



Mizan is one of 100 workers at the factory and 400 along the supply chain whose jobs offer stability and flexibility.

Credits: Vivobarefoot

Ethiopia's story 'has just begun'



RENEWABLE



WASTE-FREE



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SMEs

As the covid-19 pandemic continues to send shockwaves through economies, there seems to be some agreement that the supply-chain status quo needs addressing. Observers have pointed to an overreliance on Asia that meant, as countries around the globe went into lockdown to protect against the virus, product became stuck in backlogs when transport links stalled or factories closed. From personal protective equipment to textiles and construction, many companies have vowed to reassess their sourcing decisions.

The CEO of tanning and leathergoods group Pittards believes the pandemic, coupled with the US-China trade standoffs, means companies will begin to source from other destinations. Reg Hankey says this might mean some reshoring to the US and Europe, but could also mean opportunities for nascent destinations to shine. "Globalisation has reached a different phase," he says. "Some people will be looking at coming out of the Far East, wondering if there are too many eggs in one basket, and looking at Africa. I think this will happen with footwear, as well as other products like garments, leather and textiles. We are also going back to the old values. When everything globalised, anyone could make anything anywhere, but now people are focused on integrity, trust, sustainability, traceability, community – they are the old values of companies, and that's what our values are. We are going full circle."

Pittards was established in the UK around 200 years ago and has been dealing with Ethiopia for half that time. With the largest livestock herds in Africa, the country provides access to skins, and in particular hair sheep, prized for gloving leather. Pittards began investing in the country in 2005,

A Vivobarefoot and Pittards partnership has created jobs and opportunities in the African country. With brands looking at new sourcing destinations, Pittards CEO Reg Hankey tells us why collaborative supply chains are the way forward.

buying a tannery – which was the first global winner of *World Leather's* Tannery of the Year competition – and subsequently setting up four factories to make gloves, garments and some footwear. But it was a relationship with the Clarks shoe family that eventually led to the formalisation of its shoemaking facilities in 2017, after former head of the company Lance Clark sought Pittards' help to find workers for his Soul of Africa project.

Supplying leather from its tannery, Pittards now employs more than 100 people making for Vivobarefoot, co-managed by Lancelot's son Galahad and his cousin Asher, alongside some other production. "The future is about collaborative supply chains," says Mr Hankey. "Vivo is a great example of that, there's a lot of trust and sharing between us. They are at the front end – design, development and marketing – and we

offer a vertical supply chain because we supply the leather from the tannery as well as the shoes."

Social impact

Ethiopia has witnessed massive growth in the past few decades – its population has doubled in the past 30 years and around half of its 109 million residents are under 18, according to the World Bank. Its economy has grown around 10% per year from 2007, and this has meant the share of the population living below the national poverty line decreased from 30% in 2011 to 24% in 2016. While the country is on a good trajectory in terms of growth, it also means educating and providing jobs for young people can be a challenge. "One of the ministers shared with me that every job on average supports 5.8 family members," says Reg Hankey. "So when you think in those terms, when you provide a job, even though it seems like quite a small thing, the whole of the family could be being supported. The social impact is very big."

Vivobarefoot's latest marketing campaign includes a mini-documentary series following one of the first trainees, who joined the project in 2017. "I like working at this factory, you get to meet a lot of new people, and if you're keen on learning new skills and developing, you will be supported," says 21-year-old Mizan, who was born in the countryside but moved to Addis Ababa for work. "I have good relationships with my co-workers, which creates a great social life, and working hours are flexible, which allows me to continue my education."

The government has focused on education as a road out of poverty over the past 20 years, and while Mr Hankey praises this aspect, he believes people also need opportunities, which businesses need to provide. "A lot of people are well-educated and bilingual, English is their second language, which is also important. So as an employer, you're providing an opportunity for people who are aspirational from an educational viewpoint and putting money directly into the system to feed families."

Both Vivobarefoot and Pittards pump money back into the communities, with Pittards building a new classroom each year at the local school and investing in clinics. Vivo says Soul of Africa has created \$2 million in wages and helped 18,000 children with their education since its foundation in 2003. Both companies also support Brave Hearts Ethiopia, a non-governmental organisation that helps orphaned and vulnerable children. "Brave Hearts supports families to foster orphans, and they go back to a drop-in centre for education," adds Mr Hankey. "It works fantastically well. You meet the kids and they often say they want to be a pilot. A little money goes a long way."

Export logistics

For other brands considering manufacturing in Ethiopia, the route in is sometimes unclear, with potential worries around export logistics and paperwork. But as more companies locate there, more barriers are overcome. Chinese footwear giant Huajian has been running vast shoe factories there since 2011, and the government courts Chinese investment. Last summer, the United Nations Industrial Development Organization (UNIDO) and China invested in its livestock supply chain, and Ethiopia's minister for trade and industry, Teka Gebreyesus, resurrected a plan for a new leather industry cluster near Modjo. Around 11 companies will set up production facilities at the new site, including tanners and makers of finished products.



Vivobarefoot's Soul of Africa range features the imprint sole, and the shoes are made from Wild Hide leather, from cattle that are reared in the wild.

The country is gearing up for more manufacturing, and investment will boost supply chains further. While there can be blips sometimes, admits Mr Hankey, there are no more than there would be setting up in south east Asia. "How do you get going as a brand in Ethiopia, are you going to set up a factory on your own? What about the legals, the registrations? Do you recruit people? There are a whole host of issues surrounding putting your footprint in Ethiopia, but we can do that bit really well. We've been around a long time, we've got 1,200 employees and we can bring a lot to the party."

Vivobarefoot's summer 2020 collection includes a minimal retro lace up called the Addis, and a flexible leather shoe called the Ababa, both of which feature Soul of Africa's distinctive footprint sole, inspired by the Laetoli footprints, the human prints left over 3.6 million years ago in Tanzania. "Soul of Africa is an initiative at the core of the Vivobarefoot mission," says Galahad Clark. "Ethiopia, the birthplace of humanity and a country of the original natural movers, is going through a fast-paced industrialisation and we are proud to be part of that with a transparent, socially responsible business."

It is clear that wider geopolitical issues are being exacerbated by the pandemic and may well lead to a shift in sourcing attitudes. "The story has just begun, and we are planning to continuously improve the supply chain and wellbeing of the communities involved," adds Mr Clark. "The Ethiopian production will be used as a model for how Vivobarefoot would like to take regenerative shoemaking to the world." 🌱