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## **CORPORATE SOCIAL RESPONSIBILITY: COMPETITIVENESS IN THE CONTEXT OF TEXTILE AND FASHION VALUE CHAIN**

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### **Abstract**

In this paper we address Corporate Social Responsibility (CSR) as a competitive factor in textile and fashion value chain. CSR assumes a large range of activities focused on one or multiple targets, from work conditions to social programs, or environmental impact. The influence of CSR strategies on market performance depend on how truthful consumers will understand and believe to be the values offered by companies. The qualitative research has considered seven case studies from Portuguese textiles and fashion companies. We have found that a major obstacle to SMEs was the cost of CSR programs and their internal and external communication. As a rule, SMEs have small financial investment capabilities and their human resources tend to be scarce and not available to engage more responsibilities. Moreover, managers argue they compete in the market with companies that have low production as well as low social and environmental costs. If CSR strategies establish a set of clear and transparent practices, consumers will be able to compare across world suppliers, will result in additional costs and clients are not willing to pay for. The development of an accreditation system, able to clearly establish the reality of CSR practices within companies, is an important contribution to the implementation of CSR strategies into the textile and clothing sectors. The researchers have developed a system that can be managed step-by-step, and implemented progressively as companies receive and evaluate market feedback. The system introduces a clear communication about the company's actions and commitment to CSR, resulting in a unique label, capable of stating to whom it may concern, the company' present situation and its development year after year.

*Key words:* Corporate Social Responsibility (CSR), ethical corporate management, SMEs, sustainable development, textile and fashion

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