

Entrepreneurship as a Tool for Productive Inclusion: Analysis of the Case of Colombia

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Abstract – This article analyzes entrepreneurship as a substantial element to promote productive inclusion in Colombia. The research carried out is exploratory-descriptive. It is also of a bibliographic nature, for it analyzes specific literature regarding the object of the article. The data record sheet applied to books, articles, bulletins, magazines was used. This instrument allowed registration and identification of sources of information, as well as collection of data or evidence. The results highlight the need to integrate public policies aimed at entrepreneurship and productive inclusion through productive inclusion networks that take into account the socioeconomic realities of the population in which it is sought to generate higher productivity indices.

Keywords – Entrepreneurship, productive inclusion, networks, public policies.

1. Introduction

The Post-2015 Development Agenda of the United Nations adopted 17 Sustainable Development Goals (SDGs), which seek to promote a model of sustainable development with the adoption of an agenda that allows states to take concrete actions aimed at achieving a balance between the social, environmental and economic dimensions of sustainable development [1].

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In this context, young people play a preponderant role in generating the changes proposed by the United Nations and other international, national and local entities. Their relevance in the demographic component and their active participation in the different scenarios of daily life (economic, political and cultural) make their contribution a categorical imperative for social change in countries that need urgent changes to reduce inequities and improve the quality of life of its inhabitants, like Latin Americans. Accordingly, the Economic Commission for Latin America and the Caribbean [2] considers that young people constitute an important segment of the population of Latin America and the Caribbean of great relevance in the debates on strategies of development in recent years.

Despite the recognized importance of this segment for social change, the reality of Latin American youth seems to be very different. The reasons are not entirely clear, maybe due to the lack of opportunities or by idleness considering their circumstances. What is certain is that young Latin Americans are lagging behind in their process of productive and academic growth with respect to their peers from other latitudes. The inclusion of youth in the region remains unfinished (...) 64% of Latin American youth live in poor and vulnerable households and have been unable to access an expanding middle class [3].

In accordance with the Latin American panorama, in Colombia the situation is not different in terms of the need to strengthen the economic and social development of the young population, using education as a weapon to reduce social and economic inequalities experienced by the country today.

On the other hand, productivity in Colombia has been declining, as the Private Competitiveness Council [4] warns in its 2015-2016 report, where it considers that in this context, it is not surprising to observe the inexistent productivity growth that the country has had in the last fifteen years, in spite of the evident increases in the levels of investment in the same period. This is worrisome insofar as it is well known that productivity growth is the fundamental determinant of the long-term growth of an economy [4].

Consequently, the situation generates a high degree of uncertainty due to the fact that public revenues depend on taxes, and as long as the economy is not strengthened, these will tend to weaken, generating a low investment in infrastructure, roads, labor opportunities and social development.

Likewise, pressure is generated on the national and local economy, with difficulties in generating formal employment among the young population, and causing the proliferation of informal work. However, the National Department of Statistics (DANE) [5] presents figures that clarify the outlook; nevertheless, these figures may be relative taking into account the volatility of some jobs, which provides some stability for a short time.

To this, complex socio-affective circumstances must be added, such as young people who do not study and do not work, with the aggravating circumstance that they have not had the opportunity to access higher education institutions and labor markets [6]. According to Manga [7], school desertion, especially of men who must seek work, and women with early pregnancies and/or early marriages, are the main causes that turn young people in a population that does not study or work.

2. Materials and methods

Design

Based on the proposed objective and considering the degree of depth of the approach to the phenomenon, the research is considered exploratory-descriptive. Likewise, it is of a bibliographic nature, as it analyzes specific literature about the object of study.

Instruments

In the present investigation, the data record form applied to books, articles, bulletins, magazines, and newspapers that were used as sources to collect data on the categories of interest was used as an information collection tool. This instrument allowed the registration and identification of sources of information, as well as collection of data or evidence.

Procedures

Initially, the study problem was detected in order to define the objectives that would allow solving this problem. Then the theories were selected to support the study based on the study category.

3. Results and discussion

Social inclusion

To approach the concept of social inclusion, it is necessary to contemplate it from several perspectives. For the present review it will be assumed from the historical, conceptual and approach perspective.

From the historical point of view it must be understood that, during social processes over time, the formation of groups is a transcendent quality of human societies, which necessarily implies that this associative exercise leads to the exclusion of other groups. In broader terms, it is possible to understand social inclusion, initially, as a process through which people have access to social relations that prevent poverty and extreme exclusion [8].

However, it is necessary to think of social inclusion as a social, economic, political and cultural process with which high levels of equity are achieved. These seek to reduce social inequalities in terms of productive capacities, employment and other basic aspects related to the development of societies.

Understanding inclusion as a historical category allows one to distance oneself from certain ideas that sustain the existence of a single model of social inclusion and, in change, to consider the possibility of different models of inclusion that each society could elaborate according to its own terms. In the second place, it implies the acknowledgment that, historically and structurally, broad sectors of society have been excluded from the benefits, opportunities and systems of social protection generated by each economic model [9].

The first thing that should be taken into account when addressing social inclusion from a theoretical perspective is that, simultaneously, it is necessary to speak of social exclusion, since one is a consequence of the other. Bearing this in mind, it must be clarified that the appearance of the concept is attributed to Lenoir [10] in his work *Les Exclus: Un Français sur dix*. The said author assumed exclusion as a failure in the conditions or guarantees that the State offers its citizens as part of the social contract established between them.

Later this concept would spread throughout Europe, North America and Latin America to the present, sparking a great debate. Authors such as Levitas *et al.* [11] argue that social exclusion is a complex multidimensional process. It includes the lack of resources, rights, goods and services. It expresses the impossibility of participation in the activities and social relations available to the majority of the population in a society, whether in the economic, social, cultural or political arena. It affects

the quality of life of individuals, equity and the cohesion of society as a whole [11].

Other authors like Araoz-Fraser [12] consider that social inclusion is the process of changing people, families, communities and even regions, so that they participate socially, economically and politically, both passively (benefits and opportunities) and actively (mechanisms and community decision processes). The concept of social inclusion is part of the trend of progressive expansion of citizenship, which seeks to reach participation, if possible, as occurs in First World countries.

Productive inclusion

Social inclusion is one of the great challenges that public administrations at different levels have to solve. For this, the organization of the different social sectors is necessary to coordinate efforts and work in a joint manner. It is also important that society begins to join efforts, not only seeking alliances with the public sector but also with the private sector, since economic and social development also depends on them.

Accordingly, it is important to reconsider what "good business" means, since it is not only defined by the economic value that it generates, but also by its social value —although it cannot be limited to the idea of corporate social responsibility or the philanthropy of some companies. We must go further, and it is in this extension in which socio-productive inclusion plays a transcendent role.

It is possible to understand productive undertakings oriented towards inclusion as those that generate and offer goods or services with the purpose that the production processes and the insertion in the market facilitate the personal development and social integration of those who are excluded [13].

For this type of enterprise to occur, it is important to have a favorable environment that estimates the complexity of the civil association, the social enterprise, cooperatives or traditional companies that want to be undertaken. The realities in Latin American countries are very fluctuating and unstable, which makes the challenge of generating processes of change in these communities even greater. Therefore, the role played by the presence of the State is crucial to the success of this type of actions, as pointed out by Korin [13]:

The State, because of its scope, is the actor that can do the most to, on the one hand, generate frameworks that promote the integration of companies as actors in the economy, and, on the other, apply public policies that conceive entrepreneurship in all its cycle (from management to the placement of its products or services in the

market in a sustainable way), beyond which the accompaniment then involves other actors —such as companies— according to each stage of the cycle (p. 12).

What does economic value and social value mean in the context proposed, where social entrepreneurship combines these two types of value in a functional and efficient association? To define it, it is necessary to understand that the value proposition as proposed by the Banco Interamericano de Desarrollo [14]: In the context of social enterprises, this promise necessarily implies achieving desirable social results that are not being generated spontaneously by the markets. The value proposition is the foundation stone of any social enterprise, since it determines its strategic focus and has profound implications for its structures, processes and allocation of resources (p. 248).

The economic value (EV) can be assumed as the amount that your buyers are willing to pay for the good or service they receive. A business is profitable when the value it creates exceeds the cost of the activities that produce that value [15]. This does not differ much from the traditional business model. However, in order for economic value to occur in a social inclusion enterprise, it is necessary to develop the organizational capacities of the members of said enterprise so that they respond optimally to the needs of their potential clients, because only in that way it is possible to optimize service provision by decreasing resources for the benefit of entrepreneurship [14].

The social value (SV) can be considered as the search for social progress by removing barriers that hinder inclusion, helping those who are temporarily weakened or who lack their own voice and mitigating undesirable side effects of economic activity [14]. This allows to think the relationship of these two types of value: EV and SV.

Far from being incompatible, it is important to think about the relationship of these two types of value as a complementary element of great value for both parties. In summary, three courses of action can be highlighted:

- Entrepreneurship as suppliers, which can be understood as the supply of a certain product or service, not necessarily primary, that the company needs. A good example of this type of business relationship would be the lunch service to the employees of the company.
- Entrepreneurship as distributors, in which the socio-productive inclusion enterprise has the possibility of being an authorized distributor of a product or service of some company, especially in communities excluded due to their geographical characteristics.

- And, finally, entrepreneurship as customers, since productive bets require inputs or raw materials to perform their function. Here the alliance would go through a deduction of value of such inputs or raw materials.

Productive inclusion networks

Cooperation among diverse actors is one of the fundamental tools to promote productive inclusion. The purpose is to join efforts, add initiatives and improve the results in the articulation of public, private and entrepreneurial sectors to improve the social and economic conditions of those vulnerable communities that have the purpose of exercising their citizen rights in order to promote joint development of the society.

For this to happen, the articulation between all the members is necessary for the work to aim at a common purpose. The benefits of this type of alliances are considerable since they allow associativity without losing autonomy, which generates integral opportunities for all those who commit themselves efficiently to the common purpose of the network. It also allows the generation of a culture of the common, where the individualism or personal interests that constitute the great obstacle of common bets are overcome. And finally they allow optimizing the processes, since in the distribution of the functions a greater degree of productivity is achieved.

According to the United Nations Development Program, the functions of a productive inclusion network are to articulate and coordinate projects to maximize resources; complement and enhance projects; promote the exchange knowledge and influence the policies adopted at the local level [1].

The national government has promoted this type of spaces based on documents such as CONPES 3616 of 2009, which believes that supporting the creation of productive projects can potentially generate jobs for people who, at the beginning of the intervention, do not intend or do not have the tools to develop their own projects [16]. Likewise, the regional entrepreneurship networks established through Law 1014 of 2006 seek to promote "the entrepreneurial spirit in all educational sectors of the country, which promotes and works together on the principles and values that establishes the Constitution and those established in this law" [16].

Through an agreement of wills it is possible to trace the articulation of the different actors that can be part of the Network. Among them, departmental and municipal secretaries of Education are highlighted as well as centers of employment and entrepreneurship, international cooperatives, chambers of commerce, incubators, opportunity banks, networks of angel investors, universities,

research centers, private, public and mixed companies.

The organizational structure suggested by UNDP to establish areas of coordination allow organized work among all the members of the network. In this sense, the creation of a General Assembly allows the meeting of all the members of the network [1]. Likewise, the Thematic Tables allow the formulation of sectoral action plans according to the fields of action worked. Coordination Committee and Technical Secretariat formulates the work plans and organizes the meetings and assemblies, respectively.

Finally, it is important to mention that the financing mechanisms of the Network should be considered from the germinal stage of the process, and that these can be contributed by the enterprises that are part of the initiative or by contributing agencies, strategic allies or public money.

Productive inclusion politics

Red's earlier proposal should be strengthened by departmental or municipal commitment to a policy of productive inclusion, which constitutes a framework that would allow governments to point the way towards inclusive social development. Based on this policy, guidelines, strategies and programs that allow articulating the efforts of public and private entities with socio-economic enterprises would be offered.

These types of proposals are not new in Colombia: cities and departments such as Cartagena (2009), Pasto and La Guajira (2011), Valledupar (2013) Tolima, Ibagué, Barranquilla and Santa Marta (2014) are important antecedents to consider this type of initiatives for the rest of the country.

These cities and departments teach great lessons regarding the methodology used and the considerations to take into account when formulating such policies. Some of the most important elements are the characterization of the vulnerable population that want to be reached with this policy, as well as the analysis of the conditions and barriers in economic and social terms for the inclusive development of the population. Subsequently, detecting local initiatives that are orientated towards entrepreneurship, not necessarily inclusive, that would later allow promoting a change of focus is also a very important element. And finally, promoting the articulation of tripartite joint actions: public sector, private sector and productive initiatives aimed at socioeconomic inclusion.

In this sense, as stated by Franco and Lanzaro [17], the success of public policies depends on the existence of an installed knowledge capacity for the design and implementation of the idea that was approved in the decision-making area of the policy (p.14).

And this warning acquires meaning, especially when Arroyave [18] asks the following:

Have public policies been an effective instrument for resolving anomalies and problems of communities, unions and other interest groups? Or, on the contrary, have they been an element of electoral legitimacy of the administration, with a low impact on the political system? (p. 98).

Thus, from the perspective of André Roth, public policy exists as long as the institutions of the state assume all or part of the challenge of obtaining goals through a process that is destined to change a problematic situation [18]. On the other hand, Alejo Vargas [18] states that public policies are the group of initiative, decisions and actions of a political nature considering problematic situations from a social perspective. In turn, Jorge Iván Cuervo affirms that public policies are the decisions that are made around a problem that has been considered public and has entered the state agenda [18]. Finally, it could be concluded that public policies are understood as a set of instruments through which the State, after identifying a need (economic, political, environmental, social, cultural, among others), implements a set of remedial measures, built with the participation of the groups affected by the various problems [18].

Given the above, there are three major challenges that public policies in Colombia must face since their implementation from the perspective of Arroyave [18]:

1. Conceptually, they must manage an idea of inclusion and appropriation that, in real terms, is far from its execution. It seems that, sometimes, the most important thing is to fulfill campaign promises with certain social sectors and with certain political actors since, when they are executed, they do not have full knowledge about what is and what is not a public policy.

2. Another challenge is, according to the author, in its identification as a public instrument, an adjective that seems to be a nominal category (p.101). According to this challenge, the Government is responsible for delegating a responsibility constitutionally acquired by the State to private agents, which continues to separate communities from active and conscious participation in public policy. In the end, the false idea of inclusion continues to be legitimized when in fact it is not, but they make it happen as if it were.

3. The third manifests itself in overcoming clientelism and relations between officials, politicians and businessmen.

Currently, the new logic of public policies implies actions derived towards popular sovereignty in which participatory democracy, the autonomy of

territorial entities and the decentralization of the public function, are fundamental characteristics that are complemented by the active participation of society in general.

One of the greatest risks when trying to carry out a public policy process is when it is used as a tool of assistance that allows the politician to conserve his electoral wealth, linking the communities in the formulation and implementation of the policy, but without solving the problem effectively (p.106).

According to Müller [18], the challenge from a local political point of view lies in the construction of a space of mediation that offers a minimum of coherence to the multiple reticular strategies that are acting at the local level. That is to say, the work of networks is one of the backbones on which the construction of public policy is based.

That is why it is necessary to evaluate what was established by the United Nations Organizations in September 2015, during the summit of Countries in which Colombia participated hand in hand with world leaders and in which all were committed to the sustainable development goals for the year 2030.

4. Conclusion

As a colophon, it is important to highlight several points that have been addressed throughout this review. Perhaps one of the greatest challenges facing today's society, not only in Colombia but also in Latin America, is the effective agreement that should be given in economic terms and productive inclusion between traditional and emerging productive sectors, these being proposals that allow communities that historically have not had alternatives to be productive.

Perhaps one of the most important actions in this regard is the one suggested by Azuero [19]: The review of the dynamics of social inclusion and social exclusion will inevitably lead to thinking about how public policies can be articulated in actions oriented to all aspects of community life. The role of the State in this regard is based on its ability to articulate the various social actors in the development of a specific project and take advantage of local leadership to develop actions, from a vision and strategic objectives shared and clearly defined. This means that governments must assume, beyond the management of their own competences, a promoter role in the articulation of the different actors that intervene in social action (p. 159).

This should be complemented by promoting productive skills in communities that require it and in which it is necessary to carry out intervention processes so that the benefits of public policies on productive inclusion are efficient. Politics would not

be worth anything if the community is not given the tools with which to develop their productive stakes.

Likewise, it is important to promote associativity as a constituent element for the improvement of living conditions. Unfortunately, individualism, particular interests and individualistic culture, has damaged the alternatives that can be carried out successfully, as long as we work from a community perspective of privileging the common good.

Therefore, the networks of productive inclusion are a valuable mechanism to promote this dynamic, which can be strengthened and articulated thanks to the contribution that the academy can make. Not in vain, within the substantive functions of universities is the extension, which, in turn, must strive to generate a positive impact on society.

So, Vega [20], states that the aim is to achieve a dynamic, creative, opportune and critical interaction of the Higher Education Institution with the local, regional, national and international community, through which the university participates in its humanistic and scientific heritage, and in turn receives from it, through economic and social reality, guidance and encouragement for the planning and programming of its activities (p. 34).

It is not enough for discursive solutions to be posed to the problem of poverty based on productive inclusion; it is not enough to create public policies that add to the management indicators of the governments in power; it is not enough with long academic discussions if intervention processes are not carried out in the most vulnerable communities of Latin American countries—which sadly seems like a pleonasm. These processes must think about the times of the communities, rather than the administrative or academic reports that, on occasions, speed up the processes in favor of immediate results that do not contribute to the resolution of the problem and, on the contrary, make it worse.

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