We believe that our presence in Ethiopia has a positive impact, contributing to much needed economic growth in the country. Since we began sourcing from Ethiopia in 2013, around 18,000 jobs have been created. However, as a company we need to ensure that the growth created is sustainable and contributes to a positive development. Our position is very clear; we have not and do not intend to move production capacity from other markets to Ethiopia in a “race to the bottom”.

We are building long-term partnerships with suppliers, in Ethiopia and in other production countries. Even if we currently only work with 9 supplier factories in Ethiopia and our production volume is small, we see potential to further reduce unemployment, raise social and environmental standards and contribute to decent working conditions. Since approximately 80% of Ethiopia’s population resides in rural areas with agriculture leading the economy, the textile industry is important for the country to be able to take further steps towards industrialisation.

To deal with challenges within the Ethiopian textile industry, commitment from and collaboration between for example the government, brands, investors and NGOs is crucial. This is why we have our own production office in Addis Ababa; making collaborations possible, but also enabling us to regularly follow-up on our strict sustainability standards with our suppliers, and more importantly, to develop close partnerships with them.

We take seriously any allegations of violations of labour standards and will continue to follow up with suppliers and implement our programs addressing working conditions and workers’ rights. The H&M group works together with the ILO to strengthen industrial relations in the textile industry in Ethiopia. The goal is to make it possible for workers and employers to negotiate rights and obligations collectively and to resolve conflicts peacefully and in good faith through established processes. In Ethiopia, where the government has not ratified the ILO Minimum Wage or set a minimum legal wage for the private sector, we expect the progress we aim for to take some time. Setting a legal minimum wage would be an important step. We are therefore part of an ILO study aiming at giving the government a basis for future wage adjustments – a research which at this point is under review with the ILO and others.