

# Solidarity Business Model for Micro-Businesses that Allows Economic Reactivation Due to COVID-19 in Colombia

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## Abstract

One of the main most notable problems that the situation that the world is going through with COVID-19 has generated is the increase in the shortage of personal protection elements for the face, such as masks, which are the means of protection primary for the general population. This is due to the fact that each country did not have the current situation the world is going through, but micro-enterprises in the textile manufacturing sector can reinvent themselves to support the crisis so that they can manufacture and market said personal protection elements, thinking about a common good, contributing to a solidarity economy founded to achieve a common benefit. The methodology used was mixed, where it has both qualitative and quantitative components, with a type of descriptive research in order to contribute with a supportive business model for micro-apparel companies that allows economic reactivation from the manufacture and commercialization of protection elements personal to face, in order to contribute to the health emergency present by COVID - 19.

**Keywords:** Solidarity business model, Micro-businesses, Economic reactivation, Pandemic, Face mask (Tapabocas), COVID-19.

## 1. INTRODUCTION

The current situation the world is going through, especially in Colombia and its capital Bogotá, has seen a marked shortage of personal protection products to mitigate the contagion that COVID-19 has brought. Nowadays, these important elements are scarce (face mask, N95 respirator, visor), some of these not only for medical personnel, who face the situation in health care centers, but for society in general, as a means of protection when going out to perform any diligence that does not allow them to be at home, where the main objective is to protect themselves in order to feel peace of mind when leaving their homes and comply with what is required as a means of protection by the government of Colombia and the health emergency declared by the president, in which the closure of many establishments and restrictions on movement are ordered, called mandatory preventive isolation [1].

This situation, together with the quarantine, has caused a crisis within the economy of companies of all kinds, where it is evident that the closure of companies has caused unemployment to increase and the lack of opportunities, especially for women, has become much more noticeable. micro-enterprises, especially those of textile manufacturing and commercialization.

These textile manufacturing and marketing microenterprises due to the temporary closure of their facilities, where most of the solutions offered by the state are not favorable, because if bank loans are used, more debt is generated and the union considers that this does not strengthen its productive growth, nor its economy.

On the other hand, in establishments such as drugstores, super markets, among others in the Chapinero neighborhood, a locality located in the City of Bogotá for example, to obtain personal protection elements, especially face masks, which are not available and if there are, they are too expensive for It is scarce, impacting people who need to circulate in open spaces, exposing themselves to COVID-19 virus exposure during social isolation, in the period of the health crisis due to the pandemic and after it, for social reintegration, that is, , this element of protection is not available efficiently.

Starting from this situation, it seeks to define a solidarity model that allows the reactivation of micro-businesses, and likewise to the needs of common people who require the use of protection elements, where it is explored to increase the economy allowing micro-businesses to exit of the current situation.

## 2. RELATED STUDIES

When reviewing the literature on the subject, some works from a national level related to business approaches stand out, from these we can highlight:

The thesis [2], where they propose a business for family-type micro-enterprises aimed at the manufacture, design and manufacture of women's blouses, this in order for the company to have adequate strategic planning, in view of how deficient they had your processes.

Within the open and distance national university, they made a book where they explain the prospects of social and solidarity entrepreneurship, in it they detail the entire process of generating microenterprises in different parts of Colombia, the appropriate characterization, challenges and new proposals, In it he concludes by stating that the social entrepreneur as a generator of change is relevant because it helps organizations go from being simply a contemporary company to being innovative, humanistic and avant-garde companies, thanks to the priority management they give to the social part, its ability to convene and reflect its values and ethics in each of the actions it carries out [3].

The author [4] in his article on solidarity entrepreneurship details a model called solidarity economy companies; For this, it exposes the benefits of creating a company and addresses some considerations that make it profitable, efficient and productive, from the model of solidarity companies. Benefiting companies of all kinds and providing facilities to manage poverty. It concludes that unity is strength, speaking from the business point of view, it indicates that the competitive advantage provided by the solidarity model serves to neutralize the deficiencies or difficulties that the individual entrepreneur has to face.

From an international scope, there is a thesis from Ecuador that proposes a design of a business plan for micro-companies that wholesale sales of kitchen supplies, on this occasion the author sought to solve the deficient situation of a merchant whose practice was of empirically and has seen great losses in 2011, where it sought to generate an entire study that would make it easier for the owner of the microenterprise to generate profits [5].

The authors in an article on entrepreneurship, [6] explain that the research is based on the development of a social project based on the Luis Razeto model for the formation of solidarity companies, which had as a general objective to determine the necessary elements and factors For the elaboration of the proposal of the creation of a solidarity company of Nursery, in the Valera municipality, Mendoza Friar Parish, Trujillo State, the conclusion of this project allowed to demonstrate and acquire the skills, knowledge and tools necessary for the structuring and future consolidation of the company, regarding the formation of the solidarity group, the development of the production unit and the factors necessary for its creation.

When it comes to microenterprises, it tends to be confused with the term Pyme, because those small and medium-sized companies in a country are included within this terminology, however, it is important to detail that, for Colombia, according to Law 590 for the Promotion of Micro, Small and Medium Enterprises, SMEs are classified as follows [7]:

- Microenterprise: Personnel not exceeding 10 workers. Total assets less than 501 legal monthly minimum wages in force.
- Small Business: Personnel between 11 and 50 workers. Total assets greater than 501 and less than 5,001 current legal monthly minimum wages.
- Medium: Personnel between 51 and 200 workers. Total

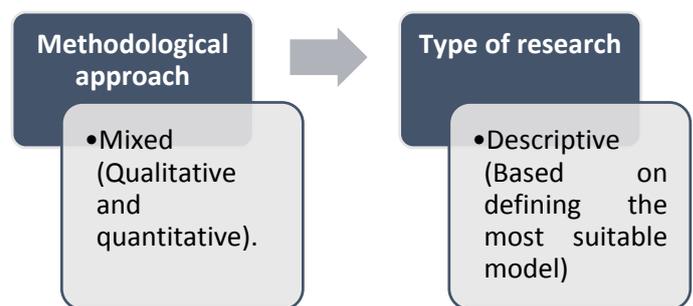
assets between 5,001 and 15,000 current legal monthly minimum wages.

According to this same study, the geographical distribution of the units establishes that the SME in general terms follows the same trend as the total manufacturing industry and accounts for practically 70% in the four (4) main production centers: Cundinamarca – Bogotá, Antioquia, Valle and Atlántico [7].

The aforementioned clearly details that micro-enterprises become the most vulnerable companies when a crisis is discussed, because they are so small and because they do not have good administration, decision-making, clear and detailed logistics processes, growth strategies, among others, it can go bankrupt and even completely close.

### 3. METHODOLOGY

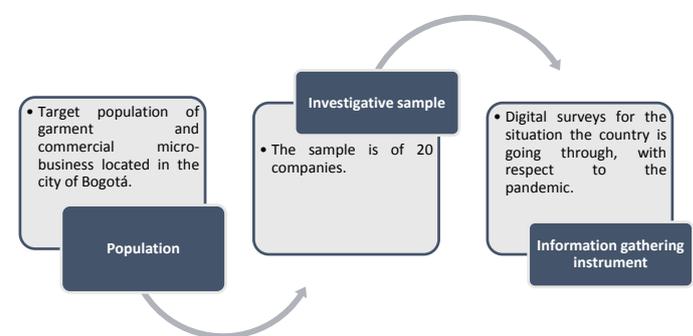
According to [8], the methodology and type of research of the study are defined in the following figure:



**Figure 1.** Methodology and type of research

Source: Own elaboration, 2020

Within the population, the sample and the technical instrument for collecting information are available for the study and according to what the author indicates [9]:



**Figure 2.** Population, sample and research collection instrument

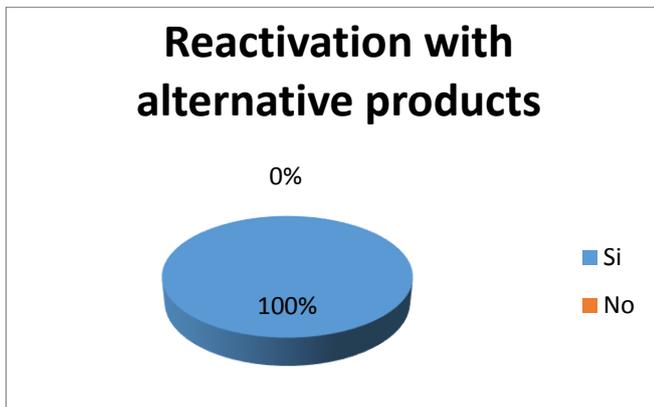
Source: Own Elaboration, 2020

### 4. RESULTS

In order to define the most conducive solidarity model for micro-businesses, the results obtained from the surveys carried

out on micro-businesses affected by the Covid 19 health crisis were taken as a reference, due to government measures, in ordering mandatory isolation in the country and due to its post in the City of Bogotá to prevent contagion in the population, finding the following diagnosis, on and impact of the pandemic in the clothing and textile manufacturing sector.

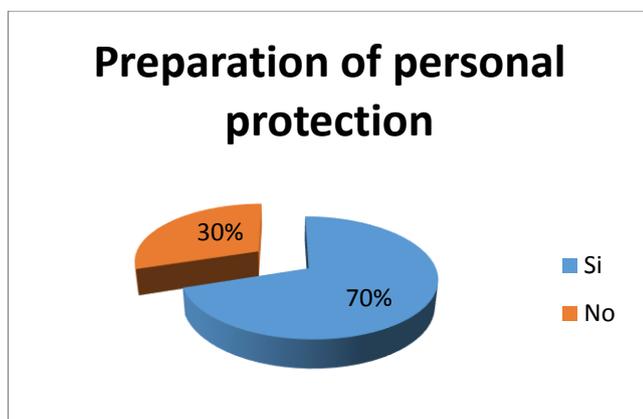
For the question, would your company to reactivate or strengthen its economy, in the midst of the health emergency, would you be willing to produce other types of garments or accessories?



**Figure 3.** Reactivation with alternative products  
*Source: own elaboration, 2020*

Proving in this way that 100% of the micro-enterprises surveyed, in the midst of the situation they are going through, are interested in moving their economies even when they must make different products than those they were producing before the pandemic.

This is how a basic question of this study is investigated: In the midst of the emergency, it is identified that the element most used is the element of face and mouth protection; Would the company be willing to manufacture and market this type of product, bearing in mind that it will be an element to use during and after the pandemic?



**Figure 5.** Preparation of personal protection  
*Source: own elaboration, 2020*

70% of micro-businesses responded affirmatively to the reactivation of their businesses with the production of face

protection elements, which would be an important initiative, because in addition to boosting their companies, they contribute in offering more elements that are currently essential, on the other hand, 30% They are not interested in making these elements indicating that later they could keep that production due to the excess demand of the products.

#### 4.1. Solidarity business model for micro-businesses

For the design of the model, the Colombian Political Constitution is taken as a basis, since it supports the association between groups, either from the same sector or between sectors, economic, social, cultural, among others, which focus on common interests, rather than on individuals, thus generating sustainable, equitable and viable development among the associated communities of the country.

The principle of the solidarity business model consists, starting from the premise, addressing social problems aimed at complying with the principles of equality, job opportunities, environmental contributions and cooperation for the progress of families [10], since it seeks opportunities for economic income, strengthening the productive activities of companies, especially in times when the recession of a region or a country hits hard; As is the case that currently impacts Colombia, as is the health crisis due to the global pandemic of COVID-19, which has strongly affected the productive sector, affecting jobs, market closures and losses in demand.

This design is called a solidarity business model, where its objective is to generate alliances between micro-entrepreneurs, based on the contributions of each one, to market and manufacture individual face protection elements. These contributions range from raw materials and supplies, machinery, logistics processes to sales and marketing personnel, all under the resources they wish to offer to the model for its execution; It is important to highlight that the model and those interested in participating, would be oriented and advised by universities from the areas of professional practices of academic programs of business administration, industrial engineering, accounting among others and on the other hand, social projection, as a measure of monitoring the model and strengthening it.

Finally, the components of the model are described, structured from the theoretical principles of business management:

**Administrative development plan:** this plan led by the universities, where they organize and plan marketing, marketing and production strategies.

**Actors:** represents the participation of active people in favor of working their businesses under the solidarity model, such as: owners of textile micro-companies, families, employees, collaborators and of course universities.

**Solidarity development plan:** refers to the contributions required by the model, as well as the resources that micro-enterprises could provide to this type of alliance, from education on solidarity economy, commercial relations, to human capital.

## 5. DISCUSSION

The health crisis created by Covid 19 has led to an impact on people's quality of life, to change habits in social relationships and, of course, has affected employment and business dynamics.

The latter was the object of study for the research presented in this article, since reviewing their status, it is found that by generating commercial suspension, especially in microenterprises in the City of Bogotá, it has harmed the economy of employees, those of families already owners of clothing businesses, and that linking up again after 6 months of isolation and cessation of work in Bogotá, is even more difficult, because citizens' purchases are not the same, in terms of clothing, because the pandemic led to people who work in other economic sectors, now doing them at home, which represents a change in their outfits, this for textile companies, gives them an important turn, leading them to analyze how to start and with what type of garments.

## 6. CONCLUSIONS

The present study designed a model based on the diagnosis with microenterprises, which helps to reactivate businesses, whose important element to take into account are the alliances with companies in the textile sector, where the main characteristics are combined to generate a solidarity model according to the specific needs of each microenterprise.

It is concluded for the model that characteristics are required that form collective business alliances, in the case of this research the contributions are raw material, human capital, suppliers, clients and finished products, among others, which lead to the reactivation or strengthening of their activities, which have been suspended due to the health emergency and whose objective of this study is to provide an alternative to micro-enterprises, so that they can activate their businesses, from articulations between them, to offer their products again or to design and commercialize elements personal protection for the face, in order also to provide people with security and fashion, so that masks or other elements are not perceived with a boring tool to use, and help to encourage the use of protective elements with more responsibility, to avoid contagion between people or with surfaces in Bogotá.

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