

# Innovation in Service Creation and Development and in Fundraising

Nava Hinrichs The Hague Process on Refugees and Migration ([www.thehagueprocess.org](http://www.thehagueprocess.org))

*Another example of an integrated approach to revenue generation combining traditional major donor (case for support) and social investment (business case) as basis for raising funds in support of the pilot and of converting the organisation from a charity ethos to a social enterprise commercial approach in support of long term financial sustainability and growth.*



*Nava Hinrichs*

## The Organisation

The Hague Process on Refugees and Migration (THP) is an innovative, independent, not-for-profit organization with a global network of over 4,000 individuals, public and civil society organizations and institutions that brings together stakeholders to seek policy solutions to migration and refugee challenges. THP is unique in its innovative approach to engagement with the private sector and global cities on migration and refugee issues. It is also innovating in the way it is raising funds – taking an social investment approach utilizing a business case clearly articulating market need, the products/services and business model designed to meet the need, investment required and societal return on investment, and the organisation as a success invested in by others.

**T**HP is currently testing an innovative pilot project: creating a business-city partnership in the city of Rotterdam to address labour and skills shortages through the migrant population. This new partnership approach is unique and is creating solutions to the specific labour needs of the businesses in the city.

THP is also innovating by moving from being a charity towards becoming a social enterprise to ensure long-term sustainability whilst achieving our mission. Subsequently, THP is looking to expand in the coming years the organisation to other cities in the world using a social franchise model.

The support and guidance from THP's Board of Directors has been instrumental in all areas of innovation. Members of THP's Board include HRH Prince Constantijn of The Netherlands, Professor Ian Goldin (Director of the Oxford Martin School at the University of Oxford), David Arkless (CEO of Arklight Consulting and former President of Manpower Group's Global Corporate and Government Affairs).

THP is supported by trustees from the most senior levels in the corporate sector and academia as well by experts in migration and has been financially supported by such groups as ManpowerGroup, Western Union, Shell and Unilever, foundations such as the Ford Foundation, Oxfam Novib, UNHCR, Danish Institute for Human Rights, the Dutch Postcode Lottery, the Swiss Federal Commission for Refugees, and governmental ministries including the Dutch Ministry of Foreign Affairs, the European Commission, and the German Ministry of Development. To date, THP has received a total of approximately €6 million in donations and grants.



*Global Hearing 2012 at the Peace Palace, The Hague*

### Organisation Accomplishments

THP has achieved numerous successes in pursuit of its mandate. Notable examples include:

- *Intergovernmental Global Commission on International Migration*: THP played a crucial role in establishing and coordinating the Intergovernmental Global Commission on International Migration.
- *Global Forum on Migration and Development (GFMD)*: THP convened and influenced governmental quarters for the establishment of a non-binding Global Forum on Migration and Development (GFMD) consisting of an intergovernmental component and a separate civil society component.
- *UN High-Level Dialogue on Migration and Development*: THP was consulted on the topic of business and city engagement during the drafting of the agenda of the 2nd UN High-Level Dialogue on Migration and Development, coordinated by UN Special Representative on Migration and Development, Mr. Peter Sutherland.
- *World Economic Forum's Global Agenda Council on Migration*: THP was invited to become a member of the World Economic Forum's Global Agenda Council on Migration due to its expertise in building a nexus between the private sector and city governments.
- *Expert Consultations*: THP conducted a series of Expert Consultations in cities around the world (Johannesburg, Manila, Toronto and Istanbul) to address the role of cities and the private sector in migration challenges. THP convened both local and international actors to discuss pertinent local migration issues.
- *Global Hearing on Refugees and Migration*: THP organized the 2012 Global Hearing on

Refugees and Migration where over 200 individuals from over 60 states came together at the Peace Palace to discuss pressing issues in refugee and migration policies and outline a strategy for the coming decade.

### Current Market Need

Increasingly over the years, THP has focused on the role of the private sector and the role of cities in addressing migration and refugee challenges.

**Businesses** are increasingly struggling to fill skills gaps from within their local labour market. The Organization for Economic Cooperation and Development (OECD) found in its 2012 survey that one in four employers is currently unable to find the right person to fill a position in their company. Tapping into the migrant labour force more effectively could help alleviate this challenge. Recent studies show that about one third of the growth in the Euro area, the UK and the USA over the past decade can be attributed to immigration and that "a more rapid pace of immigrant inflows in the decades ahead will result in a corresponding increase in the level and growth rate of GDP"<sup>1</sup>. In effect, increased migration leads to improved productivity, profitability and GDP.

**Cities** are faced with the challenge of effectively integrating migrants, including easing access to the labour market. Capitalizing on the skills migrants have to offer not only attracts foreign investment, but also reduces the cost that migrants could potentially have on the welfare system due to unemployment.

**Migrants** need to gain employment, thus contributing to the local economy and actively participating in their new community.

All three of the above stakeholders tend to address their respective challenges in silos resulting in disjointed solutions that are less effective. Given the complementary needs of all three groups it is crucial for them to work on these issues in partnership to give results that can be mutually beneficial.



*Global Hearing 2012 at the Peace Palace, The Hague*

### The Hague Process Solution

A series of Expert Consultations convened by The Hague Process (THP) in Johannesburg, Toronto, Manila, and Istanbul with city authorities and key local businesses highlighted the need for further cooperation among stakeholders. The consultations were a unique platform where local government and the private sector addressed migration issues together. From this successful experience THP concluded the way forward for practical action was to facilitate the formation of partnerships between the private sector and cities.

THP has designed a project in Rotterdam to create a formal partnership between the city and the private sector. The aim of the partnership is to firstly, identify specific labour migration needs as expressed by the private sector in Rotterdam, secondly, to design models based on best practices which can address those needs, and thirdly, to implement the models with the private sector and cities as the key actors. The office of the Mayor and key businesses in the city have expressly stated the need for labour migration solutions and turned to THP to facilitate this process, making it a demand-driven process. The experience gained by THP over the last 14 years makes it uniquely positioned to facilitate the formation of such partnerships.

After successfully completing the Rotterdam project THP will roll out four more partnership projects in different European cities and then progressively expand to create partnerships in other regions around the world. THP will also conduct applied research on

one key area in the migration and refugee field per year over five years to identify additional areas of activity in need of further support.

THP's long-term vision and model is intended to be a profit generating social enterprise; THP is seeking long-term financial sustainability whilst achieving its mission of safeguarding the rights and opportunities for migrants.

### Impact

The partnership project will attract foreign direct investment, up skill migrants to enter the labour market and lead to further economic growth in the city. Businesses in the city will be better able to fill skills and labour gaps by expanding their employee pool to include skills offered by migrants, leading to greater efficiency and increased productivity in the company. The city itself will benefit in that it will reap the rewards of greater economic impact, increased integration and access to jobs for migrants which will also reduce the cost that migrants could potentially bare on the welfare system. Similarly, migrants themselves will be more effective and active participants in their host communities and contribute to the economic and societal wellbeing of the city.