

## Partnering with Fair Trade enterprises means sustainable livelihoods that uplift refugees & host communities

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When refugees flee, their most valuable asset is often the skills, knowledge and craftsmanship they once used to earn a living. It should be the case that opportunities await them in their host communities. Yet they often find themselves exposed and vulnerable, particularly to exploitation and discrimination in the labour market. Refugees are also often subject to regulations that prohibit them from working. They also encounter barriers in accessing business and working facilities. There is a great challenge in generating opportunities for refugees to support themselves with dignity and the model of social enterprise plus Fair Trade holds the key. This is the focus of MADE51.

With the number of displaced persons around the world dramatically increasing during the last years, it became imperative for the World Fair Trade Organization (WFTO) and the UN Refugee Agency (UNHCR) to combine efforts to bring MADE51 to life as a

response to the ever-growing violations of human rights of refugees and the lack of opportunities to rebuild their lives.

The World Fair Trade Organization is the global community and verifier of social enterprises that fully practice Fair Trade. As the implementation partner, WFTOs role is to support the development of UNHCR's flagship global artisan initiative, MADE51, by ensuring that the enterprises involved are truly mission-led and that refugee artisans are working according to Fair Trade standards (fair wage payments, decent working conditions, environmental concern, etc.). The 10 Principles of Fair Trade are designed to deal with harsh environments where power disparities and marginalisation make mainstream business and trade unable to empower and support vulnerable artisans. By dint of their application to the refugee context, MADE51 ensures that it offers protection to refugees while also encouraging livelihood opportunities.



In a fast-paced economy where mainstream businesses are profit-oriented, refugees need enterprises who deliberately shape their business model and trading practices to benefit them. MADE51 social enterprises, inspired by the 10 Principles of Fair Trade, actively look for the refugees they work with (i.e. in refugee camps) and invest in and support their communities. This approach is built on the Fair Trade Enterprise model of the WFTO. Recent research into this mission-primacy model of business showed some distinct features that contrast with the mainstream model of business and trade. For instance, Fair Trade Enterprises exhibit the following characteristics[1]:

- 92% reinvest all profits in their social mission;
- 52% are led by women;
- 4 times less likely to go bankrupt; and
- 85% report actively sacrificing financial goals to pursue social or environmental goals, while retaining commercial viability.



MADE51 local social enterprises are built on this WFTO model of social enterprise plus Fair Trade. They are the living example of how the implementation of the 10 Fair Trade Principles can truly create durable opportunities for refugees to become self-reliant and uplift their communities with their work and expertise. From HDIF, where Syrian refugee women living in Armenia improve the life of their families one stitch at a time, to Earth Heir, where refugees from Myanmar living in Malaysia preserve their cultural heritage through their handcrafted jewelry inspired in the mountains in their home country, all MADE51 social enterprises bring together a captivating collection where the the skills and self-development of refugees play a central role.



The pandemic offers us an opportunity to focus on what really matters. Through 2021, WFTO and MADE51 will work to foster a community of social enterprises who are designed to create opportunities for refugees. Their products will increasingly be found in retail outlets and online, providing consumers with the choice to play a pivotal role in supporting refugee livelihoods. We invite consumers, businesses and civil society to support the initiative.

[1] Doherty, R., Haugh, H., Sahan, E., Wills, T., and Croft, S. (2020). Creating the new economy: business models that put people and planet first. WFTO and Traidcraft. Available at: <u>https://wfto.com/jointhebusinessrevolution/</u>

About Made51

MADE51 is brought to life by UNHCR, the UN Refugee Agency.

For more details on MADE51's strategic partners, wholesale orders, and how to get involved, please visit: <u>www.made51.org</u>

For questions about wholesale orders, please email: sales@made51.org.