Chapter 10

Shared Value at Fashion and Clothing Cluster of SMEs at Ibague, Colombia

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ABSTRACT

After 15 years of failure to achieve the Millennium Development Goals (MDGs), the UN - Global Compact proposes the dynamic participation of the private sector, especially of investors and entrepreneurs, that make up the new world development, generating a historic opportunity to expand, combine, and take advantage of the efforts and resources used by companies and other private institutions in different regions of the world. Colombia participates actively in this process, especially after the signing of the peace treaty with the guerrillas in 2016, which motivates the private sector to develop capacities to overcome traditional CSR and evolve towards the concept of “Shared Value”, with serious limitations of leveraging these initiatives, led by SMEs, which represent 97% of the local business community in Colombia. Therefore, this chapter shows the results obtained in a small municipality of Tolima, which through the formation of a common base of production among equals in the fashion sector, could implement a program with the capacity of creating shared value.

DOI: 10.4018/978-1-5225-9425-3.ch010
INTRODUCTION

In recent years, weak economic growth and growing inequality in the distribution of global wealth have become a serious problem. Similarly, in economies of countries with armed conflict, the increase in social inequality, unemployment, and smuggling of consumer goods is observed.

For this reason, in 2012, the United Nations Global Compact designed a survey aimed at investors, entrepreneurs, academics and NGOs, in order to establish perspectives and recommendations consistent with current challenges, linking the private sector to a new agenda which will enable the achievement of the Millennium Development Goals - SDGs (Compact Global UN, 2013). The UN Global Annual Implementation Survey (conducted between November and December 2012), to 1,712 companies located in more than 100 countries, had the following main results:

- Importance of an agenda with goals and objectives for sustainable development, linking the peak of extreme poverty and the beginning of general prosperity for the majority of the world’s population, through more inclusive and more equitable economic growth with better jobs, Health, stability of the regions, digital technologies, better quality of life, women’s safety and physical infrastructure (Compact Global ONU, 2013).
- Linking companies and investors to the achievement of the Sustainable Development Goals – SDG’s, with the need for a sustainable and corporate movement that includes universal principles and accountability, being responsible for corporate commitments aligned with the SDGs, developing global business platforms, initiatives Industrial partnerships that combine collaborative efforts and resources, entrepreneur-driven sustainability networks and private financing initiatives (Compact Global ONU, 2013).
- Promoting Governments to create inclusive and sustainable markets, in which cooperation and trade, as well as economic incentives, should revolve around transparency, financing for the creation, sustainability and promotion of good practices for businessmen. (Compact Global ONU, 2013).

Consistent with this, Colombia has been building different projects led by large private companies, based on successful experiences of adopting corporate social responsibility initiatives in major cities, and in recent years have evolved towards sustainable strategies based on the concept of shared value. However, the regions that have been the epicenter of the Colombian armed conflict for more than 60 years, such as the Department of Tolima, are micro, small and medium-sized enterprises (SME’s), which do not have the same resources as large companies. SME’s have had to adapt and look for solutions that allow for the growth of the business, as well as the generation of decent employment, especially in small municipalities where unemployment rates are higher than double digits.