

Role of business in development

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Brands in Africa: laying the foundations for sustainable business at the outset

Companies moving production to Africa must embrace its cultures and traditions to benefit from its thriving economy

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Weavers in Swaziland. Women often have to walk several miles a day to secure fresh water for themselves and their families, affecting their ability to work full time. Photograph: Nest

Experiencing a surge in social and economic growth, sub-Saharan [Africa](#) is becoming an attractive proposition for international brands such as [H&M](#), [Tesco](#) and [Burger King](#). But with its reputation for instability how can they ensure sustainable growth for both their businesses and the [people of Africa](#)?

This question is being discussed at an EcoSessions talk in New York today by a group of non-profits, fashion and beauty brands, who will be sharing their experiences in dealing with Africa's complex but rewarding corporate landscape.

While many of the brands speaking, such as Osei-Duro and jewellery producer Mikuti, have established robust, ethical supply chains in African countries, now some of the world's most biggest companies have announced their intentions to invest in the continent.

Global retailers [H&M](#), [Tesco](#) and [Primark](#) are just some of the big names looking to reap the benefits of a growing middle-class and cheap, yet eager, workforce. All three have announced plans to source more clothes from [Ethiopia](#) thanks to the manufacturing industry receiving strong investment from the Ethiopian government. Across other sectors, Burger King has recently expanded its operations in South Africa, while US agricultural machinery maker Orthman opened a product assembly facility and warehouse, also in South Africa. Even popular TV series [Homeland](#) has publicized that it will film its fourth series in Cape Town.

This increased interest in the continent is largely a result of significant improvements to Africa's regulatory, legal and business systems, which are transforming the social and economic dynamics of the continent. This transformation has seen Africa's GDP more than double over the last decade. And while this trend may be good news for local economies and employment figures, some are calling for a cautious approach from companies considering a move to Africa.

Last year, Georg Kell, executive director of the UN Global Compact, emphasized this point in a report by saying that "now is a time ripe with potential for economic growth and inclusion in Africa ... But investment and business activity must be sustainable – bringing value not just financially, but also in social, environmental and ethical terms".

His words ring throughout one of Africa's growing, yet underdeveloped, workforces - the artisan community, which has caught the eye of the international fashion industry. Highly skilled in traditional crafts, brands are tapping into their potential despite a lack of industry know how.

"The workforce throughout the continent is significantly underdeveloped" says Erika Freund, director and owner of Mikutu, a jewelry and fashion brand which, for the last four years, has developed its supply chain in sub-Saharan Africa.

"This is due to lack of opportunity, lack of education and training. Take this into consideration; along with a growing population of young people who are hungry and eager to participate in the global economy, and you have serious potential for greatness," she adds.

But Freund says that if brands or manufacturers want to utilize this and move their production to the continent, they need to make investments for long-term growth. "These investments need to be strategic, holistic, and aligned with the mission and market of the company or brand so the foundation is set for sustainable growth".

Some businesses don't get very far, however, as Africa comes with a high level of risk, says Rebecca Van Bergen, executive director and founder of Nest, a NGO that helps bring local artisans to market by partnering them with ethical brands. Spikes in violence and regime changes, like the recent unrest in Kenya for example, make the continent an unstable business platform, she explains.

This unpredictability varies widely across the continent, however, and some countries are seeing more business activity than others. According to the Initiative for Global Development, within sub-Saharan Africa, Ghana and Nigeria's strong growth in the west is increasing business activity, while Kenya and Tanzania are particular areas of interest to international business in the east. In the south, Zambia, Mozambique and South Africa are also major targets for companies looking to expand or transport corporate operations.

Understanding local culture

Both Freund and Van Bergen agree, however, that the biggest challenge brands face is the cultural divide, which can be a shock to those coming from other continents. Businesses must respect and understand the deep history of African culture if they are to succeed and help create sustainable growth in the region, says Freund.

"Cultural congruency is a real challenge, and I truly feel the only way to get a glimpse into this is to live there and experience it. Experience what it's like to live in a developing country. To work on the ground, understand the public transportation challenges, weather challenges, economic challenges, gender challenges, and the lack of resources.

"There are many variables that equate to having some type of understanding. I've been living there on and off for four years and I'm still learning. With the lessons come more innovative ways to accomplish things, and you learn to find strength in difference, it's the only attitude to have," adds Freund.

To succeed, she says, one needs to develop relationships and create a foundation if they want to start a company in Africa. "Taking time from the beginning will create many bridges in the future for growth".

Van Bergen agrees, adding that strong collaboration between NGOs, businesses and local communities is essential if brands are to help build robust industries in Africa. An example of this is a new project in Swaziland that Nest is set to announce with the [Voss Foundation](#), an independent public charity that aims to help fulfill communities' water needs so that people can concentrate on self-improvement.

The project focuses on how women are often required to walk several miles a day to fetch water supplies, impacting their ability to work full-time. Nest says that with consistent access to food and clean water, women artisans in Swaziland would be safer, healthier and better able to work, bringing much needed income back to their families and children.

Together, the two organizations are bringing clean water and sanitation services to 6,300 people in Swaziland through the construction of five water pumps and 30 pit latrines, which are located in villages where two Nest artisan partners work. Building on this, The Voss Foundation is now exploring an expansion of programming into Nest's artisan projects within Kenya.

"One challenge [for businesses] will be making sure moving operations to Africa is done fairly, so that both the workers and the business owners benefit from it simultaneously," says Kara Gerson, executive director of the Voss Foundation.

The transition, says Gerson, must look at how to work in a developing community in a meaningful way, getting to know the people who comprise it and understanding and respecting their culture, recent experiences, needs, and capacities.

"All too often, we see organizations take a cookie-cutter approach - usually with the best intentions - in order to scale up as quickly as possible.

Unfortunately, their projects are the ones that fail because they don't meet a community's actual requirements, just what the donor thought it needed".

Voss Foundation works with partners, like Nest's artisan groups, with a deep history in the regions where they work, who are part of the community and continue to follow up with them for years after wells and water systems are complete.

Learning from history

However, the potential Africa offers brings with it a level of concern, particularly from NGOs and ethical brands aiming to establish a harmonized business platform for both the communities of Africa and industry. They are worried that the continent's economic growth could encourage unsustainable practices previously seen [in places such as Bangladesh](#) and China.

"One of the reasons why brands work in places like Bangladesh and China, with big factories, is it is easier than working with artisan ethical production and it's cheaper," says Van Bergen.

She adds that there needs to be a movement that encourages brands to move towards

ethical business collaboration in developing countries such as Africa, and part of that involves a consumer shift. "Brands that can reach consumers that want or demand that level of ethical supply chain in the products they're buying is a huge step towards this movement".

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