Analysis of UNIQLO’s Contribution Through CSR Programs in Handling the Issues of Women’s Refugees 2021 in Indonesia

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Abstract. This article explores the contribution of UNIQLO Indonesia's CSR program in dealing with female refugees. Based on the case study, UNIQLO Indonesia's CSR program collaborates with UNHCR to assist female refugees in the Jakarta and Tangerang areas. This study uses the concept of CSV, in which Porter and Kramer express that the concept of CSR and CSV are dissimilar, whereas CSV creates higher capitalism. Moon, Parc, Yim, and Park agree that CSV generates higher wealth and contributes to economic growth. This study uses a qualitative approach and qualitative data analysis techniques, such as interviews with resource persons related to the UNIQLO Indonesia CSR program. The authors also conduct desk reviews and use secondary data as a supporting tool. This study found that UNIQLO Indonesia's CSR program runs effectively in helping female refugees. In contrast, UNIQLO Indonesia's CSR activities align with SDG 5 (gender equality) and SDG 8 (decent work and economic growth).

1 Introduction

UNIQLO is part of the Fast Retailing Group, the world's fourth-largest clothing company [1]. In 2013 UNIQLO entered the Indonesian market in the fashion sector to attract the attention of the Indonesian people. This company offers casual clothing by prioritizing styles that suit the community's personality and prioritizing the quality of materials that are very comfortable for users to wear [2]. Indonesia is not the first market that UNIQLO has entered in Southeast Asia, but Singapore to expand its business. UNIQLO Indonesia has spread across 15 provinces and has 48 outlets nationally that continue to grow every year. In addition, UNIQLO entered the Indonesian market due to lower production costs than in Japan. Subsequently, UNIQLO built a factory in Indonesia to produce its garments.

In recent years, the fashion industry has become one of Indonesia's most critical industry sectors. This sector, of course, involves competition with other fashion brands such as Zara, H&M, and Forever 21 to dominate the Indonesian market. Increasing competition demands that UNIQLO strengthen its position by improving its brand image and attracting public interest in buying UNIQLO products [3]. In addition to a better brand image position, UNIQLO has higher revenue than other fashion brands. Fast Retailing Group had approximately $57.97 Billion as of 25 December 2021 [4], while Swedish company H&M had a market capitalization of $23.07 billion as of 25 December 2021 [5]. Fast Retailing Group is at the top of the global fashion industry, a leading player in this sector.

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The business activities carried out by UNIQLO certainly have a significant impact on the community where its factory and market are located. The effect can be positive or negative; one such benefit that UNIQLO can provide in the economic field is to employ local people to work in UNIQLO store branches. Although the community can feel the positive impact, there is a possible negative impact on the environment. Likewise, UNIQLO factories produce clothes each week that would be displayed in their stores for sale. Even though UNIQLO prioritizes environmentally friendly clothing materials, this does not guarantee that the environment is free from factory waste [6]. Whereas this can hurt the environment, the remnants of unused clothing or factory waste will damage the environment if not appropriately decomposed. Therefore, Corporate Social Responsibility (CSR) is very much needed by UNIQLO to minimize things that are not desired by the company, which will affect the company's business sustainability.

As with UNIQLO Indonesia, the existing CSR program is the recycling and reusing of every UNIQLO product brought and donated by customers. Located at the shops throughout Indonesia, UNIQLO Indonesia has provided Recycles Boxes to invite customers to donate their old clothes. Then UNIQLO will do the selection process to divide the clothes that are still appropriate to wear and otherwise. UNIQLO will recycle the clothes so they don't become clothing waste if the clothes are not suitable for use. Meanwhile, clothes that are still proper to wear will be donated to those in need, including refugees. The program UNIQLO has provided aims to help refugees gain economic freedom by conducting various training such as sewing, entrepreneurship, and other types of training [7].

Refugees who leave their country and go to the destination country hope to get protection and security. However, cases that often occur and are felt by refugees are discrimination against the limited rights they should have. In this context, those who often experience such cases are refugee women and children because they are more vulnerable to gender-based violence; this happens because of the lack of protection they get, and there are no effective protection procedures [8]. This protection is a shared responsibility. There is a sense of humanity in each individual or group, such as a company that participates in helping refugees, which is stated in the company's CRS. CSR programs that help refugees are not only carried out by UNIQLO, but companies in other countries also carry out CSR programs to help refugees, such as the Austrian Federal Railways Company.

OEBB is engaged in the transportation sector, namely the Austrian Railways company. The company from Austria has a high awareness of OEBB's CSR initiatives toward refugees. This refugee case began in the summer of 2015 when the country was visited by many refugees who put pressure on the company. Then, with these problems, the company must be able to take appropriate steps and prevent the country's rail service from collapsing. Not only making several efforts to maintain business stability, but OEBB also continues to carry out social responsibility to fulfill its obligations, namely by helping refugees, including female refugees, through campaigns that are actively carried out with the slogan "Humanity goes by train." With this campaign, the company hopes to increase the sensitivity of its customers to be aware and patient with the events that occur and participate in helping the refugees. OEBB also provides opportunities for young refugees to work in OEBB companies in internship programs. The existence of this program certainly shows that the company shows long-term involvement in the problems that occur [9].

When commemorating International Women's Day in 2021, UNIQLO Indonesia invites the United Nations High Commissioner for Refugees (UNHCR) to create a collaborative project regarding the Upcycling Project. The Upcycling Project is a form of UNIQLO's support for community, environment, and women's empowerment through UNHCR. In this project, the female refugees can process the leftover cloth into something more useful. The remnants of the fabric they use are made of denim and other materials, such as the hemming process [10]. UNIQLO collaborates with UNHCR and its implementation partner, the Liberty Society, to encourage female refugees to make more valuable items such as bags, accessories, and cardholders made from leftover denim. Then by the Liberty Society, the proceeds from the sale of these items will be reinvested to provide further benefits for female refugees. The benefits they get are increased working hours, income, and welfare. The goal of Uniqlo and UNHCR working together is to minimize production waste and empower female refugees. This company hopes to participate in broadening the knowledge of refugees and encouraging them to learn and develop [7].

In every business activity, this fashion company always puts forward sustainable values. This is, of course, in line with the Sustainable Development Goals (SDGs), where the values in it are global goals that every country wants to achieve. Each country is required to achieve the 17 goals of SDGs in its policies, which in its implementation are carried out to overcome various economic, environmental and social problems [11]. Therefore, UNIQLO Indonesia's CSR program in helping female refugees aligns with the SDGs points 5 and 8. This topic is very important because Indonesia is a country that is often visited by international refugees to be able to protect themselves from insecurity. Therefore, the author will analyze the effectiveness of the CSR program carried out by UNIQLO Indonesia in contributing to helping the female refugees.

### 1.1 Objectives

This study aims to analyze UNIQLO's CSR program in dealing with the problems of female refugees. The results of this study can explain the sustainability of the UNIQLO program with SDG 5 (gender equality) and SDG 8 (decent work and economic growth). This
research is expected to be useful as information for readers.

2 Literature Review

Over time, the view of social and environmental responsibility is growing, where Corporate Social Responsibility (CSR) must be able to have implications for sustainability for the company in the future. Thus, companies need to combine their interests economically and carry out social and environmental responsibilities simultaneously. Creating Shared Value (CSV) is a concept where companies can play a dual role by creating economic value and social value that is carried out without being prioritized or excluded [12]. CSV itself is recognized as being able to overcome problems such as community needs and challenges through a business model that can later generate profits.

CSR is often considered opposed to capitalism, while CSV itself is regarded as a higher concept of capitalism. In addition, the implementation of CSR only fulfills the company's obligations as good citizens. This is different from CSV, which aims to generate more credible wealth and participate in economic growth [13]. Currently, many companies have implemented the CSV concept to complement the CSR concept itself. The concept of CSV is undoubtedly very different from CSR, where CSR focuses on the income earned to pursue social change. Instead, CSV focuses on creating positive social change by generating economic income as a side activity [14]. CSV is a new practice that all companies should have, which will become an integral part of the strategy. The concept of CSV itself is more about implementing legal compliance and ethical standards and minimizing losses due to business activities. CSV also provides an opportunity to create an economy through its social value. This can be used as one of the most potent driving forces for global economic growth. CSV has a goal to shape capitalism. Social responsibility activities are not made a burden by the corporate itself but serve as a long-term investment that can benefit the company [12]. Experts also suggest the need to increase the concept of CSR to CSV as an activity that can improve competitiveness between companies and develop the economic and social community in the areas where the company operates [15]. CSV is a critical factor in creating innovation and future business growth, and CSV focuses its corporate profits on creating social benefits. The capital market pressures companies to generate profits in the short term, but this condition can be at the expense of people's needs. Such gains are short-lived and can be missed by more considerable opportunities [16].

Every company must be aware of the problems that occur in society, such as social and economic inequality. Companies can see the SDGs as a reference in carrying out CSR programs. Rezza (2020), in a previous study, analyzed the CSR of multinational companies in Indonesia. The CSR strategy carried out by every international company emphasizes economic growth without paying attention to other SDGs such as social problems, environmental damage, and lack of mapping. Meanwhile, CSR and SDGs can be correlated well, where the SDGs can help CSR map and recognize a problem faced by companies on a large scale. In addition, multinational companies only focus on their CSR programs in the country where the parent company is formed (Home Country). Indonesia itself has regulations regarding CSR, which are contained in Article 75 of Law no. 40/2007 concerning limited liability companies. Chapter V Article 74 paragraph 1 determines that companies should carry out social and environmental responsibilities. The implementation of CSR itself can be done by restoring the community environment around the company or in other ways [17].

3 Methods

The research method can be interpreted as a step used to find sources of truth: this is done by collecting data and information related to the subject or object of research. In this study, the author uses a descriptive qualitative analysis method where the author describes in words by explaining what contributions have been made by UNIQLO Indonesia in helping the female refugees. In addition, the authors use secondary and primary data to support this research. As a supporter of secondary data obtained through books, journals, and related company reports, the authors conducted interviews to obtain primary data. In the interview, the author uses open-ended questions to informants in a structured manner so that participants can collaborate on the response and I can ask follow-up questions. The results of the interviews conducted by the author will be used as a transcript and then processed manually so that it can be seen that the connection between the respondent's statements is used to show that there is a clause between the author and the informant. This research uses the concept CSV explained by Porter and Kramer to frame the output of this research; the writer uses this concept because this lines with the importance of CSV in the context of refugee situations in Indonesia. So the results and discussion of this research line with this concept by Porter and Kramer.

4 Data Collection

In this study, the author uses two types of data, namely primary data and secondary data, as a qualitative approach—primary data itself is data obtained by the author directly from the source. This study obtained primary data through in-depth interviews with various questions submitted to informants according to the research topic and semi-structured with officials from the CSR Department of UNIQLO Indonesia. In comparison, secondary data is data obtained from available sources. Simultaneously, the authors obtained secondary data from books, journals, and other documents through literature studies. The data acquired will be analyzed and associated with the problems in this study to be used as conclusions that aim to answer the concerns formulated in this study by qualitative analysis techniques.
5 Results and Discussion

Indonesia is a country affected by mixed population movements. The number of refugees who have been recorded as of December 2020 is 13,743 registered from a total of 10,121 refugees, and 3,622 are asylum seekers, where the comparison is 28% female refugees and 72% male refugees. 72% of refugees in Indonesia are from Afghanistan (55%), Somalia (10%), and Myanmar (7%). Therefore, UNIQLO Indonesia has the initiative to help refugees in Indonesia. Concerning the background behind UNIQLO Indonesia and UNHCR in assisting refugees, UNIQLO Indonesia’s response was explained as follows:

refugees in Indonesia do not have a place to live because they leave their country because they feel unsafe in their home country. Therefore, refugees come to Indonesia to take refuge from insecurity. That. In Indonesia, when assisting refugees, they always get comments from the public, such as "why should we help refugees from outside while there are still many Indonesians who need to be helped." Therefore, UNIQLO thinks that if, for example, following the stigma, who else is helping the refugees, many local people have helped, and UNIQLO does not mean that it stops not assisting local people. Even UNIQLO itself has a CSR program for residents. But we want to be here to be able to help and support refugees from outside who fled Indonesia (UNIQLO Indonesia official, interview, 20 April 2022).

In general, refugees who leave their countries have problems with suppressing human rights. Their goal is to come to other countries, of course, to avoid these problems. Refugees also cannot rely on the protection of the state that is supposed to protect them. A sense of humanity certainly drives the handling of refugees by providing protection and assistance for them. However, this is different from Indonesia, and the Indonesian people cannot be careless in helping international refugees; this is due to legal limitations in Indonesia. Therefore, to respond to this issue, UNIQLO Indonesia and UNHCR work together to support international refugees. By providing CSR programs to international refugees residing in Indonesian territory.

For Global UNIQLO Indonesia started collaborating with UNHCR in 2016; with this collaboration, UNIQLO Indonesia and UNHCR have begun to implement their programs with several projects. The first project carried out by UNIQLO is "Use Clothing Indonesian" this program continues to be carried out on 20 June every year. This program provides clothing donations to refugees in Indonesia. UNIQLO continues to carry out the program together with UNHCR as the official partner who receives donations of suitable clothing. Then, UNIQLO's second project is "Product to Product Recycling Social Business" or "Upcycling Project." The proceeds from the assistance of clothes that are not fit for use will be processed, and some will be sent to the Liberty Society. Liberty Society is one of the implementations of UNHCR; the two partners are also implementation partners for empowering refugees. The female refugees will be taught how to sew, make patterns, and make designs that will later produce a product, and the product can be sold (UNIQLO Indonesia official, interview, 20 April 2022).

The Donate and Upcycling Project program can help them get more decent clothes and improve their skills. The program is not only carried out in Indonesia, but UNIQLO Global is also doing the same thing to help refugees. Five countries provide training and economic support for refugees, namely Iran, Pakistan, India, Nepal, and Malaysia. It is hoped that the programs that UNIQLO Indonesia has provided to the refugees can help them with social or economic problems. The training that has been given to the female refugees is undoubtedly beneficial for them in developing the skills that exist in themselves.

In addition, the background behind UNIQLO Indonesia and UNHCR being able to work together are because they have the same vision and mission, where they want to empower refugees. The refugees living in Indonesia want to have the same rights as other residents, where they want to have the right to security, education, and the right to live independently. UNIQLO Indonesia supports this observation and suggests that:

refugees in Indonesia can survive for 10-20 years, then for 10-20 years, they are not allowed to work. UNIQLO thinks that we feel that refugees have the right to be independent, have a safe life, and have the proper education. So, UNIQLO does not only donate clothes, but we also want to empower them so that they have skills that they may not be able to work in the office and cannot sell, so the skills given can be used in the recipient country later. So that’s the reason why UNIQLO and UNHCR work together to help refugees (UNIQLO Indonesia official, interview, 20 April 2022). Indonesia itself is still used as a transit country for refugees because Indonesia has not been able to become a destination country for refugees. This is because Indonesia has not ratified the refugee convention. Although Indonesia has not ratified the convention, Indonesia still has obligations and responsibilities to protect the human rights of refugees in Indonesian territory. As explained above, refugees have the same rights as other communities. Refugees also need education and training; given such rights, they will feel empowered, become more independent, and be able to participate in the local community. Therefore, they are entitled to the protection of human rights in the countries they visit.

UNIQLO Indonesia official’s statement, moreover, indicated how the CSR program is something that companies must do. In addition, CSR can be used as an intermediary tool between the community and the
company. It aims to promote sustainable development, especially in emerging markets [18]. Consequently, UNIQLO Indonesia announced its commitment to upholding sustainable development values in their CSR programs:

The CSR program carried out by UNIQLO Indonesia is indeed based on the values of sustainable development. If viewed on the UNIQLO website, CSR programs consist of People, Society, and Planet. In the CSR Society program, there are initiatives carried out by UNIQLO to help the community, one of which is by collaborating with UNHCR. UNIQLO's relationship with UNHCR is in its CSR programs in the community. UNIQLO Indonesia's CSR program has a limit, where the limit is only carried out on social activities such as donations. However, UNIQLO Indonesia itself wants a CSR program that does not only provide subsidies (UNIQLO Indonesia official, interview, 20 April 2022). With the limitations in helping refugees, UNHCR, as an organization that has the mandate to help refugees worldwide as stated in the UNHCR statutes, plays a significant role in dealing with refugees' problems, starting from when they come to providing long-term solutions for refugees and asylum seekers. This is part of the function of UNHCR. UNIQLO Indonesia's CSR program has provided the maximum possible assistance to refugees through UNHCR. This was also done with UNIQLO Philippines in 2018 in assisting refugees fleeing armed conflict in Malawi. UNIQLO Philippines donated 1 million clothes to refugees.

If seen from UNIQLO Indonesia's CSR program in dealing with refugees, it can be said that it has helped in developing their skills. However, UNIQLO Indonesia feels that it is not enough to help refugees, and until now, there are still many issues regarding refugees. Therefore, UNIQLO still wants to explore CSR programs that can help refugees by continuing other good initiatives. Because, with the existence of a CSR program that can help female refugees, it will gradually lead to the values of the SDGs:

UNIQLO Indonesia's CSR program in collaboration with UNHCR in helping female refugees has been implemented by UNIQLO Indonesia. The program executed by UNIQLO to help refugees is carried out in the Jakarta and Tangerang areas because they follow the places provided by the Liberty Society. So, the form of cooperation is that UNIQLO offers the materials, then Liberty Society makes them which they then make according to what we want. After that, the quality of the products produced will be checked directly from Japan to let them know what our standards are, then what they have made will be repurchased by UNIQLO through UNHCR products (UNIQLO Indonesia official, interview, 20 April 2022). UNIQLO and UNHCR will continue to focus on their mission of making refugees more independent. Because no one knows how long this refugee crisis will end. Therefore, a more sustainable response is needed in dealing with the refugee crisis. In addition, UNIQLO's collaboration with its partners can serve as an example for other private sectors. It would be great if other companies worldwide could realize this program. With this opportunity, people who have been forced to evacuate can map out a better future for themselves and their fellow community members.

In the Upcycling program, UNIQLO selects clothes that are not suitable for use and trash pieces of jeans in all UNIQLO stores in Indonesia. After the clothes have been collected, UNIQLO will give them to UNHCR, then be sent to the Liberty Society. The program continues today, where UNIQLO also sends the items in commemoration of women's international day 2021. Based on CSV theory, we can see how UNIQLO Indonesia's CSR program, through several projects related to female refugees in Indonesia, has been realized amid the stigma of the community who questioned the essence of the program. In addition, there are also obstacles from regulations in Indonesia that prohibit the employment of refugees and the prohibition of direct donations without UNHCR intermediaries. To overcome these obstacles, UNIQLO, in collaboration with UNHCR, carried out the Upcycling Project program, which aims to develop the skills of female refugees, which will later be helpful in refugee receiving countries.

6 Conclusion

This study shows that the CSR program activities carried out by UNIQLO Indonesia have been running effectively in helping female refugees. This finding is essential for CSR studies because this policy reinforces the notion that UNIQLO Indonesia's CSR program benefits the surrounding environment and allows refugees to develop their skills. This research was conducted during the Enforcement of Community Activity Restrictions (PPKM) level 4, making it challenging for researchers to conduct field studies. In the future, I will explore more the impact of the CSR program on only on refugees but also on children, men, and women in Southeast Asia.
UNIQLO, the largest company in the fashion sector, entered the Indonesian market in 2013 with a market capitalization of 2021, reaching $57.97 Billion. As a company that develops its business in Indonesia, UNIQLO is required to contribute to the host country. One of the contributions made by UNIQLO Indonesia is through the Upcycling Project program, where this program aims to help refugees in Indonesia by developing the capabilities of female refugees and donating suitable clothing from UNIQLO Indonesia in collaboration with UNHCR. This CSR program follows the CSV theory, where this program does not only focus on assistance in the form of prevention but also in the form of refugee development. UNIQLO Indonesia's contribution in dealing with refugees through collaboration with UNHCR is related to SDG, especially point five on gender equality and point eight on decent work and economic growth. UNIQLO Indonesia's contribution to assisting female refugees aligns with SDG 5 on gender equality. UNIQLO Indonesia has been promoting SDG 5 through its women refugee empowerment program. As UNIQLO Indonesia invites all women to be able to map out a better future, they help to foster a sense of independence among women in this context, namely refugees, who are socially disadvantaged around the world. Furthermore, with SDG 8 regarding decent work and economic growth, in this case, UNIQLO Indonesia has not fulfilled the SDG 8 criteria because regulations in Indonesia forbid employing refugees. However, UNIQLO Indonesia has tried its best to help refugees in Indonesia through other programs, namely career development training for women, one of which is language training.

References