuring the different components that constitute legitimacy.

2.1. GERMAN PRIVATE SECTOR ACTION

The aim of this paragraph is to create a better understanding of how the German private sector responded to the refugee crisis. These responses have to be intentional in order to be valid for this research due to the fact that the research only focusses on voluntary and premediated responses to the refugee crisis. This is in line with Misses' often used definition of action as purposeful behaviour. He argues that actions are realized acts; what counts is actual behaviour. Moreover, action is the employment of means to bring about certain envisioned ends (Misses 1998: 11-13). The distinctive factor of intentional behaviour, is also often used in the theoretically definition of corporate social responsibility (CSR) behaviour (Carroll 1991: 40-42). Likewise, the UN Global Compact uses this concept in determining the contribution to sustainable development of their participants.[18] Therefore, it makes sense to utilize this distinction in this research as well. In sub-paragraph 2.1.1. I explain how I selected companies for the sample group and in sub-paragraph 2.1.2. I describe how I collected the data on how German private companies are responding to the refugee crisis.

2.1.1. Company selection

There were two main criteria for a company to be selected: being of German origin and being on the Forbes 2000 list. First of all, I looked at companies whose headquarters are based in Germany. As described in the introduction, Germany actively shelters asylum-seekers and many business initiative have sprang to live. I, however, chose not to align myself with the UN Global Compact's programme, which aims its arrows at companies with operations or supply chains in

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[18] *See* www.unglobalcompact.org/docs/issues_doc/Peace_and_Business/AdvancingSDGsPeace.pdf

refugee-effected countries. This choice was informed by research comparing social activities of local- and foreign companies in Ghana that shows that local firms are more concerned and undertake more social programmes in regard to community development than foreign firms. This is presumably because they see it as their moral and ethical duty to contribute to their society (Kuada & Hinson 2012: 531-533). Therefore, I assumed it most likely that local companies will take leadership in responding to a humanitarian crisis such as the refugee crisis due to their perceived moral obligation.

Additionally, the sample group is constituted out of multinational enterprises that have made it on the Forbes 2000 list of 2015.[19] The rationale behind this is that small companies respond less often to violent action as a result of a lack of capacity and recourses (Oetzel & Getz 2012: 179). Larger companies, on the other hand, have and can mobilize the resources to respond to a crisis much easier than smaller companies. There were 53 German companies on the Forbes 2000 list. I chose to look at all those companies since the sample group was small enough to, with the available resources, efficiently study all. Moreover, every company provided additional information on the variables to be studied. By including all companies, I was able to talk in numbers and percentages reflecting business action among all Forbes 2000 companies without sampling errors (Marshall 1996: 522-523). The highest ranking of a German company was #14 with the Volkswagen Group and the lowest ranking was #1992 with Lanxess. Adidas forms the median with ranking #684. For the full-list of companies and the sector in which they operate, see Appendix IIII.

2.1.2. Data collection

The starting assumption is that intentional private sector action in response to the refugee crisis is most likely part of the overall CSR strategy of a company. Companies commonly use their corporate website to report on their CSR activities. Their website is an effective instrument to reach their stakeholders and share a lot of information on the company's CSR engagement with these stakeholders (Basil & Erlandson 2008: 135; Insch 2008: 139). Research on how

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[19] The Forbes 2000 is a global list containing the 2000 largest and most powerful companies. It only focusses on public companies within the private sector i.e. corporations striving to make a profit. Public corporations are owned by shareholders and shares are traded among the stock market (Pagano & Roell, 1998: 187). Whether a company makes it on the Forbes 2000 is based on a company's revenues, profits, assets and market value. *See* www.forbes.com/global2000/list/

Spanish companies communicate their CSR activities through their corporate website illustrates this in their finding that: "…100 per cent of the largest Spanish companies use their corporate web sites to transmit information about their responsible behaviour." (Moreno & Capriotti 2009: 169).

Therefore, I started by searching on the company's corporate website under the denominators 'refugee', 'refugees' and 'asylum seeker'. Since the companies in the sample group operate in the global market,[20] company information was mostly available in English. If the corporate website was only available in German, I searched under the dominators '*Flüchtling*' and '*Asylbewerber*'. I looked at companies' website to see if there was any content to affirm that they took action in response to the refugee crisis. If so, I determined what this action(s) entailed in detail. Moreover, I established whether the action was performed individually or in partnership with other actors. If other actors were involved, I determined which ones. Lastly, I coded the place where the action has taken place, the year and the status of the company within the UN Global Compact (participant or non-participant). In the second phase, I sent inquiry emails all the companies their (corporate) social responsibility, investor relations or media teams the action(s) I found on their website with the question to verify this. If companies provided additional information or correct the information, this was adjusted. For all primary resources on business action, see Appendix III.

2.2. THE UN GLOBAL COMPACT

Due to my internship at the UN Global Compact, a large part of the data has been gathered directly through the UN Global Compact. Throughout the data collection process, I applied methodological triangulation (Boeije, Hart & Hox 2009: 275) by attending all relevant UN Global Compact events, meetings and discussions, reading all available material, going through private databases, re-listening webinars and having one-on-one conversations with relevant actors. My internship exposed me to information that otherwise would not have been available to me. Although not all sources are publicly available, the UN Global Compact allowed me to use them as sources for my thesis. Especially the results on the UN Compact Local Network in Germany, are based on informal documents, evaluations and conversations. Since I was mainly involved in the UN Global Compact's response to the refugee crisis during my

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[20] In other words, it concerns multinational companies (MNEs).

internship, a lot of knowledge has been gained during e.g. informal chit-chats, phone calls, lunch conversations and side-walk chats. This more observational and unstructured method of data collection has the potential to provide more in-depth information (Axinn & Pearce 2006: 9), but the danger of a research bias. In Appendix II, the primary sources to determine the role of the UN Global Compact in the refugee crisis are stipulated, but bear in mind that this knowledge is supplemented by informal data collection methods. By using a mixed data method, potential bias from one data collection method will hopefully be offset by another method in order to gain full insights (Axinn & Pearce 2006: 1-2) in the role the UN Global Compact plays in regard to the refugee crisis.

2.3. LEGITIMACY

As explained in the introduction, legitimacy is an often used concept, but it is far from clear what it entails (Beetham 2013: *x*). A first, and most common, interpretation of legitimacy touches on the more normative, political philosophical notion of justice. Legitimacy in this normative perspective is derived from the idea that action should be performed to advance the common good and should aim to reduce injustice (Young 2006: 119). Sen links responsibility to asymmetrical power relations (2008: 335). *A* his action is perceived as legitimate or illegitimate by *B*.[21] In this specific research, *A* refers to the private sector and their action in response to the refugee crisis. However, defining *B* is a bit more complicated. Who should legitimate *A* his action? Since German companies will primarily be active in Germany (Kuada & Hinson 2012: 531-533), and social business action will bear national consequences for the people (Parkinson 1996: 10), this would most logically refer to the German citizens.

Though the normative dimension of legitimacy is an important aspect, it fails to recognize other levels of legitimacy that refer need only to norms but also to social rules and beliefs. One author that takes all dimensions of legitimacy into account is David Beetham. He identifies three complementary factors in defining the social-scientific concept of legitimacy, these are: views of legality, views of justification, and acts of consent (Beetham 2013: 1-41). These criteria relate directly to the concepts of rule (legality), command (justice) and authority (acts of consent) (Clark 2003: 90) that are in need of legitimation. Since Beetham's conceptualization and operationalization of legitimacy measures the different aspects of power that are in need of

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[21] For more information *see also* Nässtrom, (2007).

legitimation and he takes all different dimensions i.e. rules, beliefs and norms, into account, I choose to use his analytical lens for the purpose of this research. In the next sub-paragraphs, I will further elaborate on how these three levels of legitimacy are operationalized and measured, with in sub-paragraph 2.3.1. I views of legality, in sub-paragraph 2.3.2. views of justification and finally, in sub-paragraph 2.3.3. acts of consent.

2.3.1. *Defining and measuring views of legality*

The first level Beetham identifies, views of legality, is relatively straightforward: private sector action should correspond with the legal framework in which companies operate. In modern society, these rules can normally be found in written laws and guarantee a level of predictability of social life (Gilley 2006: 502). What makes it more difficult is in concurrence with which legal framework: National regulation? United Nations declarations?

One way to address the issue of legality is through the Convention Relating to the Status of Refugees of 1951. This Convention contains a number of rights that refugees are entitled to and likewise a number of obligations that refugees hold towards their host-country. Germany signed the 1951 Convention and therefore the rights described in this Convention apply within this context.[22]

Since this research is about business action, the relevant refugees' rights are rights in which certain kinds of action or commitment are needed. In political studies, this difference between rights of inaction and rights of action is referred to as negative- and positive freedoms. Whereas negative freedom refers to inaction and lays constrains on state action e.g. the freedom of religion, positive rights refer to proactive action of the state e.g. the right of employment (Waldron 1989: 503-504).

Table 1. gives on overview of the refugees' rights in the 1951 Convention that require a certain degree of action.[23] However, action that does not reflect these rights is not necessary illegal. Refugees have the right to these kind of action, thus action that falls under this framework is the fulfilment of these rights. By using this framework, I will focus on the enabling instead of the restricting side of legality.

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[22] *See* www.unhcr.org/4ec262df9.html
[23] *See* www.unhcr.org/3b66c2aa10.html

Table 1. Legitimacy based on refugee rights in the 1951 Convention

Article	Refugee rights
Article 16	The right to access the courts
Article 17	The right to wage-earning employment
Article 18	The right to self-employment
Article 19	The right to liberal professions
Article 21	The right to housing
Article 22	The right to education
Article 23	The right to public relief and assistance
Article 25	Administrative assistance

2.3.2. *Defining and measuring views of justification*

The second level Beetham identifies, views of justification, is a bit harder to define. This level of legitimacy is based on shared principles, ideas and values (Gilley 2006: 502). It is grounded in the more normative, political philosophical notion of legitimacy (e.g. Young 2006; Sen 2008).

For a start, Scherer and Palazzo describe this level of legitimacy as moral legitimacy and directly link it to business action. According to them, moral legitimacy is based on: "…moral judgements and an exchange of arguments on whether an individual, an institution or an action can be considered socially acceptable." (2011: 915). Wolf supports this with the argument that private actors can be seen as legitimate if they have: "…moral authority acquired through a credible commitment to basic norms or the general welfare, the recognition of knowledge, or expertise and representational skills." (2001: 16-17). Pragmatically, the combination of both definitions encompasses that business action should be beneficial to society, or, in other words, the general welfare.

Concerning social needs, the presence of refugees has social- and economic consequences, both positive and negative,[24] which lead to various social needs. In the Business Action Pledge by the UNHCR and the UN Global Compact these needs are formulated as: "the suffering of people forced to flee" and the "resulting widespread societal disruption".[25] However, these concepts are highly individually based and vague, and therefore they need to be more specified in order to measure this level of legitimacy.

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[24] *See* www.unhcr.org/gr14/index.xml
[25] *Ibid*. note 2

Alternatively, the UNHCR makes an assessment of the needs that have arisen during the refugee crisis, both on a global- and a country-level basis. Combined with their reports on the refugee crisis in Europe, this provides an accurate reflection of the refugee needs perceived in the UN due to the UNHCR's agency mandated to lead international action in refugee matters.[26]

Thus, basing myself on UNHCR documentation (see Appendix I), I distinguished four broad categories that reflect the needs of refugees in their host-countries. Refugees need to be able to: survive (e.g. keep themselves alive), stay hopeful about the future, contribute to the social cohesion and contribute to the local community. These four categories enable communities to respond in a constructive manner to the refugee crisis and can be measured by 10 different indicators (see *Table 2.* columns one and two). Together they reflect all social needs as defined by the UNHCR.

Beside the UNHCR, other UN entities also articulated needs they experience in relation to the refugee crisis through a UN Cluster Grouping.[27] This shows that besides the UNHCR defined social needs, there are still social needs in demand for solutions. Though the UNHCR is the agency mandated to lead international action to resolve refugee problems, the insights of other UN agencies are a valid reflection of identified needs on the ground. They can therefore be regarded as complementary to the needs identified by the UNHCR.

To further elaborate these formulated needs by the other UN entities, they are clustered around five main subjects.[28] The first subject, emergency preparedness and response, reflects the needs for coordination in situations of emergency. The second subject is around health and the provision of primary health care services. The third subject entails the protection of vulnerable groups such as women and children. The fourth subject is the need of refugees to live in safe, dignified and appropriate shelters. The fifth and last subject is the need for the delivery of water, sanitation and hygiene promotion (see *Table 2.* column three). Looking at the these needs, it becomes evident that all these needs fall under and are needed in order for refugees to 'survive'.

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[26] This is not to say that I unilaterally accept the role of the UNHCR within the refugee situations. Rather I accept their authority in obtaining information and providing a general overview of the refugee situation. For a critical assessment of the UNHCR, see for example Verdirame and Harold-Bond (2005).

[27] *See* business.un.org/en/browse/needs

[28] This is an UN website that helps UN entities to reach out to third actors, such as the private sector, in case of a humanitarian crisis. Information can only be assessed with a password for the business.un.org website.

Table 2. Social needs in regard to the refugee crisis according to UN.

Needs for refugees	Indicators	UN Cluster group needs
• Survive	o Basic needs	o Emergency preparedness and response
• Stay hopeful about the future	o Livelihood o Social services	o Primary health care services
• Social Cohesion	o Local integration o Documentation	o Protection of vulnerable groups
• Contribute to the community	o Education o Employment o Advocacy and awareness raising o Supporting groups at risk o Leisure activities	o Safe, dignified and appropriate shelters o Water, sanitation and hygiene promotion

In relation to these social needs, the Maslow pyramid of human needs comes to mind. He argues that: "….human needs arrange themselves in hierarchies of prepotency. That is to say, the appearance of one need usually rests on the prior satisfaction of another, more pre-potent need." (1943: 370) Informed by this distinction, it can be expected that the identified needs will appear in a hierarchy of occurrence. Based on the social needs definitions and Maslow's hierarchy of needs, the needs can be placed within a pyramid (see *Figure 1.*). This model adds a certain hierarchy to the social needs and determine whether action is more directed at the initial phase of sheltering refugees and the more basic needs or if business action is more directed to the long-term establishment of refugees and the complementary needs.

Figure 1. The Maslow pyramid for social needs for refugees.
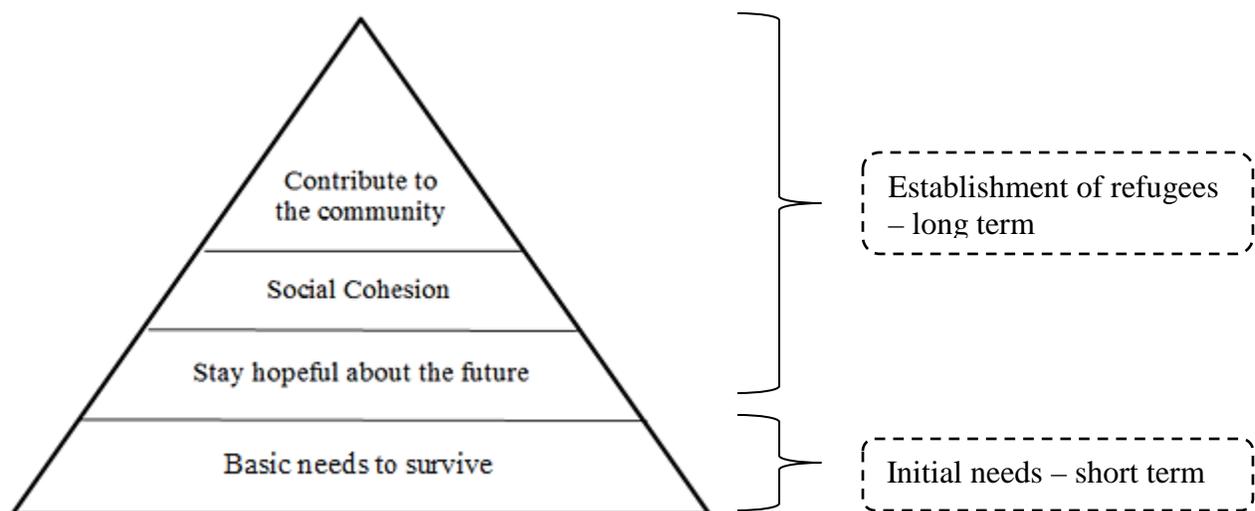
2.3.3. Defining and measuring acts of (dis)consent

The last level of legitimacy Beetham identifies, acts of consent, can be defined according to Gilley's work on the operationalisation of state legitimacy. According to Gilley, acts of consent are positive forms of behaviour that express citizens' acceptance of the action that needs to be legitimized (2006: 503). This definition is in accordance with, but more specific than, Beetham's definition of acts of consent as actions that provide evidence of consent.

To begin with Gilley's operationalisation of state legitimacy, there is a strong link with democratic legitimacy. Gilley measures acts of consents concerning state's action through election turnout and popular mobilization (Gilley 2006: 505). As visible in this definition, democratic legitimacy holds criteria such as reliability, responsiveness, responsibility and accountability on those who are governing (Wolf 2001: 16-17).

Though democratic legitimacy only holds for elected officials, the private sector is also sensitive to public scrutiny. Scherer and Palazzo explain this by: "…governments are sensitive to the withdrawal of public support and the loss of reputation in the eyes of the potential voters. Economic actors are accessible via shaming or consumer boycotts, and the more an issue may mobilise and attract public attention, the more likely it is that the conduct of addressees can be altered" (2011: 12-13).

Subsequently, the translation of democratic legitimacy to private sector legitimacy, offered by Scherer and Palazzo, redefines acts of consent as the absence of acts of dis-consent. Therefore, the two indicators used by Gilley to measure acts of consent for state's action can be replaced by Scherer and Palazzo indicators of consumer boycotts and negative press attention to measure acts of dis-consent. The absence of these two indicators measure whether citizens accept the social private action of companies in response to the refugee crisis. By using two methods of data collection, it enables me to use methodological triangulation (Boeije et al. 2009: 275).

For a start, to measure the first indicator, the absence of consumer boycotts directed to a company due to their action in response to refugees, I collected information on boycotts through the ethical consumer platform.[29]

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[29] This platform keeps, amongst other things, track of all the consumer boycotts and the reasons behind them . *See*: www.ethicalconsumer.org/

Secondly, to measure the following indicator, the absence of negative press attention about companies' action in response to the refugee crisis, I used the LexisNexis database to collect articles that referred to this. I only looked at newspapers within Germany ('all German news')[30] and used the search criteria 'name company' AND '*Flüchtling*'. I entered that the publication date must be after the first of January 2015. I scanned all 1099 articles and read the ones that were relevant in terms of this research; which addressed a company's action in response to the refugee crisis.

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[30] In order to process the articles, written in German, the researcher acquired a sufficient level of the German language (B1) through various private lessons.

3. PRIVATE SECTOR ATION

The purpose of this chapter is to first introduce the context of the refugee crisis and the concept of CSR. I will explain how businesses are dependent on society for their existence (Walton 1967: 18; Keohane 2009: 37; Whitehouse 2003: 300) and describe the various forms of how business action in response to a conflict can constitute itself according to the UN Global Compact's categorization. The second purpose is to analyse how the German private sector has responded to the refugee crisis and, present and interpret these results. The main finding is that German companies are active by addressing the refugee crisis through nine categories of social action, that is: financial donations, material donations, employee volunteering, human resources, education and training, advice and mentorship, social services and products, leisure activities and finally making connections and collaborations.

3.1. CONTEXT: THE GERMAN REFUGEE CRISIS

A mass displacement of over 60 million people, referred to as the global refugee crisis, started in 2014 as a result of escalating wars and the continuation of former conflicts. The global refugee crisis is caused by several conflicts spread around the globe e.g. in Afghanistan, Central African Republic, Democratic Republic of Congo, Iraq, Libya, Nigeria, Pakistan, South Sudan and Syria. The Syrian conflict in particular has contributed to the largest increase of refugees, with a total of 3.9 million newly registered Syrian refugees.[31] This paragraph aims to determine the place of Germany within the global refugee crisis.

As a result of this crisis, Europe experienced the highest increase in percentages of refugees.[32] They reported to host 1.3 million more refugees than in former years, an increase of 74 percent.[33] According to Eurostat, the leading provider of statistics on Europe, there were 626,065 non-EU asylum applications lodged in Europe in 2014.[34] Since 2015, the number of people trying to enter Europe via the sea has increased enormously, among whom women and unaccompanied children.[35] This increase poses a tremendous challenge and burden on asylum

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[31] *See* www.unhcr.org/cgi-bin/texis/vtx/home/opendocPDFViewer.html?docid=56655f4d8&query=statistical%20yearbook%202014. See also www.unhcr.org/gr14/index.xml
[32] Turkey currently hosts the highest amount of refugees in absolute numbers (1.59 million), mainly as a result of the large influx of Syrian refugees. Turkey is followed by Pakistan (1.51 million), Lebanon (1.15 million), the Islamic Republic of Iran (982,000), Ethiopia (659,500), and Jordan (654,100). *Id.* note 25
[33] *Ibid.* note 31
[34] *Ibid.* note 15
[35] *See* www.unhcr.org/ga16/index.xml

systems in various countries.[36] Within Europe, Germany has the highest amount of asylum-seekers worldwide based on the pending cases (see *Figure 2*.).[37] The number of asylum applications in Germany almost doubled from 109,600 in 2013 to 202,645 applications in 2014.[38]

Figure 2. Hosting countries of asylum-seekers (UNHCR 2014).[39]
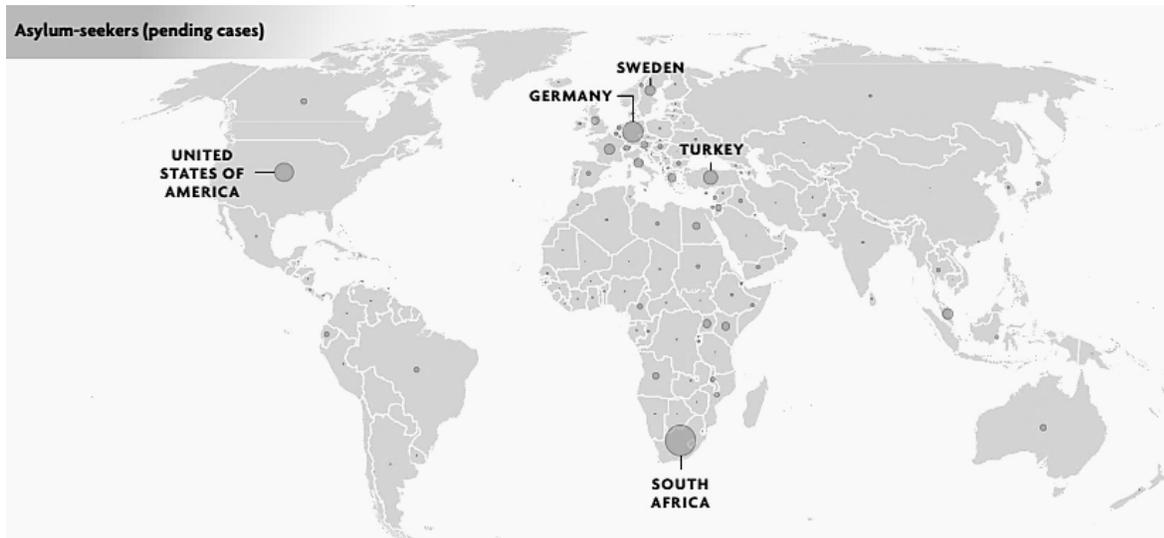
Although the observed German business actions in response to the refugee crisis, there is no violent conflict in Germany, creating a different context than the business for peace literature addresses. The peaceful context is demonstrated by the Institute of Economics and Peace. According to their Global Peace Index, which globally ranks nations according to their level of peacefulness, there is a high degree of peace in Germany (rank 16).[40] The Positive Peace Index, which looks at the attitudes, institutions and structures that create and sustain peaceful societies, supports this image (rank 11).[41] Germany scores extremely high on the functioning of the government, low levels of corruption, a sound business environment and acceptance of the rights of others. Hence, Germany can be regarded as a peaceful society which is dealing with the outcomes of the global refugee crisis by hosting a large amount of asylum-seekers.

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[36] *Ibid.* note 35
[37] An asylum-seeker is someone who says he or she is a refugee, but whose claim has not yet been decisively evaluated. *Ibid*. note 35
[38] *Ibid*. note 15
[39] *See* www.unhcr.org/5575a78416.html
[40] *See* www.economicsandpeace.org/wp-content/uploads/2015/06/Global-Peace-Index-Report-2015_0.pdf
[41] *See* www.economicsandpeace.org/wp-content/uploads/2015/10/Positive-Peace-Report-2015.pdf

3.2. CORPORATE SOCIAL RESPONSIBILITY

In the current capitalistic system corporations are expected to make a profit from selling products within the global- and national legal framework (Carroll 1979: 500), however opinions differ on how this should be done. A more traditional and old-fashioned view on the social role of corporations, is illustrated by view of Friedman (1970) who argues that corporations are only responsible for maximizing profits (see also Jensen 2002). According to scholars supporting this perspective the existence of the corporation as a profit maximizer already leads to benefits for society, such as job opportunities (Karaibrahimoglu 2010: 388). Scholars who endorse the integrative perspective on corporations on the other hand, oppose the idea that corporations are solely profit maximizers and argue that corporations are expected to behave socially responsibly in the current area (Carroll 1991: 40). Scholars that support this approach emphasize the ethical and philanthropic aspect of business and argue that corporations should take the social demands in account in order to achieve social legitimacy, acceptance and prestige (Garriga & Melé 2004: 57-59).

Because of the intimate relationship between business and society (Walton 1967: 18; Keohane 2009: 37; Whitehouse 2003: 300), I align myself with the integrative school of thought with their emphases on CSR. This intimate relationship between business and society is demonstrated by the fact that private sector action always has an effect on society due to its profit-model (Davis & Blomstrom 1966: 12; Carroll & Buchholtz 2012; Thorne, Ferrell & Ferrell 2003; Porter & Cramer 2011). Society equally affects the private sector since business climate depends on a well-functioning society. Companies should therefore keep the welfare of all the people who affect or are affected by their actions in mind (McGuire, 1963 12). In the case of Germany, since the refugee crisis affects society, it will has its effect on business climate as well. Thus, business cannot thrive in societies that fail (Eells & Walton 1974: 247; Oetzel et al. 2010: 358-359) and therefore companies depend on society for their existence and continuity. Hence, by responding to the refugee crisis, companies can avert the social problems caused by the crisis and ensure a high degree of stability within society.

In relation to private sector engagement in a society and/or in a conflict zone, there are various levels and degrees of engagement. The UN Global Compact developed a diagram about the evolution of social responsibility (see *Figure 3*). Starting will philanthropic activities such as

providing funds, next level CSR activities entail risk management. The strategy of managing conflict should ultimately aim at value creation i.e. proactively[42] adding value to society (see also Nelson 2000).

Figure 3. The evolution of CSR.[43]
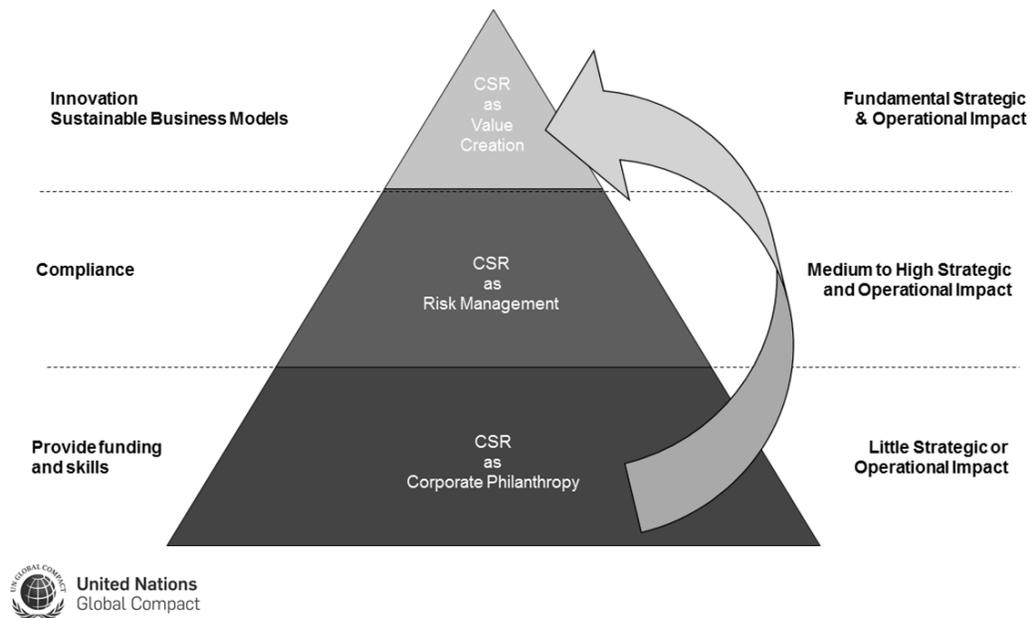
Based on this diagram, the UN Global Compact makes a distinction between four different categories of private sector action.[44] The first category contains core business activities referring to companies addressing the refugee crisis through their core business operations such as human resource hiring practices, training, internal procedures, supply chains and the development of products and services appropriate for refugees. The second category entails social investments and philanthropy referring to financial contributions, relief items and strategic social investment support for NGOs, UN and/or other multilateral agencies. The third category includes advocacy and public policy engagement referring to companies that foster social cohesion and inter-group dialogue in the marketplace, workplace and community. The last category encloses partnership and collective action with Governments, UN entities, civil society organizations and/or other businesses.

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[42] Proactive engagement in a conflict zone can be defined as: "…intentional corporate contributions to public security" (Jamali & Mirshak, 2010: 446).

[43] This diagram is situated in a standard UN Global Compact PowerPoint lay-out, but is not publicly assessable.

[44] *Ibid.* note 8

In case companies decide to intentionally respond to the situation in a country, they can choose to act alone or to join forces in collaborative action. This is demonstrated in the fourth category of private sector action according to the UN Global Compact.[45] This choice depends on the need for knowledge, skills, access and the availability of potential partners. Partnerships[46] can be made up by various actors including companies, the public sector and/or civil society (Oetzel & Getz 2012: 168). According to Abramov, a successful partnership engages multinational- and local companies, government agencies, international organizations, non-governmental organizations (NGOs), and civil society (2010: 483). Business leaders are commonly hesitant to act in the peace realm, which is officially seen as a task of the state.[47] By including a broad scope of actors, among whom elected officials, private sector actors feel more empowered to take action according to the UN Global Compact.[48]

In fact, partnerships are perceived as mutually beneficial; partners can combine their strengths and resources and offset their weaknesses. The strength of civil society,[49] for example, is to bring in community knowledge, expertise, networks and access to certain groups and by doing this creates business opportunities (Waddell 2000: 1-10; Kolk & Lenfant 2013: 6).Within governments and civil society, a growing enthusiasm to include the private sector in peace-making is observed by Hoffmann. This is partly caused by the shrinking budget of governments and aid donors (2014: 2-3).

3.3. CSR IN THE GERMAN PRIVATE SECTOR

"The idea that business bears social responsibilities is a long-standing feature in German culture."
(Antal, Oppen & Sobczak 2009: 288).

In general terms, multinational companies have a similar understanding and behaviour in issues relating to CSR (Snider, Hill & Martin 2003: 175). However, when looking at the exact

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[45] *Ibid.* note 8
[46] A partnership can be defined as: "…innovative arrangements to deal with complex social problems that a single actor cannot solve" (Kolk & Lenfant, 2015: 288).
[47] Based on conversation with UN Global Compact Business for Peace employees between February 1, 2016 and July, 1 2016.
[48] *Ibid.*
[49] Though, there is not one singular definition of civil society, I use the definition of Pouligny (2005) who refers to an: "…arena of voluntary – uncoerced – collective action around shared interests, purposes and values." (Pouligny, 2005: 497).

realization of CSR, there are slight differences between countries (Antal et al. 299: 268). Therefore, I will examine the German context, culture, expectations and realizations in terms of CSR in this paragraph.

Although the concept of CSR is relatively new on the German agenda, companies are practicing social responsibility since a long time. Through multiple institutional mechanisms that embed business in society, German companies are required to do well by doing good (Antal et al. 2009: 285). The social market economy that characterizes Germany, is built on the institutional framework that legally requires companies to fulfil responsibilities beyond their direct economic ones (Antal et al. 2009: 286-287). These mechanisms allow the market to help fulfil the individual- and social needs (Soltwedel 1994: 35). Beyond these institutional frameworks, additional CSR activities happen on a voluntary basis (Bundesregierung 2002).

In terms of (market) culture, CSR issues are deeply embedded in the practices and expectations of German companies, without being verbalized. There is an implicit consensus that the private sector should contribute to the common good (Hiss 2009: 435) when they have the capability to do so (Antal et al. 2009: 292). An explanation for this could be the German corporatist tradition (Antal et al. 2009: 286) in which conflicts are resolved in a peaceful manner between the social partners i.e. government, business and employees (Antal et al. 2009: 288; Habisch & Wegner 2005: 111). This is exemplified in the creation of the German stock which mandates managers to focus on societal objectives besides profit-making goals (Argandona & Hoivik 2009: 228). This is in line with the integrative view of CSR, as described before.

Over the past decades, CSR activities and initiatives have increased among German companies. However, where CSR activities are situated within a company is disputed. Antal et al. (2009) argue that social engagement is not well integrated yet into business decision making (Antal et al. 2009: 291-292). This claim has been countered by Sliberhorn and Warren (2007) who's results showed that companies fulfil their responsibilities most often through their regular business activities, which is illustrated by the decline of philanthropic programmes (Sliberhorn & Warren 2007: 368). Looking back at the UN Global Compact's distinction of social private action,[50] these authors disagree whether German companies are fulfilling their social responsibilities through their core business.

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[50] *Ibid.* note 8

In terms of CSR activities, Sliberhorn and Warren explored how German companies publicly define CSR. They found that German companies emphasize on cultural diversity through art and culture. Other issues highlighted on the German CSR agenda were environmental and educational issues, and issues concerning quality of life have also gained prominence. Moreover, due to the recognition of employees' importance for business success, employee issues appeared high on the CSR agenda. Lastly, German companies mostly response to specific problems that occur in society. Hence, they are reactive in their response (2007: 368) which is in line with earlier research claiming that CSR notions evolve in response to newly emerging issues (Pinkston & Carroll 1996).

3.4. RESULTS

In this paragraph I describe and analyse the information gathered on Forbes 2000 German companies. First, I will address the scope of private sector action in response to the refugee crisis. Since such overview deals with the occurrence of certain variables, it makes most sense to approach this in a quantitative manner. I will then continue to address the kind of action private sector actors undertook. The aim for this sub-paragraph is to understand the specific content and direction of private sector action which consequently leads to a qualitative research approach.

3.4.1 Private sector action – overview

In total, 53 companies on the 2015 Forbes 2000 are of German origin. A majority of 35 companies (66 percent) did respond in some way to the refugee crisis, leaving 18 companies (34 percent) to not respond at all. Moreover, 32 companies (60 percent) of the sample are a participant of the UN Global Compact. Most companies operate in the province North Rhine Westphalia (28 percent), followed by Bavaria (21 percent), Baden-Württemberg (15 percent) and Hesse (15 percent). In terms of industries, most companies are either active in selling consumer goods (25 percent) or financial services (25 percent). After reaching out to all companies, 22 companies (42 percent) responded either by affirming the collected data or correcting it. Due to new information, six companies went from 'no action' to 'some kind of action' in response to the refugee crisis and only one company moved in the opposite direction.

In terms of the kinds of companies that take action, it is notable that companies that rank high on the Forbes 2000 list and are a participant of the UN Global Compact, will most likely

respond to the refugee crisis. These relationships are significant. A regression analysis shows that the Forbes 2000 ranking has a negative, significant effect on the likelihood of a company to respond to the refugee crisis (R^2 = .247, $F(1, 51)$ = 16.77, $p < .001$.). The higher a company is ranked on the Forbes 2000, the higher the likelihood that the company will take action in response to the refugee crisis. Moreover, there is a strong, significant correlation between whether a company is a participant of the UN Global Compact and whether they are responding to the refugee crisis (V = 0,559, $p < 0.01$). Only seven out of the twenty-one companies that are not a participant of the UN Global Compact did respond to the refugee crisis. On the other hand, twenty-eight out of the thirty-two companies that are a participant of the UN Global Compact responded to the refugee crisis (see *Figure 4.1 and 4.2*).

Figure 4.1: Non-UNGC Participants - Action in Response to the Refugee Crisis
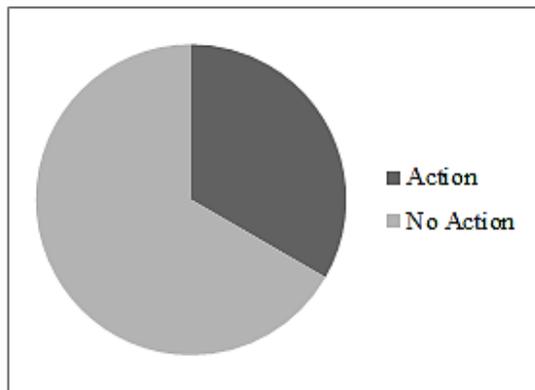
- Action
- No Action

Figure 4.2: UNGC Participants - Action in Response to the Refugee Crisis

- Action
- No Action
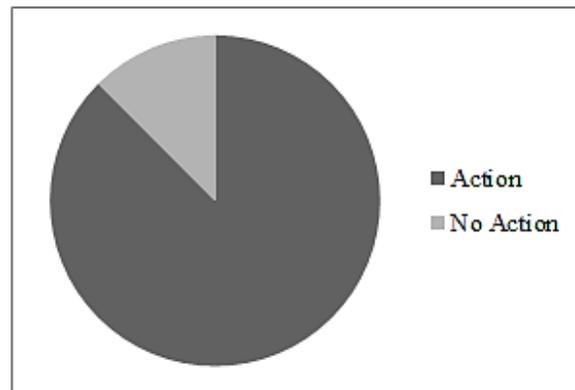
However, the industry and the region of the companies both turned out to have no significant correlation with responding to the refugee crisis (V = 0,694, $p > 0.05$; V = 0,219, $p > 0.05$). Although industry has no significant relationship with responding to the refugee crisis, it is remarkable that all six companies active in the financial service sector responded to the refugee crisis. The three companies active in the banking industry, however, all did not respond to the refugee crisis. This could be explained by the fact that the banking sector only recently has begun to engage in sustainability, and mainly focusses on environmental issues (Vigano & Nicolai 2009: 5-9). In terms of region, in Lower Saxony, Bavaria, North Rhine Westphalia, Hesse and Berlin, the majority of the companies has responded to the refugee crisis.

3.4.2. *Private sector action – types of action*

Looking at how the German private sector has responded to the refugee crisis so far, I distinguished nine different categories. Of course more categories are imaginable, but these nine categories cover all German private sector responses to the refugee crisis in a thematic way. Language for example is always embedded in the category education and training, and emergency relief is always embedded in the categories financial- and material donations. The categories are not mutually exclusive and frequently one project or a particular course of action encompasses two or more categories. Therefore, it is difficult to attach numbers to the frequency of business action. However, I can identify how many companies addressed a certain category, but bear in mind that this is regardless the scope, occurrence and content of the specific business action.

These nine categories are:

> (1) Financial donations;
>
> (2) Material donations;
>
> (3) Employee volunteering;
>
> (4) Human resources;
>
> (5) Education and training;
>
> (6) Advice and mentorship;
>
> (7) Social services and products;
>
> (8) Leisure activities and;
>
> (9) Making connections and collaborations.

Before explaining the various categories and their relation, I want to briefly address the observed local scope of private sector responses. It is remarkable that almost all action by the selected companies took place in Germany and most projects were both executed and organized on a local level. This almost always happened on site of where the company is situated. Beiersdorf, a consumer goods company, indicated in an inquiry e-mail: "As part of its global social commitment, Beiersdorf supports refugees in a number of different ways. To meet people's individual needs in their locality, each of our affiliates decides on the specific form and scope of the aid they offer. This enables us to make the best-possible assessment of the local

situation and to ensure that we can provide support quickly and in a targeted way.". [51] The local scope is also confirmed in an e-mail of E.ON, a gas, water and utilities firm: "To help solve the challenges of the refugee crisis E.ON is active through its regional units. In the regions we have close contacts to the communities where we work and live.". [52]

The first category, 'financial donations', appears to be a regularly used way to respond to the refugee crisis, twenty-two companies gave a donation. The exact amount of the financial donation varies from 15.000 euros up to 1.000.000 euros. Monetary donations are often thematic, for example by donating to educational programmes or emergency relief. Half of the companies that made a donations coupled this with the third category, 'employee volunteering'. This enfolds in three different ways: matching employee's donations, providing finance for employees attempts to help refugees or providing finance for the local organizations through which employees support refugees. The emphasis on employee volunteering was illustrated by an e-mail of Deutsche Post DHL Group, an industrial transportation firm: "For the first year *[2015]* we have a 1 million euro project budget, which mainly supports concrete measures run by our employees (nationwide with a focus on local projects). We don't do pure money donations.". [53] Another prevailing way employee volunteering is supported, is by giving them additional free-days for voluntary work directed at refugees. This is elaborated by an e-mail of Linde, a general industrials firm, who for instance: "… supports the voluntary work of its employees regarding the current refugee situation, for example, by granting staff time off work or, in some regions, by matching employees' donations.". [54]

The second category, 'material donations', occurs slightly less frequently, fourteen companies made material donations, and this category is more independently instead of combined with other categories. These kinds of donations can happen in-kind, i.e. by donating material that already belongs to the company, or through collection. Example donations are food, primary care commodities, blankets, water, healthcare products, medication, clothes, vehicles (e.g. ambulances, buses), body-care products, school supplies, beds and hygiene products. Material donations are thematic, they are commonly directed at emergency relief or education, similar to financial donations. The 'Wings of Help – *Luftfahrt ohne Grenzen*' project, which

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[51] Email retrieved at May 30, 2016
[52] Email retrieved at June 3, 2016
[53] Email retrieved at June 22, 2016
[54] Email retrieved at June 3, 2016

encompasses various companies such as Adidas, an apparel firm, and Daimler, an automobile firm, is a perfect example of this. The aim of this initiative is to provide relief supply after natural and humanitarian catastrophes as well as for example medical emergency transportations to Germany.[55] Emergency relief beyond financial and material donations, is very vague and unspecified. A special form of 'material donations', is making accommodation available. This kind of response to the refugee crisis is a very isolated response and varies in its scope. All buildings that were made available, were owned by the company offering them. In every case they were used to shelter refugees, either short- or long-term. The Deutsche Bank, a financial services firm, for example has made its former Training Centre in Kronberg near Frankfurt available as a preliminary refugee shelter for the state of Hesse.[56]

The fourth category, 'human resources', is a commonly used way to respond to the refugee crisis, twenty-two companies reacted through their human resources. Companies offer refugees internships, apprenticeships, traineeships or connect them to the job market. Offering actual jobs occurs less frequently, only five companies offer jobs. Human resource practices are often combined with intensive 'education and training'. Besides developing working skills, these trainings address social issues, promote language acquiring and discuss cultural differences. An example is the BMW Group, an automobile firm, who have a refugee initiative named "WORK HERE!". In a press release they describe this as a: "…nine-week practical work programme to help qualified refugees with social and professional integration... The project started out with 40 refugees at the Munich location and will be expanded to other BMW sites in 2016. The BMW Group is also expanding its six-month programme of entry qualification for production mechanics.".[57] However, ThyssenKrupp Group, a general industrials firm, does not agree that it is their task to teach refugees the German language. In a press release they state that: "It is down to the government to offer additional measures such as language course to remove the obstacles to starting with a company.".[58] Besides, ThyssenKrupp is an exception by stating clearly on its

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[55] For more information *see* www.luftfahrtohnegrenzen.eu/en/
[56] Email retrieved at June 21, 2016
[57] Press release available at: www.press.bmwgroup.com/global/article/detail/T0244104EN/bmw-group-supports-500-refugees-with-social-and-professional-integration?language=en
[58] Press release available at: karriere.thyssenkrupp.com/en/career/career-worldwide/career-in-germany/refugees-opportunities-at-thyssenkrupp/

corporate website that in order to be considered for an internship or traineeship, refugees need to have a verifiable (temporary) residency permit.[59]

Category five, 'education and training', happens outside human resource practices as well. These programmes regularly focus on acquiring the German language, twelve companies focussed on language acquiring. The "I speak German" initiative by TUI, a travel and leisure firm, is an example of such a linguistic educational programme. According to a press release they organised: "…language courses provided by volunteers, and providing free teaching materials and a teaching manual. The two main objectives of the project are as follows. Distribution of free teaching materials to volunteers who would like to teach refugees…. Organisation of courses at several centres throughout Germany.".[60] Besides focussing on language or future employees, other programmes also concentrate on children. Bayer, a chemical firm, for instance has launched the 'Science4Life' academy through its own Science & Education Foundation. According to their corporate website the aim is to: "…encourage science education among refugee children. To this end, the foundation is investing approximately EUR 400,000 in the education and future prospects of refugee children over the next five years. Initially, this will be used to train "welcome class" teachers to integrate educational scientific experiments into lessons with refugee children.".[61] This example also illustrates, that training and education is not necessarily directed solely at refugees. Other cases show that employees are also frequently targeted by teaching them intercultural skills or skills that enables them to help refugees.[62]

Category six, the provision of 'social services and products', encompasses a wide variety of services and products and is offered by seven companies. Examples are free of charge counselling, supporting unaccompanied children, independent living guidance for young adults, providing health care and i-personal liability insurance. For the delivery of those services and products, companies commonly offer the resources of their employees. This is exemplified by the Deutsche Telekom, a telecommunications firm, who state in a press release that: "…an important aspect of the company's commitments to aiding refugees is the assignment of Telekom

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[59] *Ibid.*
[60] Press release available at: www.tui-stiftung.de/en/our-projects/i-speak-german/
[61] Press release available at: www.press.bayer.com/baynews/baynews.nsf/id/Bayer-launches-further-refugee-projects-in-Berlin
[62] See for example Daimler, who offers training for staff members on integrity and intercultural skills. E-mail received on June 6, 2016

employees to support the staff at the Federal Office for Migration and Refugees (BAMF) in Germany. Since the spring of 2014, 500 employees have been transferred to positions at BAMF. They are assisting the processing of asylum requests.".[63] An example of offering in-house services comes from Allianz, an insurance firm, who indicate on their corporate website that: "…providing long-term and sustainable support to the refugees plays an important role for Allianz. This includes counselling services to psychologically come to terms with traumatic experiences as well as integration projects.".[64]

Initiatives focussing on categories seven and eight, 'mentoring and advising' and 'leisure activities', occur least frequently, in both cases four companies addressed this issue. Providing mentors and advice is in every example part of the human resource strategy or directed at start-up companies. The Deutsche Bank demonstrates both kinds of action. A thousand Deutsche Bank employees work as integration coaches. In an inquiry e-mail the Deutsche Bank states that: "…the coaches facilitate the refugees´ integration into German society and labour market by helping them to get to grips with everyday needs, access education and find jobs that allow them to use the skills they have brought with them." Furthermore, Deutsche Bank has partnered with StartSocial and Social Impact Labs to help kick-start social enterprises. Currently, many refugee-related initiatives are offered the professional expertise Deutsche Bank can give.[65]

Category eight, 'leisure activities', focusses more on integrating refugees in local societies. Deutsche Wohnen, a real-estate firm, illustrates this by their project Good Neighbours. In a press release they explain that in this project they: "…set up a public sewing room in a commercial unit belonging to Deutsche Wohnen in the Boulevard Kastanienallee where residents and refugees could work together and sew picnic blankets. The idea behind the project was to give the participants an uncomplicated opportunity to meet and to engage in a mutual exchange of ideas and experiences. Its overall aim is to achieve a better integration of local residents and refugees.".[66]

The ninth and last category, 'connections and collaborations', encompasses activities aiming at e.g. integrating refugees in society and in the work space, enhancing tolerance and respect between various groups, advocating for the rights of refugees, connecting refugees online

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[63] Press release available at: www.telekom.com/media/company/307742
[64] Press release available at: www.allianz.com/en/press/news/commitment/community/151015_we-are-providing-support-to-the-refugees/
[65] Email retrieved at June 21, 2016.
[66] Press release available at: www.deutsche-wohnen.com/html/en/youth-social-affairs.php

and connecting various initiatives that support refugees. Seventeen companies had a focus on this category. The Metro Group, a general retail firm, is an example of openly advocating tolerance. On their website and in their inquiry e-mail they state that: "…as a globally active retail company that has committed itself to the values of internationality, diversity and integration, METRO GROUP in particular focuses on advocating openness and tolerance. At its stores, it actively promotes an open arms policy with regard to refugees and rejects any kind of hostility towards foreigners.".[67] The Deutsche Telekom on the other hand, literally connects refugees by equipping around 70 refugee reception centres in Germany with WiFi. On their corporate website they argue that this: "…allows about 90,000 people to communicate with those left behind in their native countries, and this technology also helps refugees in organizing their new lives in Germany.".[68]

The overall trend in responding to the refugee crisis, is to do this in partnerships. All companies that undertook action in response to the refugee crisis, had at least one project that involved a partnership. Some companies, such as Siemens, Evonik and Bayer, have their own foundation with whom they partner. Moreover, almost every company works in close relationship or even form partnerships with government institutions. Cooperation commonly happens with municipalities or government agencies such as the Federal Employment Agency. The Lufthansa Group, a travel and leisure company, underlines the importance of working with authorities on their corporate website by stating that: "…it's fast and uncomplicated work always takes place in close consultation with local and regional authorities: this is the only way to ensure assistance tailored to people's needs.".[69]

Furthermore, companies also partner up with other companies. An example is the '*Wir Zusamen*' (We Together) initiative in which 98 companies participate, under whom the majority of our sample selection. We Together is a platform that gives oversight on the various projects that companies have set up in response to the refugee crisis. The initiative strives to encourage tolerance, incline companies to take action and offer opportunities for refugees to work on their future perspectives.[70]

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[67] Email retrieved at July 1, 2016. Press release available at: www.metrogroup.de/en/company/inside-metro/2015/09/07/refugees-in-europe-metro-group-provides-support

[68] Press release available at: www.telekom.com/media/company/295680

[69] Statement available at corporate website: www.lufthansagroup.com/en/press/news-releases/singleview/archive/2015/october/01/article/3752.html

[70] For more information *see* www.wir-zusammen.de/home

Besides company and authority partnerships, companies partner-up with non-governmental organizations (NGOs). The most common NGOs to partner up with are the German Red Cross, SOS Children, Save the Children, *Aktion Deutschland Hilft, Stiftung Lesen*, Teach First Germany and Caritas. In several occasions, companies formed partnership with academia e.g. universities, schools and educational centres. Only sporadically did companies partner up with UN agencies e.g. UNICEF and UNAOC, refugees or artists.

3.5. CHAPTER CONCLUSION

With the majority of the sample group companies responding to the refugee crisis (66 percent), it is evident that the selected companies are reacting to social issues stemming from the crisis. This result is in line with the observation of the UN Global Compact that many initiatives in Germany are dealing with the refugee crisis.[71] Moreover, this is in agreement with Sliberhorn and Warren (2007), and Pinkston and Carroll (1996) who argue that companies react to emerging issues through their social action. Hence, the results support the integrative view on CSR (Carroll 1991; Garriga & Melé 2004) i.e. companies acted in this case beyond their legal requirements and took social demands indeed into account. This might be explained by the implicit German culture that expects companies to contribute to the common good (Hiss 2009).

Besides, the issues that companies address are more or less a like to the issues that Slibhorn and Warren (2007) identified. Companies frequently focussed on education, however, responses on cultural diversity were less common. Addressing employee volunteering was commonly realized by financing employees' action to the refugee crisis and offering time off. Quality of life issues were visible in all categories, leading to the conclusion that this category is too broad to say something explicit. The fact that many companies addressed the refugee crisis through their human resources could provide support for the claim the Minister of Economy, Sigmar Garbriel,[72] made regarding the skills shortage. By training refugees, companies might have sought a way to ensure skilled labour in the future.

Furthermore, the results support that the better a company is doing in terms of its ranking place on the Forbes 2000, the more likely it will act in response to the refugee crisis. This is in agreement with the German expectation of companies that perform better, to do more for the

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[71] *Ibid.* note 12

[72] *See* www.bmi.bund.de/EN/ Topics/Migration-Integration/Asylum-Refugee-Protection/Asylum-RefugeeProtection_ Germany/asylum-refugee-policy-germany_node.html.

common welfare (Antal et al. 2009: 292). However, this does not necessarily support the claim that larger companies are better in having and mobilizing resources then smaller companies (Oetzel & Getz 2012). Moreover, there cannot be any conclusion on the difference between local- and foreign firms (e.g. Kuada & Hinson 2012), since only German companies were selected in the sample group. Nonetheless, the fact that companies primarily responded in Germany, and especially on site of their locations, demonstrates that these German companies had a bigger incentive to act on a national- or local level.

In addition a comparison can be made based on the nine distinctive categories and the UN Global Compact groups of social private action. Social investment and philanthropic actions are found in the financial donations, material donations and employee volunteering of the selected companies. Moreover, core business actions are found in the human resources, provision of services and products, education and training and advice and mentorship. Advocacy and public policy engagement is not found as an overlapping kind of private action. It is more suitable and fitting to only use the social cohesion part of the definition. In that case it corresponds with education and training, connections and collaborations and leisure activities. Based on this comparison, the nine categories can be placed on a scale of level of engagement (see *Figure 5.*).

Figure 5. Level of engagement in business action in response to the refugee crisis.
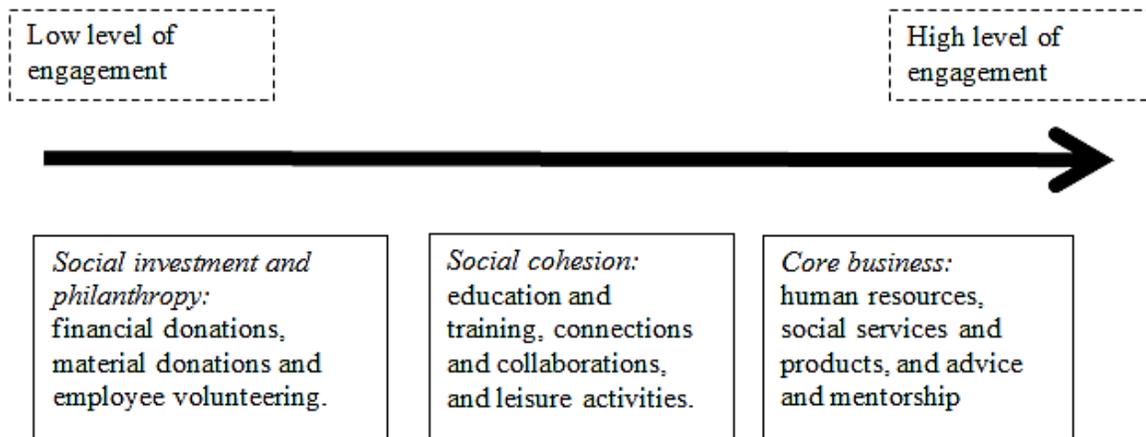
Consequently, this scale of engagement allows me to address the integration of action in response to the refugee crisis into business decision making. On the one hand, German companies frequently react through social investment and philanthropy, disproving Sliberhorn and Warren (2007). On the other hand, many initiatives are also integrated in the core business of a company, disproving Antal et al. (2009). This is illustrated by the complete overlap between

the German business action and the UN Global Compact's identified hypothetical action. Hence, result suggest that German companies reacted both through low- and high levels of engagement.

By way of contrast, the fourth group of the UN Global Compact social private action division, partnerships and collective action, is an independent group on which no claims on the level of engagement can be made. Results indicate that large German corporations commonly respond to the refugee crisis in partnerships or through collective forms of action. Companies work in close relationship with governments, especially municipalities. Moreover, they regularly partner-up with other companies or NGO's. These partnerships confirm the picture sketched by previous partnership literature (e.g. Oetzel & Getz 2012; Kolk & Lenfant 2013) and the composition makes up for potential successful partnerships (Abramov 2010).

4. THE UN GLOBAL COMPACT

The purpose of this chapter is to answer sub question two by examining the role of the UN Global Compact[73] in guiding business action in response to the refugee crisis. The UN Global Compact is the largest voluntary global initiative that addresses the social (and ecological) responsibility of companies (Voegtlin & Pless 2014: 181). Regarding the global refugee crisis, the UN Global Compact has both a global and a (German) local presence to prompt business in response to this crisis.[74] The majority of the companies included in this research are participants of the UN Global Compact. Due to the UN Global Compact's involvement in (German) private sector action in response to the refugee crisis, it is crucial, for this research, to determine what its exact role is.

For a start, there are different perspectives on the objectives of the UN Global Compact. The UN Global Compact itself states that their aim is to incline companies to take strategic actions in support of the local society where they have a presence.[75] Williams (2009) on the other hand argues that their ultimately goal is to bring about legitimacy for global CSR principles (Williams 2004). Hence, where the UN Global Compact itself focusses on local societies, Williams focusses on CSR principles. Antal et al. (2009), focus on CSR principles as well, but combine this with sharing experiences instead of legitimacy. They argue that the UN Global Compact is a learning platform, to share experiences with implementing CSR activities (Antal et al. 2009: 287). Lastly, Voegtlin and Pless (2004) approach the purpose of the UN Global Compact from the engagement of their participants i.e. to secure the social engagement of their participants and signal social efforts of firms to markets (Voegtlin & Pless 2014: 187-189). Informed by various UN Global Compact resources and conversation (see Appendix II), the chapter examines both the global and the local role of the UN Global Compact in the refugee crisis.

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[73] The UN Global Compact is an UN-based service that engages the private sector within the broader UN system.
[74] *Ibid*. note 2
[75] *Ibid*. note 7

4.1. BUSINESS ACTION PLEDGE IN RESPONSE TO THE REFUGEE CRISIS

The UN Secretary-General Ban Ki-Moon has called for a global response to the suffering of millions of women, men and children who are affected by humanitarian crises.[76] Overall, the year 2016 appears to be the year of seeking multi-stakeholder solutions to the refugee crisis at the UN.[77] The UN thus affirms the earlier described enthusiasm for collaborations (e.g. Hoffmann 2014) with the private sector. This is illustrated by their strive for broad partnership strategies that involve the tri-partite actors (i.e. government, business and civil society) in achieving development and peace.[78] Hence, in order to find innovative solutions for the refugee crisis and the problems that arise due to this, the UN actively attempts to engage the private sector.

In addition, the UN Global Compact, responsible for engaging the private sector, has set up a special project to respond to the refugee crisis. Their Business for Peace initiative launched a Business Action Pledge in Response to the Refugee Crisis in partnership with UNHCR anno 2015.[79] The aim of this pledge is to inspire and encourage the private sector to support and come up with solutions for problems arising due to the refugee crisis. They call upon companies to demonstrate leadership by finding ways as to how they can best provide support, based on their own assets, and take action individually or in partnership. The project entails various phases.[80] Currently, companies and other organizations that want to commit themselves to respond to the refugee crisis can place their commitments on the website.[81] The next step in the project is holding multi-stakeholder dialogues within countries. The goal of these dialogues is to access the country-based needs regarding the refugee crisis.[82] The German multi-stakeholder dialogue was the first to take place on the 15th of April 2016.[83] Ultimately, collaboration labs will be held to

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[76] *Ibid*. note 7

[77] There are two main events that illustrate this. First of all, there was the newly organized World Humanitarian Summit on 23-24 May 2016 in Istanbul, Turkey, that was an opportunity to confront global challenges head-on through greater global leadership and entailed a private sector focus. Furthermore, the UN Private Sector Forum that will take place in September 2016, co-hosted by UN Secretary-General, will focus on the role of the private sector in the refugee crisis. *See* www.worldhumanitariansummit.org/ *See* also www.unglobalcompact.org/take-action/events/691-united-nations-private-sector-forum-2016

[78] *See* www.un.org/ar/business/pdf/Guidelines_on_UN_Business_Cooperation.pdf

[79] *Ibid*. note 2

[80] *See* appendix II for an overview of all the primary literature on this project.

[81] *Ibid*. note 7

[82] *See* www.unglobalcompact.org/library/4141

[83] Informed by Local Network bi-monthly call, not publicly available.

identify potential business action and shape concrete forms of partnerships.[84] One of the project outcomes will be a publication in cooperation with Columbia University on best practices of private sector response to the refugee crisis.[85]

Since the launch of the Business Action Pledge in Response to the Refugee Crisis, twenty companies have pledged on the UN Global Compact website what they are doing in response to the refugee crisis.[86] Among them are seven German companies. Four of them are on the Forbes 2000 list and are therefore included in this research i.e. Evonik, RWE group, Deutsche Telekom and Bayer and Bayer Foundation (Bayer). The information as stated in the pledges of these companies, is similar to the business action in response to the refugee crisis that was found within this research.

Furthermore, the social action of the remaining four companies is consistent with the observed social action of the Forbes 2000 companies and therefore fits within the nine social action categories.[87] TÜV Rheinland, a technical services firm, is for instance active in offering apprenticeships, language courses and supports employee volunteering in Cologne. Moreover, Bosch Group, a technological firm, created internships, made donations, donated land and supported employee volunteering in response to the refugee crisis. One noteworthy comment came from cyber- Wear Heidelberg GmbH, a media form. They argue that: "…next steps are far more difficult due to the fact that Refugees are not allowed to work in Germany". This comment gives a potential explanation of why companies do not actively hire refugees, but mostly offer internships, apprenticeships or traineeships.

4.2. GERMAN LOCAL NETWORK

The UN Global Compact has Local Networks that translate global goals into country level action. These Local Networks act as a point of contact for UN Global Compact participants in a country.[88] The German Local Network started to look at private sector response to the refugee crisis in September 2015.[89] During the Local Network Webinar, they stated that they soon came to the conclusion that larger German companies already did a lot of work in a very

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[84] *Ibid*. note 7
[85] Informed by a meeting with the Columbia research team on the refugee crisis, not publicly assessable.
[86] *See* business.un.org/en/pledges/refugee_crisis
[87] For all published pledges*, see* business.un.org/en/pledge_categories/refugee_crisis
[88] *See* www.unglobalcompact.org/engage-locally
[89] Informed by a conversation with the Local Network on July 4, 2016

constructive matter in response to the crisis.[90] In addition, they noticed that there are a lot of initiatives dealing with private sector responses to the refugee crisis, both state- and privately financed. The Local Network decided to partner up with these initiatives instead of setting-up their own project.

In April 2016, the German Local Network organized an annual network meeting around the theme: "Business engagement for the integration of refugees – Exchange of experiences and opportunities for action".[91] In this meeting they addressed the opportunities for social business action in response to the refugee crisis. Two main parts of the meeting, were Daimler giving their perspective on hiring practices and integration of refugees in the German labour market and Siemens giving their perspective on managing risks for refugees in the global supply chain. Furthermore, a Syrian refugee described how he experiences the German Labour Market.[92]

In regard to the kinds of actions their participating companies undertake in general, during the interview, the Local Network identified two main kinds of actions, that is human resource practices and providing services.[93] First of all, they observed that almost every company has some human resource practice (e.g. internship) responding to the refugee influx. Secondly, they argue that a lot of companies search for ways that their services can benefit refugees. There are, for example, pro-bono tax consulting for non-profit initiatives that work with refugees.

Furthermore, they have noticed that most action takes place on a local-level and in partnership with the state. The local level actions have a clear link with the location of companies' sites and focus mainly on Germany. Moreover, companies commonly work together with the state officials of the relevant city. Another frequently found partnerships is with their business association i.e. other companies. These observations are similar to the general findings of this research.

As for the reason why a large number of German companies are taking action in response to the refugee crisis, the Local Network argues that this is due to the positive reaction towards refugees from both the state and the society. The initial reaction of the German government was

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[90] *Ibid*. note 82

[91] For more information on the annual German Local Network meeting on refugees, *see* www.globalcompact.de/de/aktivitaeten/Unternehmerisches-Engagement-fuer-Fluechtlinge.php

[92] Agenda Local Network meeting, not publicly assessable.

[93] All the statements bellow are based on: a conversation with the Local Network on July 4, 2006; comments made by the Local Network during bimonthly Local Network meetings between January and July 2016 and; e-mail conversations with the Business for Peace initiative.

very open and welcoming. Moreover, the majority of society was optimistic regarding sheltering and integrating refugees. In terms of public relation it would therefore be unwise to not respond the refugee crisis and it is nearly impossible to speak openly against the refugees.

Another explanation the Local Network puts forward is the lack of young and skilled workers within the German labour mark. They argue that companies regularly see refugees, who are often in their mid-twenties, as a new pool of employees. However, during the network meeting a lot of uncertainties about the legal framework and the hiring practices came to the surface. Questions enclosed e.g. 'How does hiring a refugee work? How much can we pay refugees?' But also: 'What is the likelihood of a refugee being sent back?'

In regard to future action, there is no oversight on the deliverables of the annual Local Network meeting. The Local Network will let it run to see what their role in the future will be. One possibility is to provide more guidance for companies on how to respond to the refugee crisis through their supply chain. Moreover, they see it as their role to support smaller companies to learn from the bigger ones. One uncertainty the Local Network expressed about future action, is the scope of private sector action: 'How long will companies continue to actively respond to the refugee crisis? Is this only short term and out of public relations concerns? Will this stop when the refugee crisis is not a 'hot topic' anymore?'

4.3. CHAPTER CONCLUSION

In conclusion, the centrality of the refugee crisis in the UN policy of 2016, shows that the issue is high on the social agenda, and thus that business is being reactive by responding to this (Sliberhorn & Warren 2007). The emphasizes on broad partnerships and including the private sector in finding solutions, also supports the dominance of the fourth category of the UN Global Compact social private action categorization i.e. collective action and partnerships[94], as was shown in the results of German private sector action as well. In regard to the refugee crisis, the UN Global Compact includes the private sector mainly in the larger UN system through global activities such as the World Humanitarian Summit, instead of a local level as they suggest.[95]

The current phase of the global project, in partnership with the UNHCR, underlines the aim of the UN Global Compact to signal social efforts of firms to markets, as was stated by

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[94] *Ibid*. note 8, see also Hoffmann (2014)
[95] *Ibid*. note 7

Voegtlin and Pless (2014). Through pledges, they aim to show how companies are reacting to the refugee crisis and encourage other companies to take action as well. In the next phases, they might actively engage their participants in the refugee crisis (Voegtlin and Pless, 2014), but so far, this is not the case.

The German Local Network on the other hand, provided a platform through their annual meeting focussed on refugees, to share experiences in implementing refugee responses, supporting the view of Antal et al. (2009: 287). Besides human resources, the network meeting focussed on a new issue, that is supply chain. This issue has thus far not been addressed by either the literature or other results. In defining their future role in regard to the refugee crisis, they continue to be a learning platform, particularly in which smaller companies can learn from larger ones.

Furthermore, the German Local Network interview and the relatively large amount of German pledges, underlined that many German companies are responding to the refugee crisis.[96] The Local Network supported the view that part of why companies are reacting to the refugee crisis, is the initial positive reaction from the state and society (the Guardian 2015; German Federal Ministry of Interior 2014). Besides, the observation of the Local Network that companies are mainly responding through services and human resources, would suggest that companies have an integrated approach and respond through their core business to the refugee crisis (Sliberhorn & Warren 2007).[97] Moreover, they are in agreement with the view that the refugee crisis presents an opportunity for business to train refugees and solve the shortage of young, skilled workers, as was suggested by the German Minister of Economy (Business Insider 2015). However, the Local Network also presented a variety of uncertainties regarding the employment of refugees that companies are dealing with.

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[96] *Ibid.* note 8
[97] *Ibid*. note 12

5. LEGITIMACY

In Germany, just as in other countries, business is increasingly expected to help the state in meeting the needs of society, leading to blurring public and private lines (Antal et al. 2009: 286). Consequently, both private and public actors now contribute to governance.[98] In this new form of governance, state functions are being bargained and sometimes even transferred to private actors (Wolf 2001: 7).[99] In the German context this is referred to as *'activerender Staat'*, in which the government upholds the responsibility for dealing with societal issues, but calls upon other actors to help provide essential services (Oppen 2005: 285-295). This is a result of the current trend of the declining nation-state authority (Kobrin 2009: 350) which causes a decrease in a state's problem solving capacity. To fulfil their responsibilities, states start to seek the help of other societal actors (Wolf 2005: 4-7; Kolk & Lenfant 2013: 13).

Thus, it is safe to assume that with companies responding to domestic and global crises, they take over traditional state responsibilities and therefore the choices they make, have widespread consequences. As Parkinson describes: "…companies are able to make choices which have important consequences: they make private decisions which have public results" (1996: 10). In Germany, companies often engage in these social projects together with local authorities and social organizations under the label of 'Corporate Citizenship' (Oppen 2005: 296; Antal et al. 2009: 292). Businesses are accepting these responsibilities due to a growing pressure of civil society and an erosion in the division of private and public tasks (Haufler 2001).

The objective of this chapter is to determine whether the observed German business action can be considered legitimate, since companies have no democratic mandate to perform those tasks (Scherer & Palazzo 2011: 907). I will analyse the found German business action in response to the refugee crisis through the lens of the legitimacy, as operationalized in chapter two. In the operationalization of the term legitimacy, I showed how Beetham's breaks the

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[98] For more information *see* Habermas (2016)
[99] This process of private actors performing governance functions is called the de-governmentalisation of governance (Wolf 2001: 7).

concept down into three core levels. In paragraph 5.1 I will present the results on views of justification, in paragraph 5.2. the results on views of justification and in paragraph 5.3. the results on acts of (dis)consent. Finally, in the conclusion I will make sense of these results in terms of implications.

5.1. FIRST DIMENSION: VIEWS OF LEGALITY

Firstly, no business action of the selected companies has addressed the right to access the court (Article 16). It was neither mentioned nor was it implemented. On regard of this right, the UN Global compact's Senior Manager of the Rule of Law team, explains that rule of law is a sensitive topic. "Many businesses do not typically engage in "procedural" rule of law issues. Access to justice, including court proceedings, is considered something that is executed by the state and where companies have minimal (if no) involvement at all.".[100] Another explanation is the fact that Germany has a relatively strong rule of law (Positive Peace Index 2015), and therefore it could be argued that companies have no incentive to actively provide services and products to improve access to justice mechanisms and public access to information.

Secondly, the right of wage-earning employment (Article 17) is commonly fulfilled through internships, apprenticeships and traineeships. It is unclear whether and if so, refugees are being paid in these position. Though some companies such as Hugo Boss and Deutsche Post do offer paid jobs, this remains the exception. These programmes are regularly directed at gaining experience, acquiring a qualification, training application skills or connecting refugees directly to the job market. A possible explanation for offering these programmes instead of formal jobs could be uncertainties about the legal framework to employ refugees, as was articulated during the Local Network meeting in Germany.[101] The fact that companies do respond through human resource practices and offer training for refugees, on the other hand, can be explained by the shortage of young, skilled employees.[102]

Thirdly, the right to self-employment (Article 18) is fulfilled through guidance and advice for setting-up a company. Another way of addressing this right is by providing low interest loans for financial support. An explanation why companies are actively encouraging self-

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[100] Informed by a conversation with the Senior Manager Rule of Law, UN Global Compact, on July 26, 2016. *See* also www.unglobalcompact.org/docs/issues_doc/rule_of_law/B4ROL_Framework.pdf
[101] *Ibid.* note 89
[102] *Ibid.* note 72

employment could be that when refugees start new businesses, this will stimulate the German economy and therefore is beneficial for the overall business climate (Arnold-Fernández & Pollock 2013).

Fourthly, no comments or company activities are explicitly directed at liberal professions for refugees (Article 19).[103] An explanation for the lack of activity in this sphere, might be the difficulty regarding the validity of foreign degrees. One business activity that does not address liberal profession directly, but does address the validity of foreign degrees, is additional training allowing refugees to convert their degree.

Fifthly, companies commonly directly address the right to housing (Article 21) for refugees. Under the category material donations, many companies provided accommodation for refugees. Frequently, companies offered their office spaces to the government for refugee sheltering. The direct call from local authorities in need for accommodation,[104] offers a potential explanation for this business action.

Sixthly, the right to education (Article 22) is often reflected in German business action of the research sample as well. Regularly, this appears in combination with human resources. Education in these cases, is directed at developing working skills, vocational education or addressing cultural differences. Other projects are directed solely at vocational training or at teaching children. An annual survey of the UN Global Compact showed that most of their participants implement social action in the form of education.[105] Education leads to knowledge and skills that are critical for future economic growth, thus, it is in companies their interest to makes sure refugees have the opportunity to reach their potential.[106]

Seventhly, the right to public relief and assistance (Article 23) is commonly performed through monetary or in-kind donations. In some cases, companies directed their products and services at public relief, mostly through supporting government action. A possible explanation that companies are being merely philanthropic or supportive in this area, might be that they view that the state maintains responsible for providing social assistance and welfare (Oppen 2005:

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[103] The European Commission states that: "The liberal professions include lawyers, notaries, engineers, architects, doctors, dentists and accountants, amongst others. They all require special training in the arts or sciences…". *See* ec.europa.eu/growth/smes/promoting-entrepreneurship/we-work-for/liberal-professions_en
[104] *See* for example Baywa, e-mail retrieved at June 15, 2016
[105] *See* www.unglobalcompact.org/docs/issues_doc/human_rights/Investing_in_Education.pdf
[106] *See* International Business Leaders Forum, the World Bank, and UNESCO. Partnerships for Education: Building the foundations of a green, prosperous and equitable global economy. London: International Business Leaders Forum, 2013. *See* www.unglobalcompact.org/docs/issues_doc/development/Business_Education_Framework.pdf

285-295). Since this right entails that refugees are entitled to benefit from national social assistance and welfare schemes enjoyed by nationals,[107] this provision might be sufficient in companies' eyes.

Lastly, administrative assistance (Article 25) was in the sample group not directed at refugees themselves. Private action did provide administrative assistance for governments or civil society organisations that work with refugees, but they did not address this in terms of administrative assistance for refugees. This might be an indication that there are enough governments or civil society organisations dealing with this issue directly.

5.2. SECOND DIMENSION: JUSTIFICATION

When comparing the observed German business action with the social needs table of chapter two, it is apparent that all German business action can be categorized under the four identified social needs for refugees. Vice versa, all identified needs are being addressed by the total range of German business action. However, it would be more accurate to divide the social needs into initial (basic) needs and settling-in needs, which in its turn can be subdivided into action purely focussing on refugee development or action directed at integrating refugees within German society (see *Figure 6*.).

Figure 6. Adjusted pyramid of social needs.

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[107] *See* www.unhcr.org/publ/PUBL/3cf33fbc4.pdf
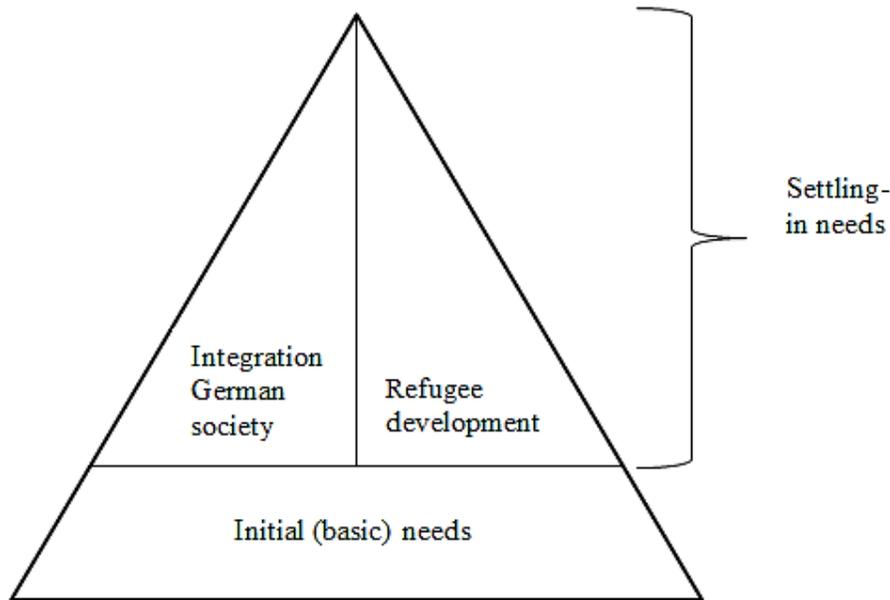
The first social needs category, basic needs to survive, is commonly found in the business action categories of financial- and material donations. Through financial and material donations to emergency relief, supplies are distributed among NGOs that work with refugees e.g. food, hygiene products and medicines. Moreover, emergency accommodation, in the form of safe, dignified and appropriate shelters, is important in protecting refugees and is being offered by companies. Looking back at the high level of similarity with a refugees right to public relief (Article 23), this outcome is not surprising. This social needs category is, in the German context, particularly compelling at the initial phase. As described during the placement of social needs in the Maslow pyramid, in order for other social needs to be valid this need needs to be fulfilled. How this social need is addressed, can be explained by the fact that in the initial phase of a crisis, business are often unaware of how they can respond through their core business.[108] Therefore, companies are more inclined to undertake traditional philanthropy in crisis situations.

The next three social needs, are much harder to differentiate. One particular business action or category, might respond to all three social needs in the long term. Education for example offers in the short term new hope for the future. Moreover, through education refugees get in contact with others which hopefully leads to social cohesion. Ultimately, through new skills refugees can start filling up empty (skilled) labour spots contributing to the overall society. The division of social needs that business action should response to, turns out to fall into two

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[108] Informed by conversation with the UN Global Compact Business for Peace and Rule of Law teams in June, 2016

separate categories: the initial phase (emergency response) and the second phase (settling down). There is a clear hierarchy between the two phases and the second phase comes into existence when refugees are settling down. Within the second social need category, there are projects directed solely at refugees, while others connect them to the German society.

The first group, projects directed solely at refugees, is illustrated by the most common business action within this second phase: human resources, and education and training. Frequently, businesses have set up projects that target refugees particularly, only in a few examples they have opened-up existing projects for refugee as well.[109] The social business action categories 'social services and products' and 'mentoring and advice' also aim their arrows at offering certain services, products or advice to refugees particularly. It is therefore safe to assume that these projects are more directed at refugees acquiring certain skills than at integration with local communities.

Although education, which was commonly directed at acquiring vocational, is also directed at refugees, its ultimate objective is integration. The emphasize on vocational education can be explained by the focus of the German government on language training in the National Integration Plan as well. In Germany, the integration process is focused on offering migrants the opportunity to fully participate in the German society.[110] By offering vocational training, companies help refugees to go beyond co-existing with communities and give them the opportunity to be part of society.

Another way of acting in this phase it through connecting refugees with local citizens, for example with employees. By involving employees within the refugee community, companies are not only acting as responsible members of their local communities, but they also help maintaining a healthy community (Basil, Basil & Usher 2011: 292). Regardless the exact realization of employee volunteering or employees' involvement within the other categories, by making them aware of the consequences of the refugee crisis and heaving an open climate, companies enhance the contact between local citizens and refugees.

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[109] The UNHCR emphasizes that instead of special targeted projects, from internship opportunities to swimming lessons, including refugees in existing projects is the best way to go in aiming for social cohesion and integration. Informed by Ms. Ninette Kelley, Director, New York Office, United Nations High Commissioner for Refugees, during the congress on 'Large Movements of Refugees and Migrants: Critical Challenges for Sustainable Urbanization', May 18, 2016

[110] Informed by UNHCR research in 2013. For more information *see* www.unhcr.org/uk/protection/operations/52403d389/new-beginning-refugee-integration-europe.html

Furthermore, the social business action categories 'leisure activities' and 'connections and collaborations' also aim at integrating refugees with the German society. By pro-actively advocating tolerance and respect for refugees and connecting refugees with the German society, companies build a narrative around refugees i.e. a tolerant perspective. By doing this, companies can have an impact on the behaviour of German society (Beach 2010: 40).

5.3. THIRD DIMENSION: ACTS OF (DIS)CONSENT

Starting with consumer boycotts, the only company that had a consumer boycott in the last two years is Adidas. However, according to the organization that called the boycott, the Viva, this was due to the use of Kangaroo leather and had nothing to do with Adidas' action responding to the refugee crisis. When expanding the search, it becomes clear that there are no official boycotts in place in Germany caused by the way corporations respond to refugees at all.[111] Hence, there are no open boycotts active or have there been, in protest to the way companies handle the refugee crisis.

In regard to press attention, after filling in the described searching terms, 1099 articles were found. When taking a closer look, a lot of these articles turn out to be irrelevant. The company name for example is used in a different context. Two examples are that the company name Henkel is also the last name of a German politician and many articles are copy write by Axel Springer. Moreover, often the refugee crisis as well as one of the relevant companies are mentioned, but they are not linked to each other. The few articles that said something relevant for this research, had a more descriptive and neutral tone. Moreover, it was remarkable that they were all published within local papers. The one article that had a critical tone, published by the Kölner Stadt-Anzeiger, argued that large companies did not do enough in response to the refugee crisis.[112] The article emphasizes that the 30 largest companies in Germany have hired only 54 refugees so far, with the Deutsche Post as the exception who hired a large proportion of this amount.

5.4. CHAPTER CONCLUSION

What do the insights of these three levels of legitimacy offer? Since Germany has a strong rule of law (Positive Peace Index 2015), it is safe to assume that business action in

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[111] *Ibid*. note 29
[112] Article published on July 5, 2016

response to the refugee crisis is legal. However, when looking at this through an enabling framework, business action does not reflect all rights that refugees have under the 1951 Convention. Companies are not necessarily aware of these rights, though, by being selective in its response, they place certain rights above others. Since all right are equally important, business action should aim to incorporate all rights including the right to access the court and the right to liberal professions.

Within the normative level of legitimacy, responding to social needs, there is a clear difference between the initial phase and the settling-in phase. Looking back at the level of engagement as defined in chapter three, in the initial phase companies reacted through philanthropic and social investment actions, while during the second phase they responded through social cohesion and core-business action. Moreover, in this phase it is visible that some activities are directed purely at refugees while others are directed at integration.

With regard to acts of dis-consent, there were none found within this research. This can be interpreted in two way. It can be that citizens do not feel the need to openly express their dis-consent towards business action in response to the refugee crisis or, as was highlighted during the Local Network interview, it can be that citizens do not feel they can openly express dis-consent with action supportive to the refugee crisis.[113]

To conclude, the level of legitimacy of business action in response to the refugee crisis can best be placed on a scale (see *Figure* 7.). When business action is illegal, does not address refugee rights, does not address social needs and is subject to acts of dis-consent, it can be concluded that business action is illegitimate. However, when business action is legal, addresses all refugee rights, addresses all social needs and is not subject to acts of dis-consent, it can be concluded that business action is legitimate. All action in between, can be place on a scale ranging from completely illegitimate to completely legitimate.

Figure 7. The legitimacy of (social) business action as a scale.

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[113] *Ibid.* note 89

Completely illegitimate

Completely legitimate

Business action in response to the refugee crisis is:
- Illegal and does not address refugee rights;
- Not addressing articulated social needs and;
- Subject to acts to dis-consent.

Business action in response to the refugee crisis is:
- Legal and addresses *all* refugee rights;
- Addressing *all* articulated social needs and;
- Not subject of acts to dis-consent.

6. CONCLUSION AND DISCUSSION

This study shows that the largest German companies are responding to social issues stemming from the refugee crisis, supporting the integrative (and responsive) view on social business action. The types of action companies undertake can be categorized into nine categories, these are financial donations, material donations, employee volunteering, human resources, education and training, advice and mentorship, social services and products, leisure activities and, making connections and collaborations. These actions are commonly executed in Germany, on a local level and in partnership with other actors. Moreover, these categories correspond with the UN Global Compact identified social private actions and can be placed on a scale based on the level of engagement of the corporation. Based on this model, it can be concluded that German companies reacted both through low- and high levels of engagement.

The findings of this study also stipulate that the UN Global Compact is currently active in signalling social efforts of firms to markets. On the local level, the German Local Network is fulfilling the role of a learning platform, particularly in which smaller companies can learn from larger ones. This results suggest that the UN Global Compact performs a different role on the local level than on the global level in regard to the refugee crisis.

Furthermore, based on the concept of legitimacy, this study has analysed the public impact of private business action. The study has translated the concept of legitimacy into a new framework specified for private sector legitimacy. Moreover, this study has indicated the relevance of examining the concept of legitimacy in relation to social private action. Results indicate that the level of legitimacy of business action in response to the refugee crisis can best be placed on a scale. When business action is legal, addresses all refugee rights, addresses all social needs and is not subject to acts of dis-consent, it can be concluded that business action is legitimate.

6.1. LIMITATIONS AND FURTHER RESEARCH

There are several choices I as a researcher have made that effect the outcomes of this research and therefore need to be addressed.

1. In measuring social private action, a first methodical choice was to focus solely on Germany. Germany provides an exceptional case due to the many company initiatives in response to the refugee crisis. Moreover, by looking at companies from Germany instead of companies who operate or have part of their supply-chain in Germany, many companies were excluded for this research. This restricts the external validity of this research i.e. the generalizability to other people, settings, and times (Cook & Campbell 1979). However, the purpose of this research is understanding instead of generalizations. Further research could either focus on another country, for example Turkey which hosts the most refugees, or on all companies with operations and supply chains in Germany.

2. In addition, this research has focussed entirely on large German companies that have made it on the Forbes 2000 list. Though this accounts for the fact that large companies have the resources to respond to the refugee crisis, smaller companies might respond in an entirely different way. Just as the UN Global Compact Local Network indicated, smaller companies might not respond this elaborated. Due to both discussion point one and two, readers should be aware of the exception fallacy (Trochim 2006) i.e. no conclusions can be drawn for universal business action since the results reflect an exceptional case. For this particular research that is no problem, since the aim is

understanding. However, further research could focus on how micro-, small- and medium enterprises respond to the refugee crisis.

3. Another limitation is the manner of data collection. In the research design, data on private sector action was gathered through their corporate websites. However, as was evident from the results, some companies are not transparent on their engagement or report on a more local level. By checking whether the information found on the website was valid through inquiry e-mails, an attempt was made to account for this limitation. The additional information gathered through these e-mail illustrates that this was much needed indeed. Though this limits the reliability of the research i.e. "…the extent to which results are consistent over time" (Joppe 2000: 1 in Golafshani 2003: 598), the triangulation of multiple sources increases its validity (Creswell & Miller 2000: 126).

4. The data-collection method has two other main constraints. Firstly, due to the use of public information and e-mail inquiries, there might be a tendency to report on business action in an abstract way. This might cause a lack of details and superficial answers leading to an incomplete picture of private sector action. Further research could off-set this limitation by using interviews within companies.

5. Furthermore, the data collection method did not control for actual action. Though the purpose of this research is to understand private sector action, due to its scope, there is no way in this research to verify whether companies are doing what they say they are doing. This restrains the (internal) validity i.e. "…whether the research truly measures that which it was intended to measure" (Joppe 2000: 1 in Golafshani 2003: 599). Further research could look at what companies are doing on site in order to find empirical evidence that supports or invalidates what companies say they are doing.

6. Besides, this research only focusses on the role of the UN Global Compact in the refugee crisis. However, as the Local Network indicates, there are many other initiatives that deal with private sector response to the refugee crisis as well. For further research it would be interesting to also analyse their role in guiding business action.

7. This research is a first in translating legitimacy from state legitimacy to private sector legitimacy. In order to fully determine whether the presented framework offers a reliable way to measure this, more research should be carried out using this model. Moreover, operationalising the various levels of legitimacy presented limitations leading to threats

of construct validity: "…how well information about the constructs in the theory being built are measured in the research" (Healy & Perry 2000: 8). The limitations of measuring the three levels of legitimacy will be described separately in the next discussion points.

a. First of all, the views of legality could be coupled to the actual legal framework of the country. By doing this it is more easy to determine if certain action is illegal. The Convention Relating to the Status of Refugees 1951 only determines whether certain action addresses refugees' rights. However, since Germany has a strong rule of law, it was safe to assume that business action in response to the refugee crisis was legal.

b. Secondly, the views of justification, are defined by social needs. These social needs are drawn out of the needs identified by the UNHCR and the UN Cluster Groupings. However, the question is whether UN officials can determine local social needs. It could be argued that social needs should be determined on the ground. Moreover, there is a difference between social needs and individual needs. Where business action might address the social needs, it is not to say they address the individual needs that refugees identify as their needs. And finally, the hierarchy of social needs in a Maslow-like pyramid needs further research to determine if this model is reliable.

c. Lastly, the operationalisation of acts of consent into acts of dis-consent brings an important limitation. Though there might be no acts of dis-consent present, this does not mean that citizens accept the business action. The absence of protest is not automatically the presence of acceptance. Further research could therefore reframe this and for instance focus on positive press attention instead of negative press attention.

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APPENDIX I: PRIMARY SOURCES ON THE REFUGEE CRISIS IN GERMANY

Document	Year	Link
Convention and protocol relating to the status of refugees	1951	www.unhcr.org/3b66c2aa10.html
The 1951 convention relating to the Status of Refugees and its 1967 protocol	2011	www.unhcr.org/4ec262df9.html
A New Beginning: Refugee Integration in Europe	2013	www.unhcr.org/uk/protection/operations/52403d389/new-beginning-refugee-integration-europe.html
UNHCR Global Report	2014	www.unhcr.org/gr14/index.xml
UNHCR Statistical Yearbook of 2014	2015	www.unhcr.org/cgi-bin/texis/vtx/home/opendocPDFViewer.html?docid=56655f4d8&query=statistical%20yearbook%202014
UNHCR Mid-year trends 2015	2015	www.unhcr.org/56701b969.html
UNHCR 2014 in review	2015	www.unhcr.org/5575a78416.html
Positive Peace Report	2015	www.economicsandpeace.org/wp-

		content/uploads/2015/10/Positive-Peace-Report-2015.pdf
Global Peace Index Report	2015	www.economicsandpeace.org/wp-content/uploads/2015/06/Global-Peace-Index-Report-2015_0.pdf
UNHCR Global Appeal	2016	www.unhcr.org/ga16/index.xml
UNHCR refugee definition	2016	www.unhcr.org/pages/49c364c137.html
Publication: Public Relieve and Social Security	2016	unhcr.org/publ/PUBL/3cf33fbc4.pdf
Current UN Needs Global Refugee Crisis	2016	www.business.un.org/en/disasters/7535#current_needs
Eurostat – asylum statistics	2016	www.ec.europa.eu/eurostat/statistics-explained/index.php/Asylum_statistics
World Bank Data on 'Refugee population by country or territory of asylum'	2016	www.databank.worldbank.org/data/reports.aspx?source=2&country=DEU&series=&period=
Ms. Ninette Kelley, Director, New York Office, United Nations High Commissioner for Refugees, during the Congress on 'Large Movements of Refugees and Migrants: Critical Challenges for Sustainable Urbanization'	2016	unpublished

APPENDIX II: PRIMARY SOURCE OF THE UN GLOBAL COMPACT

Document	Year	Link
Guidance: The Smartest Investment: a Framework for Business Engagement in Education	2013	www.unglobalcompact.org/docs/issues_doc/development/Business_Education_Framework.pdf
Webinar: Business Action Pledge in Response to the Refugee Crisis	2015	www.unglobalcompact.org/library/3421
Guidance: Business for the Rule of Law Framework	2015	www.unglobalcompact.org/docs/issues_doc/rule_of_law/B4ROL_Framework.pdf
Guidance: Investing in Education: Lessons from the Business	2015	www.unglobalcompact.org/docs/issues_doc/human_rights/Investing_in_Education.pdf
Business Action Pledge in Response to the Refugee Crisis	2016	www.business.un.org/pledge_refugee_crisis
Illustrative examples of Business Action Pledge in Response to the Refugee Crisis	2016	www.business.un.org/documents/business_action_pledge_refugee_crisis_illu

		strative_examples.pdf
Webinar: 2016 flagship projects	2016	www.unglobalcompact.org/library/4141
Published Business Action Pledge in Response to the Refugee Crisis	2016	www.business.un.org/en/pledge_categories/refugee_crisis
Take Action In Response to the Refugee Crisis	2016	www.unglobalcompact.org/take-action/action/refugee-crisis
Overview Business Action Pledge in Response to the Refugee Crisis	2016	www.business.un.org/en/disasters/7535#overview
Event: Private Sector Forum 2016	2016	www.unglobalcompact.org/take-action/events/691-united-nations-private-sector-forum-2016
Event: World Humanitarian Summit	2016	www.worldhumanitariansummit.org/
Annual German Local Network Meeting on Refugees (in German)	2016	www.globalcompact.de/de/aktivitaeten/Unternehmerisches-Engagement-fuer-Fluechtlinge.php
UN Global Compact: Engage Locally	2016	www.unglobalcompact.org/engage-locally
UN Cluster Grouping needs	2016	business.un.org/en/browse/needs
Governance of the UN Global Compact	2016	www.unglobalcompact.org/about/governance
Guidance: Advancing the Sustainable Development Goals by Supporting Peace: How Business Can Contribute	2016	www.unglobalcompact.org/docs/issues_doc/Peace_and_Business/AdvancingSDGsPeace.pdf
UN Guidelines for business cooperation	2016	www.un.org/ar/business/pdf/Guidelines_on_UN_Business_Cooperation.pdf
Various conversation with UN Global Compact Business for Peace employees between February 1, 2016 and July, 1 2016.	2016	unpublished
E-mail contact UN Global Compact and Local Network Germany	2016	unpublished
Bi-monthly call Local Networks – 5 April	2016	unpublished
Bi-monthly call Local Networks – 2 February	2016	unpublished
Flagship Projects Concept Note for Governments	2016	unpublished
Strategic sponsorship from companies	2016	unpublished
Local Network Annual Meeting Report	2016	unpublished
Interview Philipp Bleckman, Local Network Germany contact-person	2016	unpublished
Meeting with the Columbia University	2016	unpublished

research team on the refugee crisis		
Conversation with the Senior Manager Rule of Law, UN Global Compact	2016	unpublished

APPENDIX III: PRIMARY SOURCES ON BUSINESS ACTION

Company	Year	Source
Volkswagen Group	2015	www.volkswagenag.com/content/vwcorp/info_center/en/news/2015/11/refugees.html
	2015	www.volkswagenag.com/content/vwcorp/info_center/en/news/2015/10/refugee_aid.html
	2015	www.volkswagenag.com/content/vwcorp/info_center/en/news/2015/09/refugees.html
	2016	www.volkswagenag.com/content/vwcorp/info_center/en/news/2016/03/Porsche_integration_programme.html
Allianz	2015	www.allianz.com/en/press/news/commitment/community/151015_we-are-providing-support-to-the-refugees/
	2015	www.allianzdeutschland.de/allianz-versichert-fluechtlinge/id_75768902/index
	2015	www.allianz.com/en/press/news/company/point_of_view/151029-providing-uncomplicated-insurance/
	2016	www.asiainsurancereview.com/Document/Allianz%20and%20SSI%20announce%20innovative%20partnership%20to%20create

		%20new%20opportunities%20for%20refugees.pdf
	2016	spp.ceu.edu/refugeeworkshop
Daimler	2015	media.daimler.com/dcmedia/0-921-1281854-1-1863885-1-0-0-0-0-0-0-614232-0-1-0-0-0-0-0.html
	2015	media.daimler.com/dcmedia/0-921-656190-1-1819915-1-0-0-0-0-1-12759-614216-0-0-0-0-0-0-0.html
	2016	media.daimler.com/dcmedia/0-921-656190-1-1885062-1-0-0-0-0-1-12759-614216-0-0-0-0-0-0-0.html
	2016	media.daimler.com/dcmedia/0-921-656190-1-1820012-1-0-0-0-0-1-12759-614216-0-0-@ac.clink104771_3842-0-0-0-0.html
	2016	www.daimler.com/sustainability/society/charity-involvement/
	2016	E-mail received on June 6, 2016
BMW Group	2015	www.press.bmwgroup.com/global/article/detail/T0244104EN/bmw-group-supports-500-refugees-with-social-and-professional-integration
	2016	www.press.bmwgroup.com/global/article/detail/T0258637EN/the-bmw-group-and-the-united-nations-alliance-of-civilizations-unaoc-announce-finalists-for-the-intercultural-innovation-award
Siemens	2015	www.siemens.com/press/en/pressrelease/?press=/en/pressrelease/2015/corporate/pr2015090359coen.htm&content[]=Corp
Deutsche Telekom	2015	www.telekom.com/media/company/295680
	2016	refugees.telekom.de/en
	2016	www.telekom.com/media/company/307742
	2016	www.telekom.com/corporate-responsibility/news/299766
	2016	Conversation Gabriele Kotulla, Vice President, Group Corporate Responsibility, June 23, 2016
BASF	2016	www.basf.com/en/company/sustainability/employees-and-society/societal-commitment/corporate-volunteering.html
	2016	www.basf.com/de/company/career/my-career/pupils/Start-Integration.html
	2016	www.basf.com/en/company/sustainability/employees-and-society/societal-commitment/basf-stiftung.html
	2016	www.basf.com/en/company/sustainability/employees-and-society/societal-commitment/basf-stiftung/projects.html
	2016	E-mail received on June 21, 2016
MUNICH RE	2015	www.munichre.com/site/corporateresponsibility-root/get/documents_E1695037882/mr/assetpool.shared/Documents/0_Corporate%20Website/_Financial%20Reports/2016/Annual%20Report%202015/302-08843_en.pdf
	2016	www.munichre.com/corporate-responsibility/en/commitment/focal-areas/social-commitment/index.html

	2016	E-mail received on June 15, 2016
Bayer	2015	www.annualreport2015.bayer.com/management-report-annexes/fundamental-information-about-the-group/social-commitment.html
	2015	www.press.bayer.com/baynews/baynews.nsf/id/Bayer-helps-refugees
	2015	www.press.bayer.com/baynews/baynews.nsf/id/Bayer-donates-medicines-for-refugees-in-Turkey-Greece-and-Austria
	2016	www.press.bayer.com/baynews/baynews.nsf/id/Bayer-launches-further-refugee-projects-in-Berlin
	2016	www.bayer.co.uk/en/media/latest-news/bayer-donates-healthcare-products-for-displaced-middle-east-refugees-.php
	2016	E-mail received on June 13, 2016
Deutsche Bank	2015	www.db.com/cr/en/concrete-reaching-out-to-help-refugees.htm?kid=responsibility.inter-ghpen.news
	2015	www.db.com/newsroom_news/2015/cr/born-to-be-first-employee-funded-scholarship-goes-to-young-iraqi-student-en-11252.htm
	2015	www.db.com/cr/en/docs/Corporate_Responsibility_Report2015.pdf
	2015	www.db.com/cr/en/concrete-spending-time-together.htm
	2016	www.db.com/cr/en/concrete-practical-hands-on.htm
	2016	E-mail received on June 14, 2016
SAP	2015	news.sap.com/sap-health-helps-refugees-in-germany/
	2015	news.sap.com/imagine-dragons-sap-join-forces-introduce-one4-project-assist-refugees/
	2015	news.sap.com/refugees-aid-workshop-at-the-sap-apphaus-heidelberg/
	2015	news.sap.com/month-of-service-sap-employees-break-volunteering-record/
Deutsche Post	2015	www.dhl.com/en/press/releases/releases_2015/group/dpdhl_group_brings_together_partners_to_respond_to_refugee_crisis.html
	2016	www.dhl.com/en/press/releases/releases_2016/all/dpdhl_group_publishes_its_12th_corporate_responsibility_report.html
	2016	www.dpdhl.com/en/responsibility/corporate_citizenship/our_commitment_to_refugee_relief_efforts.html
	2016	E-mail received on June 13, 2016
Continental	2015	www.continental-corporation.com/www/pressportal_com_en/themes/press_releases/1_topics/work_life-en/donation-welthungerhilfe-en.html
	2016	E-mail received on June 17, 2016
Henkel	2015	www.henkel.com/newsroom/2015-09-25-helping-the-

		refugees/555234
	2016	www.henkel.com/newsroom/2016-01-29-happy-fifth-birthday-fritz-henkel-foundation/624228
	2016	www.henkel.com/sustainability/put-into-practice/shaping-futures
Merck	2016	www.merck.com/about/featured-stories/migrant_relief.html
EnBW-Energie Baden	2016	www.enbw.com/enbw_com/bericht/docs_7/capitel/in-dialogue-with-our-stakeholders.pdf
Deutsche Lufthansa	2015	www.lufthansagroup.com/en/press/news-releases/singleview/archive/2015/november/19/article/3842.html
	2015	lufthansa-cargo.com/-/rapid-assistance-from-the-air-for-refugees
	2015	www.lufthansagroup.com/nc/en/press/news-releases/singleview/archive/2015/october/01/article/3752.html?cHash=767e301f25f458029e3f85ad1747d81c&sword_list%5B0%5D=refugee
	2016	www.lufthansagroup.com/nc/en/responsibility/corporate-citizenship/social-commitment/refugee-relief.html?sword_list%5B0%5D=refugee
	2016	E-mail received on June 21, 2016
TUI	2016	www.tui-stiftung.de/en/our-projects/i-speak-german/
	2016	E-mail received on July 5, 2016
W&W	2016	www.ww-ag.com/de/artikel_228352.html?searchresult
	2016	www.ww-ag.com/de/artikel_218432.html?searchresult
	2016	E-mail received on June 23, 2016
Deutsche Wohnen	2015	www.deutsche-wohnen.com/html/en/5354.php
	2015	www.deutsche-wohnen.com/html/en/5276.php
	2016	www.deutsche-wohnen.com/html/en/youth-social-affairs.php
	2016	E-mail received on June 20, 2016
Axel Springer	2015	www.axelspringer.de/en/presse/Axel-Springer-Academy-launches-a-365-day-long-term-cross-media-project-on-the-refugee-crisis-Schaffen-wir-das-Can-we-do-it_25433841.html
	2016	www.axelspringerplugandplay.com/blog/2016/redi-building-futures
K+S	2015	www.k-plus-s.com/en/data/news/pdf/presse-151022_en.pdf
	2016	www.k-plus-s.com/en/news/presseinformationen/2016/presse-160408.html
	2016	www.k-plus-s.com/en/news/presseinformationen/2016/presse-160119.html
	2016	www.k-plus-s.com/en/data/news/pdf/presse-160119_en.pdf

	2016	E-mail received on June 22, 2016
Hugo Boss	2016	group.hugoboss.com/en/sustainability/charity/
	2016	group.hugoboss.com/en/sustainability/current-topics/
	2016	group.hugoboss.com/files/user_upload/Nachhaltigkeit/Nachhaltigkeitsbericht/Sustainability_Report_2014.pdf
	2016	E-mail received on June 23, 2016
Lanxess	2016	webmagazine.lanxess.com/lanxess-is-helping-refugees/
Linde	2016	E-mail received on May 25, 2016
Beiersdorf	2016	www.beiersdorf.com/sustainability/people/focus-people
	2016	www.beiersdorf.com/sustainability/reporting/downloads
	2016	www.beiersdorf.com/sustainability/people/diversity
	2016	E-mail received on May 30, 2016
E.ON	2016	E-mail received on May 30, 2016
Infineon	2015	www.infineon.com/dgdl/Infineon+GB15+EN.pdf?fileId=5546d46150cc1eda0151430ef4bd0501
	2016	www.infineon.com/cms/en/about-infineon/sustainability/corporate-citizenship/
	2016	E-mail received on June 1, 2016
BayWa	2016	E-mail received on June 15, 2016
Talanx	2016	E-mail received on June 8, 2016
ThyssenKrupp	2016	karriere.thyssenkrupp.com/en/career/refugees-opportunities-at-thyssenkrupp/press-release.html
	2016	karriere.thyssenkrupp.com/en/career/refugees-opportunities-at-thyssenkrupp.html
	2016	www.thyssenkrupp.com/en/company/sustainability/society/we-together-help-for-refugees/
	2016	E-mail received on July 13, 2016
Commerzbank	2015	www.commerzbank.de/en/nachhaltigkeit/gesellschaft/mitarbeiterengagement/malteser_social_day/malteser_social_day.html
	2016	www.commerzbank.de/media/nachhaltigkeit/viii__daten___fakten/newsletter/Newsletter_06_Februar_2016_en.pdf
	2016	E-mail received on June 17, 2016
Evonik	2015	corporate.evonik.com/en/content/startpages/Pages/integration.aspx
	2015	annual-report.evonik.com/effective-help-for-people-in-need.html
	2016	corporate.evonik.com/en/career/newsreports/2015/Pages/professional-training-young-refugees.aspx
	2016	www.evonik-stiftung.de/en/subsidized-projects/social/refugee-

		help/
	2016	E-mail received on June 20, 2016
	2016	E-mail received on June 28, 2016
Metro Group	2015	www.metrogroup.de/en/company/inside-metro/2015/09/07/refugees-in-europe-metro-group-provides-support
	2015	www.metrogroup.de/en/company/inside-metro/2015/10/26/metro-group-sets-up-a-one-million-euro-fund-for-refugee-aid
	2015	www.metrogroup.de/en/career/pupils/news/metro-trainees-in-action-for-young-refugees
	2016	www.metrogroup.de/en/responsibility/our-commitments
	2016	www.metrogroup.de/en/company/inside-metro/2016/06/14/good-deeds-day-2016
	2016	E-mail received on July 1, 2016
Deutsche Boerse	2015	deutsche-boerse.com/dbg-en/sustainability/create-awareness/phineo/refugee-aid
	2015	deutsche-boerse.com/dbg/nonav/en/notescontent/ dbg_nav/press/INTEGRATE/mr_pressreleases?notesDoc=9C56 C8316EA418A4C1257EF4003CE1BC&newstitle=deutscheboer sephotographyfound&location=press
Adidas	2016	www.adidas-group.com/en/sustainability/community-engagement/relief-efforts/

APPENDIX IIII: SELECTED GERMAN COMPANIES – FORBES 2000

Company	**Industry**	**Company**	**Industry**
Volkswagen Group	Automobiles & Parts	*HeidelbergCement*	Construction materials
Allianz	Financial Services	*Evonik*	Chemicals
Daimler	Automobiles & Parts	*Deutsche Boerse*	Financial Services
BMW Group	Automobiles & Parts	*Adidas*	Apparel/Accessories
Siemens	Technology Hardware & Equipment	*Porsche Automobil Holding*	Automobiles & Parts
Deutsche Telekom	Fixed Line Telecommunications	*Metro Group*	General Retailers
BASF	Chemicals	*EnBW-Energie Baden*	Electricity
Munich Re	Financial Services	*Beiersdorf*	Consumer Goods
Bayer	Chemicals	*Deutsche Lufthansa*	Travel & Leisure

Deutsche Bank	Financial Services	*TUI*	Travel & Leisure
SAP	Software & Computer Services	*W&W-Wüstenrot*	Financial Services
Axel Springer	Media	*Salzgitter*	Matrials (steel&iron)
Lanxess	Chemicals	*Südzucker*	Food processing
DVB Bank	Financial Services	*Infineon Technologies*	Technology Hardware & Equipment
Deutsche Post	Industrial Transportation	*Brenntag*	Chemicals
Continental	Automobiles & Parts	*Deutsche Annington Immobilien*	Real-estate
RWE Group	Gas, Water & Multiutilities	*Deutsche Wohnen*	Real-estate
Fresenius	Health Care	*Nürnberger*	Insurance
Linde	General Industrials	*Aareal Bank*	Financial Services
Henkel	Household Goods & Home Construction	*GEA Group*	Conglomerates
Merck	Pharmaceuticals & Biotechnology	*United Internet*	Telecommunications services
Talanx	Insurance	*ProSiebenSat1 Media*	Media
E.ON	Gas, Water & Multiutilities	*Rhoen-Klinikum*	Health Care
ThyssenKrupp Group	General Industrials	*BayWa*	Trade and logistics services
Commerzbank	Financial Services	*Aurubis*	Industrial Metals & Mining
K+S	Mining	*IKB Deutsche*	Financial Services
Hugo Boss	Apparel/Accessories		