



## Social Enterprise in South Korea: General Presentation of the Phenomenon

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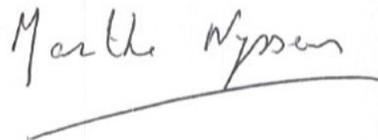
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## 1. INTRODUCTION

South Korea is probably one of the countries in the world that went the furthest in the promotion of social enterprise models. This paper is an attempt to explain the path followed by this concept in the Korean context.

Before developing our analysis, it is important to clarify what “social enterprise” means in our work and how we decided to understand this concept in our study. In South Korea, the social enterprise concept or model is often related to the 2006 Social Enterprise Promotion Act (hereafter referred to as the SEPA), enacted in December 2006. As this Act restricts the use of the title “social enterprise” to officially certified social enterprises, it may generate a too restrictive and improper understanding of what the social enterprise concept means and how it has evolved in Korea. Indeed, such a perspective would lead to neglect and consider as out of the field of the research both initiatives that appeared before the enactment of the law (although they are essential to understanding the building of social enterprise models in Korea) and initiatives that share many common features with “official” social enterprises but which are not certified by the law. In other words, a strict reference to certified social enterprises would not allow understanding the real diversity and the broad dynamics that surround the social enterprise concept.

In order to grasp this complexity, we have considered in our study the social enterprise phenomenon in a large sense, including in our analysis both “SEPA social enterprises” and initiatives with several different denominations. In such a perspective, it is arguable that South Korea is certainly one of the countries in the world where the social enterprise phenomenon has been the most developed, with well elaborated public policies and an increasing interest from all parts of society. In the last two decades, various social enterprise models have successively appeared in the country; they have been conceptualised in different ways, with several concepts related to the concept of social enterprise itself, such as self-sufficiency, social jobs, social cooperative and, more recently, social economy.

By “social enterprise phenomenon”, we refer to a phenomenon related to a series of interpretations regarding objectives, functions, and impacts of certain types of existing or new organisational models, and to their institutionalisation process, creating their own space in institutional, social and cognitive environments. The social enterprise phenomenon is often simplified into the study of new forms of organisations or individual entrepreneurs combining economic activities and social aims. But behind these concrete realities, there are often complex interactions between—and co-existence of—expressions which, although they are the same or close to each other, are given different interpretations, inspired by different approaches; this results in conflicts between different interests, concept producers, and philosophical approaches within a same concept or between different concepts. Our analysis tries to grasp this complexity of the social enterprise phenomenon in South Korea, arguing that the meanings of economic activities and social aims are always controversial and interpenetrating. For example, the recent interest for the social economy can be seen as another step of the development of the social enterprise concept, introduced two decades ago, but it also represents a new orientation and a new possibility to include dynamics without concrete economic activities in the marketplace—like associations—and based upon the mutual interest rather than the general interest—like traditional cooperatives.

In the first part of section 2, we briefly describe the historical development of these social enterprise models and concepts. From this historical analysis, we have built up a conceptual structure, based upon a complementary distinction between what we call meta-models and single models, in order to explain and understand the different existing social enterprise forms and their trajectories of institutionalisation. The historical perspective especially shows a constant dynamic where each meta-model has an influence on local interpretations featured in single/simple models and guides daily practices before it loses a part of its consensual power and credibility and finally generates the emergence of another potential meta-model co-existing with the previous one and partially modifying it. In section 3, we will present the three meta-models of social enterprise that we have identified in the South Korean context.

## 2. UNDERSTANDING CONCEPTS AND CONTEXT: HISTORICAL DESCRIPTION AND CONCEPTUAL APPROACH OF THE SOCIAL ENTERPRISE PHENOMENON IN SOUTH KOREA

### 2.1. A brief historical perspective

As stressed in some of our previous works (Bidet & Eum 2011; Bidet 2012), the Korean labour market structure is characterised by a low employment rate (below 60%, while the OECD average is 65%) and a strict division between a low percentage of stable jobs on the well-protected primary labour market, offering good working conditions and social protection, and a dominant and very flexible secondary labour market, where wages, job stability and social protection are much lower. These features can be considered as the basic elements to understand the development of social enterprise. This situation is a generator of high inequalities, social exclusion and poverty, and these were intensified in a sudden and dramatic way by the late 1990s crisis. Macro indicators show that the poverty rate has been constantly increasing since the mid-1990s, from 8% in 1995 to 10% in 2000 and around 15% in 2015. The working poor represent now more than 50% of the poor and income distribution is more and more unequal, as shown for example by the Gini index, which raised from around 0.25 in the early 1990s to above 0.30 after 2010. This situation leads to a general feeling that the Korean society is a “dual society”, divided into “insiders” and “outsiders”. This duality is not strictly a new feature of the Korean labour market but for decades it had been largely shaped by the gender difference and the large adhesion to the male breadwinner model. Recent trends show that this traditional consensus has been weakened under economic and social pressure, resulting in a new form of duality that overpasses the gender distinction and now opposes people with stable jobs and those with unstable jobs (the so-called “irregular workers”).

The first pioneering initiatives inspired by the search for a different entrepreneurial model can be identified as soon as the late 1980s. On the one hand, the first “worker collectives”, derived from the European model of worker cooperatives, emerged as a tool for community development, job creation, and struggle against poverty. On the other hand, there were a few attempts based upon closer relations between consumers and producers to serve a social purpose such as promoting organic agriculture or maintaining an equal access to basic healthcare<sup>1</sup>. For a while, though, most of these early independent initiatives remained very

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<sup>1</sup> The cities of Wonju in the Gangwon province or Anseong in the Gyeonggi province were among the most productive places for innovative ideas experimenting with new models, such as organic cooperatives and medical cooperatives.

small and local experiences. It is therefore relevant to argue that a broad interest and a large visibility for an explicit concept equivalent to social enterprise effectively developed in Korea only after the 1997 economic crisis; such interest and visibility were closely articulated with the major issue of this period, i.e. the struggle against unemployment. However the importance of the early independent experiences of the 1980s and early 1990s should not be ignored nor underestimated, as they undoubtedly paved the way for the broader perspectives that appeared later.

The interest for the social enterprise model began to diffuse in public policies with the self-sufficiency program and public work programs of the late 1990s. Although the term “social enterprise” was not yet used at this stage, this model shared significant features with the social enterprise. It influenced civil society actors and public policies, and particularly, in a more ambitious and sophisticated way, the 1999 National Basic Livelihood Security system (NBLs), through the introduction of a work integration chapter stressing the concept of self-sufficiency and the aim to escape from unemployment and exclusion through the launching of a professional activity operated by a kind of social enterprise, called “self-sufficiency enterprise”.

The concern for work integration, which had emerged in relation with the labour issue and the related questions of exclusion and poverty, was then rapidly articulated to other crucial concerns on the political agenda: the need to address new social issues resulting from socio-economic changes, and especially the growing need for social and/or personal services related to the fast ageing of the population; the rising concern for environmental problems; or the growing demand for childcare generated by the rise of working women. International studies released by the OECD stressed the huge deficit of jobs in the health and social welfare sectors in South Korea, compared to other developed countries<sup>2</sup>. In order to deal with these rapidly emerging needs, new policies were therefore designed for the promotion of “social jobs”, a term that appeared for the first time in the late 1990s to refer to jobs in activities that were socially useful but not clearly profitable.

When these concepts of “self-sufficiency” and “social jobs” partly lost their initial meaning, due to both the lack of entrepreneurial competence of the target people and the bureaucratization of the program, social movements picked up and promoted the concept of social enterprise as an alternative ideal and an operational model for their ideas. A few activists launched in 2003 a support centre for social enterprise which represents the first perceptible and formal interest for this terminology. Compared to the self-sufficiency model, which aimed to support very small firms launched by unemployed people to generate sufficient resources for their living, the supporters of this first concept of “social enterprise” put greater emphasis on the collective benefit. More and more actors followed this perspective, and the term “social enterprise” began to be diffused in the Korean media and scientific community.

Inspired by these ideas, the South Korean government introduced in 2006 the Social Enterprise Promotion Act. The aim was to reinforce the social services provision by increasing public expenditure, by encouraging the formation of a social services market, and by promoting social enterprises as an important delivery system. The Korean interest for social enterprise was inspired by ideal models of social enterprises developed in Europe and in the US and was the result as well of the influence of international policy trend on the way South Korean social policies have been shaped, especially after the country became an OECD member in 1996. The SEPA did contribute to the development of social enterprises (some

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<sup>2</sup> See the different issues of *OECD Health Statistics* as well as the issues of *OECD Economic Surveys* on Korea.

1,000 certified units were registered in 2013) but it also generated a state-controlled system, monitoring the certification process, the important subsidies, and the support agencies, like the Korea Social Enterprise Promotion Agency (KOSEA).

After 2011, the SEPA inspired local authorities that viewed the social enterprise as an appropriate model to deal with local issues such as preservation of local employment, promotion of local food, provision of social services in the fields of health, ageing, housing, education, etc. Several young reformist mayors elected in 2010 contributed to introduce local systems for the promotion of social enterprise with the aim of preparing some of the initiatives—the so-called “pre-certified” or “preliminary” social enterprises—to be then certified at the national level under the SEPA.

The SEPA also inspired other national ministries, which introduced their own schemes to support social enterprises related to their field of interest—the “community business scheme” introduced by the Ministry of Security and Public Administration in 2011; the “rural community enterprise scheme” launched by the Ministry of Agriculture, Food and Rural Affairs in 2011 as well—or set up schemes of preliminary certification to drive social enterprises towards a national certification by the SEPA. The Korean government also tried to attract big companies as fund providers for social enterprises or direct operators of social enterprises in order to boost the effect of public funding and to make social enterprises more sustainable, based on solid management skills.

This accumulation of public schemes contributed to make social enterprise more visible and more attractive but also more complex and more closely monitored by the government, both central and local. As the number of social enterprises increased in relation with the different supportive schemes, critical views also developed, stressing above all the question of the sustainability of most of the supported enterprises in the mid-term. This concern generated a reflection on what a suitable eco-system for a sustainable and appropriate development of social enterprises would be. After 2011, some organisations, including consumer cooperatives, picked up and promoted the concept of social economy to represent this eco-system. This tendency found a decisive support with the introduction in 2012 of the Framework Act on Cooperatives, which opened the way for the creation of new cooperatives (such as worker cooperatives and social cooperatives) that were not unknown in Korea but did not have any appropriate legal framework to operate. It also raised the interest for existing cooperatives (like consumer cooperatives), which had remained outside the social enterprise phenomenon (medical consumer cooperatives are an exception in this regard; they had joined the social enterprise phenomenon since the beginning of the 2000s).

The concept of social economy rapidly gained in visibility and in recognition, especially with municipalities, which view it as an appropriate framework to embrace different initiatives in the fields of ageing, youth, health, social services, work integration, inclusion of minorities, etc. Under the influence of a new Mayor originated from the social enterprise sphere, the city of Seoul became a major player in this direction, launching in 2013 the Social Economy Centre, a collaborative platform between the city and social economy initiatives, and the Social Investment Fund, a financing body for these initiatives.

## 2.2. A proposal of conceptual framework for understanding the social enterprise phenomenon in South Korea

From the historical description we can assume that the social enterprise phenomenon cannot be understood only through the emergence and recognition of specific types of new or existing organisational models, but also reflects the process of reinterpretation of certain values and logics in a society, stimulated by the inspiring concepts of social enterprise. Although forms of enterprise that can be assimilated to social enterprise have existed for a long time, it can be argued that one of the most distinctive features of the recent social enterprise phenomenon in South Korea is the emergence of the social enterprise concept in itself as a powerful concept whose role is to break existing conceptual scenes and to configure a kind of new sector. Therefore, while the different social enterprise models can be examined as independent models which have their own institutional and social spaces, it is also essential to understand how they can be regarded as the expression of a social enterprise sector in a large sense.

As far as research methods are concerned, we relied mainly upon document analysis and completed it with interviews. In order to avoid falling into the trap of adopting a viewpoint reflecting specific positions or specific approaches, which would hinder having a broader perspective on the phenomenon, we began by constituting a series of literature materials composed of different kinds of documents, including newspaper articles. Supposing that the general concept of social enterprise perceived by the public is formed through this information, exposed to the public in direct or indirect ways, our historical description of the social enterprise phenomenon relies upon the identification of different kinds of actants and numerous interactions between these actants. The notion of "actant" is here borrowed from French sociologists Bruno Latour and Michel Callon (Callon and Latour 1981). Callon and Latour insist that actants can be human actors but also non-human actors. Both types of actors can be active in reference to a given phenomenon and have the same importance to understand this phenomenon. Because they may exert an influence on human actants, some non-human actants can be active actors. Consequently, our analysis relies upon the identification of different sorts of actants, whether human (individual or collective) or non-human (public policy, law, concept, theory, best practice, foreign experience...). For this reason, our historical description is not only based on the study of human actors moved by consciousness and assumed purposes, but on the analysis of a series of successive contingencies where different kinds of human and non-human actants emerge, decline, and re-emerge through various relationships among them. Concretely this approach led us to take into account and combine in our analysis different inputs with different status: individual interviews, participating observations, media materials, theoretical arguments, political views, legal texts and processes, quantitative data, etc.

Although our analysis is inspired by several of the main concepts introduced by Callon and Latour, it does not attempt and does not aim to strictly follow the rules they apply in their works. But we acknowledge that the idea of meta-model was strongly inspired by the concept of "obligatory passage point" that Callon and Latour mobilise in what they call the "actor-network theory" or the "sociology of translation". In their works, the obligatory passage point refers to a strategic point through which actants in a given situation must pass (Callon 1986a, p. 27). Considered as a problematisation which describes associations of actants, the obligatory passage point defines their identities and the issues at stake in the focal situation (Callon 1986b, pp. 184-5). In their works, Callon and Latour stress the concept of "translation" to express the capacity to link and combine elements which belong to different

spheres and need therefore a “translation” to be mobilised in another sphere. They argue that most innovations are the result of this capacity, which implies to solve the controversy resulting from the diversity in order to reach a consensus. This main view has inspired what is called in France the “pragmatic sociology”, to which the so-called “convention school” (introduced at the same period by Luc Boltanski and Laurent Thévenot) also belongs.

In the very dynamic context of Korea, the social enterprise concept consensually refers to a new sector or a range of new organisational forms that are positively considered as socially useful, and furthermore actively encouraged by different kinds of social forces, including public authorities. Before a sufficiently large consensus can emerge, the process of defining this concept in legal terms generates as well several conflicts, involving different actors with controversial interests and logics. The social enterprise concept is therefore continuously shaped and transformed by controversies where each participant tries to get a more favourable content for himself/herself in justifying his/her position. Following Boltanski and Thévenot, we consider that the resolution of these recurrent controversies and conflicts surrounding a concept can usually be seen in the emergence of a strong and consensual form of convention (Thévenot 1984; Boltanski and Thévenot 1991). In our study, we argue more precisely that the enactment of a new legislation and/or the designing of new public policies with related public funding and schemes represent such a form of strong consensus. We do not deny the existence of a plurality of opinions but assume that the enactment of a law or the introduction of a public scheme reflects the emergence of a consensus above this plurality. This is particularly meaningful in South Korea, where public authorities are still considered as having a right or an authority to define social realities and where these definitions are accepted very quickly at the different levels of social systems.

We picked up the terminology of “meta-model” to express the result of this consensus, i.e. the contents that are retained in a specific legislation or a public policy introduced after long or short discussions among stakeholders. In such a perspective, a meta-model reflects a structuring power that exerts an influence, generating or contributing to design other experiences and models. The historical perspective shows a constant dynamic where each meta-model has an influence on local interpretations featured in single/simple models and guides daily practices before it loses a part of its consensual power and credibility and finally generates the emergence of another potential meta-model, co-existing with the previous one and partially modifying it. We assume that this idea of a “meta-model”, by articulating individual models and the ideal concept of social enterprise during a certain period, based on a relatively strong institutional consensus, helps to understand the complex structuring of the social enterprise phenomenon in South Korea, although we are aware that it is certainly not the only relevant framework to explain this phenomenon.

We built up a conceptual framework relying upon two different levels: a superior level, where different meta-models have emerged, developed and encountered each other, and an inferior level, where meta-models mobilise single social enterprise models. While the meta-concepts have produced different interpretations of the social enterprise phenomenon on the general level, single social enterprise models constructed from specific public schemes or through bottom-up initiatives have their own concrete objectives, functions and development paths. While these social enterprise models have been formulated according mainly to specific public schemes or certain bottom-up initiatives that are not always explicitly related to the concept of social enterprise, they can also be considered as composing elements of each meta-model and are often re-formulated in accordance with these meta-models.

This working paper will present in its following sections the main features of what we consider as the meta-models of social enterprise in South Korea.

### 3. THE “SELF-SUFFICIENCY” META-MODEL

#### 3.1. The self-sufficiency model

The self-sufficiency program introduced in 1996 in South Korea as a public policy can be considered as a pioneer step of the social enterprise phenomenon and is still an important social integration system, with well-organised infrastructures both in public and private sectors, such as large amount of public budget, human resources, specific knowledge and internal/external networks. Although the self-sufficiency program is a broad public scheme, including various kinds of sub-programs across two different ministries, we will focus here on the sub-programs directly related to the social enterprise phenomenon, which are carried out through the 247 local self-sufficiency centres (LSSCs) distributed on the national territory.

The self-sufficiency program aims to promote, through different sub-programs, the work integration of the beneficiaries of the NBL<sup>3</sup> and the poor who cannot benefit from the NBL because their income is just above the income criteria of the NBL. It should be noted that the self-sufficiency program is more related to anti-poverty policy rather than to unemployment policy or enterprise policy. This is the reason why it is closely articulated with the NBL and relies mainly upon the Ministry of Health and Welfare. In the main program, several different sub-programs are proposed to participants by social workers in local authorities, according to the profile of participants.

Although the sub-programs closely related to the social enterprise phenomenon involve less than half of all participants in the whole self-sufficiency program, they have often been presented as an essential and symbolically important part of the program. Among others, “self-sufficient enterprises”, “market-type self-sufficiency work projects” and “social service-type self-sufficiency work projects” can be considered as typical models of social enterprises. Table 1 shows the general architecture of the self-sufficiency program and the related sub-programs according to target groups and operating agencies.

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<sup>3</sup> The NBL represents the first real minimum income scheme to be introduced in Korea as well as the first comprehensive work integration policy in accordance with the workfare ideology that appeared in the 2000s to challenge the development of welfare benefits without counterpart from the recipients. The first livelihood protection program had been enacted in South Korea in 1961 but it had remained very limited in coverage, concerning only families with no able-bodied adults and provided very limited benefits to the few eligible recipients. Like many other national basic income schemes, the NBL is a residual allowance: anyone with a monthly income under the poverty line can get the difference so that their income reaches this threshold. The NBL expresses the idea that any citizen in need should get a decent support from government as a social right and therefore represents a turning point in South Korean welfare policies, which hitherto remained driven by what Holliday and Kwon (2007) called a “productivist welfare capitalism”.

Table 1: General architecture of the self-sufficiency program

Ministry	Program	Target group	Operating agency
Ministry of Labour	Job search program	High employability	Job centre
Ministry of Health and Welfare	Hope Re-born program (Intensive case management program to help jobseekers find a job)	Middle level of work capacity with high motivation for finding conventional job	Contracted private organisations
	Self-sufficiency work projects	Market type ⇒ Self-sufficiency enterprise	LSSC (sometimes, local NGOs)
		Social service type	
		Intern and interim type	
	Maintenance work capacity type	Low work capacity	Local authority, LSSC

Whereas the “market-type self-sufficiency work projects” and “social service-type self-sufficiency work projects” can be considered as preparatory stages before launching a real “enterprise”, the “self-sufficiency enterprise” is a real social enterprise model in itself. According to the current program, self-sufficiency enterprises should be established by at least three NBLB beneficiaries or poor persons. If more than 1/3 of the workers in the self-sufficiency enterprise are NBLB beneficiaries and if the enterprise can generate a turnover covering a certain level of wages, the self-sufficiency enterprise can be supported by local authority or LSSC, for a maximum of 3 years. Unlike the self-sufficiency work project teams, which are dependent, organisationally, on LSSCs and, financially, on public subsidies, the self-sufficiency enterprises officially have their own independent governance structure and take economic risks, with little direct financial support. As enterprises providing employment to NBLB beneficiaries or poor persons, the self-sufficiency enterprises can engage in any field of activity, from agriculture to social service and manufacturing. Regional and national-level consortia structuring self-sufficiency enterprises operating in the same field are possible and even encouraged by public policies. In 2011, the estimated number of self-sufficiency enterprises was 1,370, and they provided together some 9,400 jobs, i.e. an average of 7 employees/unit (Ahn 2014).

Local self-sufficiency centres themselves tend to become a social enterprise model. Until now, although LSSCs were operated by associations, religious organisations and cooperatives, they have remained almost totally financed and regulated by public authorities; they are therefore not really independent nor exposed to economic risk. But the recent debates surrounding the reform of the self-sufficiency program may drive them towards a new financing system and a new legal status of social cooperative, according to the 2012 Framework Act on Cooperatives. LSSCs could then become independent from the control of public authorities but would then assume financial risk, and they would be considered as a social enterprise model for work integration (with self-sufficiency work projects) and local development (with support for self-sufficiency enterprises and other social enterprises).

Recent data on the number of participants in the self-sufficiency program closely related to social enterprise models is summarised in table 2.

**Table 2: Number of participants in the sub-programs related to social enterprise within the self-sufficiency program (reference year: 2012)**

Type of initiative	NBLS beneficiaries	Poor people	Ordinary people	Total
Social service type work project	9,657	4,698	23	14,378
Market type work project	4,929	3,035	19	7,983
Self-sufficiency enterprise	1,235	601	494	2,330

Source: Central Self-sufficiency Foundation (2013).

### 3.2. Trajectory of institutionalisation

The self-sufficiency program has experienced two major institutional steps and a new one is currently under debate<sup>4</sup>. The first major step was the introduction of the self-sufficiency program as a public pilot project, in 1996. It can be considered as the first step of its institutionalisation, which gave a legal recognition to pioneer social movement initiatives inspired by the worker cooperative model. The integration of the program into the NBLS scheme, in 2000, represents the second major step, which changed its main original orientation. The current model of self-sufficiency enterprise has been shaped through these two institutionalisation processes.

The institutionalisation process also led to a strengthening of the organisational infrastructure of the whole self-sufficiency system. LSSCs are considered as essential intermediary bodies in the self-sufficiency program; their number continuously increased, from 5 at the beginning of the pilot project in 1996 to 249 in 2010—there are now LSSCs in every county. From the beginning, the role of a federation of LSSCs has been recognized as crucial for maintaining and diffusing the original model, which stresses the idea of self-sufficiency of the poor based on strengthened community networks. Regional SSCs, regional support centres for social services and the Central Self-sufficiency Foundation have been successively created by the government to support the LSSCs with professionalisation and scaling up of activities at the regional and national levels.

The development process was to diffuse the original self-sufficiency idea, emphasising the worker cooperative model. However, the growing involvement of new actors, disconnected from local social movements, led to reshape the original view and introduced various kinds of interpretation of the self-sufficiency program. In this sense, it can be argued that the self-sufficiency program has played a role as an incubator and a laboratory for new social enterprise models and has provided an archetype of succeeding social enterprise models.

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<sup>4</sup> More radical changes are currently being discussed and may occur in 2015. The self-sufficiency program will likely be separated from the NBLS and the role of LSSCs will likely be changed.

### 3.3. The self-sufficiency model as a meta-model

As the first institutionalised model, the self-sufficiency model has strongly influenced different single social enterprise models, particularly during the first years of the social enterprise phenomenon in Korea. Above all, it can be said that the term “self-sufficiency” itself served as a quasi-equivalent of “social enterprise” or “social economy” before these concepts were introduced in the country. Researchers and field actors who contributed to building the self-sufficiency model found indeed their inspiration in best practices observed in European social economy organisations, particularly those beginning to be called “social enterprise” in the works of the EMES network. Later on, the term “social enterprise” was first introduced by researchers and activists related to the self-sufficiency model, with the aim of reforming this model; as to the first experiences publicly presented as social enterprises, they were mostly self-sufficiency enterprises. The concepts of “self-sufficiency”, “social enterprise” and “social economy” are thus quite closely interconnected in the Korean context. On the other hand, new public policies dealing with the work integration for specific disadvantaged group were introduced in the early 2000s adopting the self-sufficiency model and even its title, thus pointing to a narrower use of “self-sufficiency” as an equivalent of WISE, with the setting up of initiatives referred to as “Self-sufficiency for the elderly”, “Self-sufficiency for women”, “Self-sufficiency for North Korean refugees”, etc.

It can thus be argued that the self-sufficiency model influenced individual social enterprise models in several ways.

First, the self-sufficiency model served to introduce several conceptual points, which are still being stressed in many different social enterprise models. In Korean, literally and originally, “self-sufficiency” stresses the ability of poor or disadvantaged people to manage an autonomous life through economic activities in the marketplace. However, tensions and controversies arose as this concept was often reduced to narrower interpretations, which were constrained by common sense and then disseminated in different other social enterprise models. For instance, it was argued that self-sufficiency enterprises composed exclusively of poor people could be viable. This idea was not meaningless at the very initial step of the movement, when the self-sufficiency enterprises were embedded in the social movement, and later on, throughout the pilot project period. The necessary leadership could then quite naturally emerge from activists within the enterprises. But after the institutionalisation through the NBLS, new institutional requirements introduced a distinction between LSSC staffs and participants and it became more difficult to find the leadership among participants, whose participation in the program was usually compulsory. This made the self-sufficiency model more “ideal”, but also more difficult to realise. The concept of economic activities in the marketplace was also problematic. Unlike many work integration social enterprise models in Europe focusing on improving employability of unemployed persons, the self-sufficiency model argues that the self-sufficiency enterprises should provide stable jobs to the disadvantaged with some direct and intensive support during the preparatory and initial stages only.

Secondly, not only the contents but also the whole system developed with the self-sufficiency model influenced different individual social enterprise models. As intermediary supporting organisations, LSSCs, RSSCs and the Central Self-sufficiency Foundation have come to form a coherent support system involving public authorities at the local, regional, and national levels. This system in turn generated a comprehensive public financing model for social enterprises, providing substantive financial support in the preparatory period to cover the whole range of

costs, including labour costs. The surplus generated during the preparatory period is used to constitute the initial capital when work projects are transformed into self-sufficiency enterprises. After their creation, self-sufficiency enterprises are eligible to an additional financial support for the initial period. Alongside the development of the self-sufficiency meta-model, various financial instruments have been developed both in the public and private sectors. Most of these financial instruments now play an important role in financing the whole range of social enterprise models. In addition, in order to create a favourable environment for the self-sufficiency program, actors in this field have tried to build up local networks with civil society partners and public authorities. In many municipalities, decrees for the promotion of the self-sufficiency program have been introduced, based on the joint efforts by local initiatives and on the recommendation of the central government. This whole environment surrounding the self-sufficiency program eventually became a kind of archetype of a coherent support system for other social enterprise models.

Thirdly, people who have been experienced and trained in the self-sufficiency program became an important source for developing other types of social enterprises. Particularly, the staff who left the LSSCs to join self-sufficiency enterprises played an important role as social entrepreneurs who led to the SEPA meta-model, described in section 4. While they tried to overcome some limits of the self-sufficiency model, they also played a role as promoters and “providers” of the basic model of self-sufficiency into different kinds of social enterprise model, including the SEPA model.

In this sense, it can be argued that the self-sufficiency model was the dominant model of social enterprise during the first decade of the social enterprise phenomenon in South Korea, and played an important role as a pioneer model which contributed to introduce a few basic ideas into different models of social enterprises.

## 4. THE “SEPA” META-MODEL

### 4.1. The SEPA model

With the 2006 Social Enterprise Promotion Act, South Korea became the first Asian country to enact a specific legal framework supporting and labelling social enterprise. The 2006 SEPA, which is controlled by the Ministry of Labour, defines a social enterprise as “a certified organisation which is engaged in business activities of producing and selling goods and services while pursuing a social purpose of enhancing the quality of local residents' life by means of providing social services and creating jobs for the disadvantaged”. Based on this definition, the SEPA model proposes its own conditions and procedures for certification, and its own supportive eco-system for promoting social enterprise through the certification. In this sense, we can say that the SEPA model has its own specific model, even though it was initially designed as a secondary labelling for various existing single social enterprise models. As a secondary label that allows important public support to social enterprises, the SEPA model plays a role of meta-model in (re)formulating various single social enterprise models wanting to get the label.

The SEPA can be divided into two complementary parts: the first one provides a definition of social enterprise by listing the main conditions that have to be met by an initiative to be registered as a social enterprise; the second one details the supportive system for the promotion of organisations that can be considered as social enterprises according to the definition. The conditions emphasised in the SEPA can be quite easily related to the

characteristics of the EMES ideal-type of social enterprise (business activity, social purpose and participative governance):

- **Business activity:** a SEPA social enterprise is not a specific legal form in itself but refers to existing legal forms of organisations. The SEPA adds specific rules to their original legal framework in order to express their social purpose and their participative governance. In this sense, a social enterprise has to have primarily a legal structure among the various possible types. This organisation must have at least one paid employee and assume an economic risk, expressed here by the fact that the total income generated through business activities for the past 6 months before the date of the application for certification should represent more than 30% of the total labour cost.
- **Social purpose:** the 2006 SEPA defines concrete criteria for being recognised as having a social purpose; different types of social purpose are envisaged. Since its amendment in 2010, five main types of social goal have been considered under the SEPA: (1) job creation (the main purpose of the enterprise is to offer jobs to vulnerable social groups); (2) social service provision (the main purpose of the enterprise is to provide vulnerable social groups with social services); (3) mixed goal (job-creation and social service provision); (4) local community contribution (the enterprise contributes to the improvement of the quality of life in the local community); (5) other goals (social enterprise whose social purposes are difficult to judge on the basis of the ratio of employment or provision of social service, for example social enterprises with an environmental dimension). The social purpose is also guaranteed through a specific regulation regarding the profit distribution. If the basic legal status of the organisation allows profit distribution (as e.g. in the case of companies registered under the Commercial Act), specific rules specify that 2/3 of the profit should be reinvested and serve the social purpose instead of being distributed. Also, if an enterprise has to close down, 2/3 of the remaining assets should be given to other social enterprises or to a public interest fund. These rules should be explicitly mentioned in the statutes.
- **Participative governance:** the 2006 SEPA requires the applying organisation to allow different kinds of stakeholders to participate in the governance; this requirement must be mentioned in the statutes, although the “one person, one vote” rule is not explicitly required<sup>5</sup>. Until 2012, since there was no official legal status allowing explicit multi-stakeholder governance structure, this condition was respected in indirect ways: in each organisational type, stakeholders other than the main stakeholders participated in the governance structure as additional constituting elements. The social cooperative chapter was introduced in the 2012 Framework Act on Cooperatives in order to address this weakness of participatory governance structures in the SEPA model.

According to the SEPA definition, the official label of social enterprise is therefore awarded to organisations that combine an economic activity, a social goal, and participative governance. The Ministry of Labour stresses that social enterprise is “a model to create jobs and deliver qualitative social services by non-profit organisations or by organisations with a limited profit distribution”. The SEPA definition of social enterprise is the result of several different ideas on social enterprises. First of all, we can find some ideas coming from the self-sufficiency model, such as an emphasis on disadvantaged people (not only for their employment but also as

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<sup>5</sup> The SEPA says: “To be certified as a social enterprise, important meetings of the concerned organization must have a decision-making structure which involves various stakeholders”.

beneficiaries of services provided by social enterprises) and on the economic self-sufficiency of the social enterprise, after an important amount of intensive support during the preparatory and initial stage. Secondly, the definition of social enterprise was influenced by existing foreign experiences, especially those from the UK (criteria on market income) and Italy (typology of social purposes), and by the surveys realised by the EMES network (emphasis on governance structure and limited profit distribution). Finally, although, during the construction of the SEPA model, there was considerable interest for the social enterprise concept from the US, there are actually few ideas picked up from the US social enterprise experience in the definition of social enterprise. However, some influences from the US experience can be found in the support system and follow-up support programs<sup>6</sup>; they constitute a third source of inspiration.

The Social Enterprise Promotion Committee, which is under the authority of the Ministry of Labour, deliberates to determine if an applying organisation will be certified or not as a social enterprise. Like all public policies related to social enterprise models in South Korea, the support system is an important part of the model. Especially, public supports in the SEPA model are very important in terms of quantity and diversity. In the SEPA model, when organisations meeting all the conditions are certified, they can access various support programs. The whole support system is composed of both financial and non-financial support programs.

Among the various types of financial support, the most important one is the subsidisation of the labour cost of employees and professional staffs. There are also subsidies for social insurance fees and project funding for business development. Indirect financial support includes tax exemptions on social enterprises' income and tax rebates linked to donations to social enterprises. Among non-financial supports, there are consulting services, collective marketing and advertisement for social enterprise label, and support in mobilising volunteers among retired professionals. These forms of non-financial support are provided through 14 regional support agencies which are regional organisations or networks coordinated by KOSEA. These regional support agencies also provide training and consulting for people who want to create social enterprises.

Social enterprises of the job-creation type represent some 60% of all certified social enterprises and the mixed type, around 20%, which means that some 80% of all certified social enterprises explicitly include job creation in their social goal. The SEPA rapidly met with a certain success: 55 social enterprises had been certified by the end of 2007, 250 by mid-2009 and some 1,082 by June 2014.

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<sup>6</sup> For instance, following many American experiences where the role of donation from private enterprises is stressed, the 2006 SEPA introduced the concept of "partner enterprise" as a supporter for social enterprises. Follow-up support programs inspired by the US experiences include e.g. social venture competitions and young social entrepreneurs' promotion projects aiming to develop innovative ideas into social enterprises.

**Table 3: Number of certified social enterprises under the SEPA**

Year	No. of applications	No. of SEs certified during the year	Certification rate	SEs in operation in 2012 distributed on the basis of their year of certification
2007	166	55	33%	45
2008	285	166	58%	148
2009	199	77	39%	76
2010	408	216	53%	209
2011	255	155	61%	154
2012	218	91	48%	91
<b>Total</b>	<b>1,531</b>	<b>760</b>	<b>50%</b>	<b>723</b>

(Source: KOSEA, 2012)

In 2012, the main industries in which these social enterprises were active were mainly social services, environmental activities, culture and education. The “Other” category includes mostly various kinds of activities for work integration of disadvantaged people.

**Table 4: Number of certified social enterprises by industry**

	Social services				Environmental activities	Culture	Education	Other
	Social welfare	Care service	Childcare service	Health				
<b>No of certified social enterprises</b>	98	58	22	12	122	109	44	258

(Source: Ministry of Employment and Labour 2013)

Besides the SEPA scheme, as already mentioned, a local system of “pre-certification” for enterprises willing to apply for SEPA certification at the national level was introduced in 2011. Through this preliminary system, the Ministry of Labour introduced a collaborative way to deal with social enterprise through regional governments and other ministries in the central government. Indeed, the preliminary certification is awarded by regional governors or ministers of the central government to an organisation fulfilling the minimum legal conditions necessary to be certified as a social enterprise—including the realisation of a social purpose and the employment of more than one paid employee—but not satisfying some requirements, such as sufficient contribution of business activities in the whole income. The idea is to provide support to “pre-certified” SEs during a short period (1 to 3 years), until the organisation meets the necessary missing requirements to be recognised as a certified social enterprise through the SEPA and thus receive full support from the Ministry of Labour. By the end of 2012, there were some 1,460 preliminarily certified enterprises—1,260 pre-certified by regional governors and some 200 by ministers of the central government.

## 4.2. The trajectory of institutionalisation

The SEPA model is not something resulting only from the 2006 SEPA. We can view it as the result of a process that started in the late 1990s with the social jobs creation program. Originally, the term “social jobs” was introduced after the economic crisis of 1997 by a coalition called “Solidarity to Overcome Unemployment”, formed by more than 40 social

movement groups, including representatives of the self-sufficiency movement (which, as explained above, engaged in the assistance to the poor and the unemployed). Targeting the promotion of employment in the third sector, this coalition asked the government to contract out to the third sector a part of the public work program which had been set up by public authorities to deal with urgent unemployment and poverty problem but remained inefficient. The coalition wanted part of the public funds to support the creation of social jobs which would be managed by civil society organisations in socially useful activities. On the basis of small-scale pilot projects, the whole public work program changed its name in 2003 to become the “social jobs creation program”; important parts of the program were carried out by civil society organisation in various activities. Compared to the self-sufficiency program, the social jobs creation program focused not only on the work integration of people but also on the contents of activities, particularly in social services. During the 2003-2007 period, through the Work Together Foundation, which played a central role as the main support organisation, the social jobs creation program developed several sub-programs. For instance, inspired by American experiences, a sub-program called “Company partnership type” was designed to draw private enterprises as financial and technical supporters in the program. Afterward, this sub-model developed as a single model recognized in the SEPA model.

Officially, the 2006 SEPA is generally presented as the successor of the social jobs creation program. It is true that the structure of the SEPA model partially came from the program, and that the social jobs creation program was eventually integrated into the SEPA system as a supporting program for certified and preliminarily certified social enterprises. However, it should be noted that two other elements stimulated the emergence of the SEPA model and contributed to its formation.

The first one was the emergence of new initiatives within the self-sufficiency movement. After its introduction in the NBLs, the self-sufficiency model became known as a model of small or even informal enterprises, composed of unskilled poor people. In order to overcome this interpretation of the self-sufficiency concept, which appeared to them as too narrow, some activists and researchers tried to introduce—and indeed played an important role in introducing—the social enterprise concept, showcasing some self-sufficiency enterprises that had reached a significant size and level of professionalization, due to direct participation of activists combined with governmental support for specific activities such as social care, housing innovation, cleaning or recycling. These activists were considered as social entrepreneurs, a concept introduced at the same moment. Together with the Work Together Foundation, which was promoting the American approach of social enterprise as well, these activists stressed the social movement viewpoint and interest for the European concept of social enterprise derived from the social economy tradition.

The second element was the new orientation of public policy for social services provision. Considering the fast aging of the Korean society, due to both an extremely low rate of birth and a rising life expectancy, the reformist government, which was relatively favourable to the development of the welfare state, decided to promote the social service sector as an answer to these social problems and as a source of employment. Besides various types of vouchers and the establishment of the national insurance scheme for long-term care, which were the main public policies to address the demand side, the social enterprise was considered as a potentially important supplier. This public policy, synthesised in the Vision 2020 program, published in 2006, strongly influenced the design of the social jobs creation program and the introduction of the SEPA.

Since its enactment in 2006, the SEPA model has been slightly modified through minor amendments of the original law. One of the most important amendments was the addition, in 2011, of a “Local community contribution type” to the existing categories of social purposes. This amendment was the result of an increasing interest for social enterprise as an actor of local development and aimed to integrate the “Community business” scheme into the SEPA model. In this way, the SEPA model developed to reinforce its position as a meta-model.

### 4.3. The SEPA model as a meta-model

One of the major outputs of the SEPA was to create a room for social enterprise in the Korean legal system and to construct a very complete model of social enterprise through synthesising previous experiences in Korea and current working experiences in foreign countries. Because of the very generous public support for certified social enterprises, the SEPA succeeded in raising the level of public interest from all parts of society, and the conditions for getting the SEPA certification became a prototype of social enterprise in South Korea. This led existing single social enterprise models to adapt themselves to the SEPA model, and the SEPA conditions came to be considered as the minimum required standards during the emergence of new single social enterprise models. Since the enactment of the SEPA, many existing single social enterprise models have been considering the SEPA certification as an additional title, which allows not only additional public support but also generates a positive image of their economic activities, officially recognised as socially useful. As a result, several existing social enterprise models which were not covered by the self-sufficiency meta-model began joining the social enterprise phenomenon. Medical cooperatives, professional activities for the disabled and self-help activities launched by specific disadvantaged groups such as North Korean refugees or victims of sexual traffic are exemplary cases. As a result, the self-sufficiency model itself tried to adapt to the SEPA model and partly lost its role of meta-model; consequently, it became a single social enterprise model and a potential “source” of certified social enterprises. The following table, which provides an overview of the distribution of certified social enterprises according to their origins, shows that these models, which existed before the implementation of the SEPA model, represent a significant share of certified social enterprises.

**Table 5: Origins of certified social enterprises (2012)**

	Social jobs program	Self-sufficiency enterprises	Workshops for the disabled	Medical consumer cooperatives	Other
Number of certified social enterprises	474 (65%)	87 (12%)	78 (11%)	13 (2%)	71 (10%)

However, the SEPA model is not only a synthesis of previous models; it also plays a role as an archetype for newly emerging models. Following the SEPA model, which is under the competence of the Ministry of Labour, several other ministries have introduced their own programs aiming to create employment in their fields. Besides the self-sufficiency program, which is managed by the Ministry of Health and Welfare, the Ministry of Security and Public Administration launched the “Community business scheme” in 2010 and the Ministry of Agriculture, Food and Rural Affairs began developing “Community enterprises in rural area” in 2010. In addition, several local and regional governments introduced their own preliminary

certification schemes in order to prepare enterprises to apply to the SEPA certification. All these new schemes have been conceived according to the SEPA model, and, in theory, all organisations developed in these schemes are targeting a certification as social enterprise. In this sense, the SEPA model can be viewed as an ultimate goal of all single models. Several follow-up support programs aiming to create social enterprises based on more innovative ideas have also formed new single social enterprise models such as social venture and social innovation-oriented social enterprises. Even though these models do not have institutional bases, they have been developed around follow-up support programs designed in the SEPA meta-model. We can also classify the “Company partnership type social enterprise model” as a model developed within the SEPA meta-model.

## 5. THE “SOCIAL ECONOMY” META-MODEL

Compared to the two previous meta-models, the social economy meta-model is at an earlier stage of development; consequently, it is still difficult to analyse it in a coherent way. This difficulty is reflected in the complicated ongoing debates on the “Framework Act on Social Economy”. Therefore, we will focus here on its trajectory of institutionalisation and role as a meta-model.

### 5.1. Trajectory of institutionalisation

At the beginning of the 2000s, the concept of social economy appeared sporadically within small groups of social movement activists and in a few works by some researchers to refer to the economic dimension of civil society. This concept was spontaneously articulated with the self-sufficiency and social enterprise models, although a rationale debate did not emerge and the reference to the social economy remained therefore very marginal until the mid-2000s. But the concept progressively spread among civil society actors and really became visible through specific public policies and schemes in local and regional governments around 2011.

The reference to the social economy officially appeared with civil society organisations, including new cooperatives, certified social enterprises and various organisations engaged in work integration, which launched in 2008 a platform dedicated to the promotion of the social economy. It was then discussed by a few research fellows who initiated researches and surveys on this issue, and finally picked up by local governments, which opened “social economy centres” and introduced local decrees devoted to the development of the social economy. The social economy concept rapidly found strong support from the local governments, as it was frequently articulated with local issues such as local food, social inclusion or community development. It tends now to become an encompassing concept, embracing different initiatives with various legal forms in the fields of ageing, youth, health, social services, work integration, inclusion of minorities, etc.

This broad interest for the social economy concept is closely related to the development of new (and independent) cooperatives in the 1980s and the 1990s and their full legal recognition through the consumer cooperative law of 1999 and the 2012 Framework Act on Cooperatives. Unlike the more traditional cooperative movements in Korea, which resulted from a top-down process and were submitted to strict government supervision, these new cooperatives emerged from a bottom-up process and remained independent. They are engaged in three major directions: the promotion and distribution of organic food and the provision of health care, for consumer cooperatives, and the creation of jobs—often related to community development—for worker cooperatives. They therefore share several features and

aims with the social enterprise as defined by the SEPA; medical cooperatives, operating as a specific form of consumer cooperatives, are actually considered as one of the eligible legal forms to get the SEPA certification.

With the exception of medical consumer cooperatives, cooperatives were usually not considered as social enterprises. The main consumer cooperatives, which became powerful economic actors, with several hundred thousands of members for the largest ones, played however an interesting and central role in the promotion of the social economy concept and its close articulation with the cooperative model. The introduction of the 2012 Framework Act on Cooperatives boosted this rising interest for the cooperative as a prominent socio-economic model by providing a suitable legal framework for the constitution of new cooperatives inspired by the European models of social cooperatives and worker cooperatives. This law and the success encountered by the new cooperatives generated a new interest for the cooperative model in itself, including the traditional cooperatives, which, although they gained partial autonomy from the 1990s onwards, are still commonly perceived in South Korea as quasi-governmental organisations, due to their long history of submission to public control.

The social economy is becoming an increasingly dominant concept, challenging the previous meta-model, based on the SEPA. Despite small differences among the promoters of the concept, the social economy approach commonly tends to include self-sufficiency enterprises, SEPA social enterprises, community business organisations, community enterprises in rural areas, consumer cooperatives, and cooperatives registered under both specific laws for traditional cooperatives and the 2012 Framework Act on Cooperatives. It is still questionable whether various types of association will find a room inside this social economy concept. If such an evolution were to occur, the self-sufficiency meta-model and the SEPA meta-model may become only single social enterprise models under the broader social economy concept.

However, the social economy cannot yet be considered as a stable model, nor as a consensual one, as two different tendencies are currently promoting this concept with different views.

The first tendency reflects a top-down process through which public authorities, politicians, and some researchers promote the social economy as a broad concept, covering different kinds of social enterprise models developed by different public policies. Such a view is focusing on how the scattered public policies concerning social enterprises can be articulated under the integrated umbrella concept of the social economy and a specific coordinating public authority.

The second tendency follows a bottom-up process; it does not stress the need for institutionalisation through legislation but defends a more substantial construction of the social economy sector, on the basis of the actors who acknowledge themselves as components of the social economy. In this tendency, the social economy concept is rather used as a symbol and a means to report the strengthening of civil society initiative in the social enterprise phenomenon. Rather searching to form a concrete model through a hasty legal institutionalisation, the promoters of such a social economy concept, who are here mostly civil society activists and researchers, stress the need for an institutionalisation through the movement's development. Their efforts can be observed through the development of a network organisation called the "Korea Cooperative and Social Economy Alliance", which gathers 40 federal or individual organisations. Implicitly, this tendency suggests a model that is similar to the European concept of social economy, i.e. a model first rooted in the action of

actors and then generating a form of legal institutionalisation (although only a few European countries—namely Spain, Portugal, and France—enacted so far a general law on the social economy).

The social economy model is undoubtedly in the process of becoming in South Korea a kind of “integrated” model, in which various single social enterprise models can be articulated. Because of the two competing forces promoting this model with different views and aims, it is still uncertain however whether it will be narrowly interpreted as a coordinating concept of a series of public policies or broadly interpreted as an equivalent to civil society.

The involvement of field actors in the development of the Framework Act on Social Economy, which is currently in discussion, and the content and orientation that will be given to this law will indicate how these two views can be articulated.

## 5.2. The social economy model as a meta-model

The rise of the social economy as a new meta-model, challenging the SEPA meta-model, reflects on the one hand some difficulties and critics encountered by the SEPA meta-model, and on the other hand the emergence and influence of new single models that are not covered by the SEPA model.

The critics addressed to the SEPA model stress the growing tendency of the government to keep the control on the social enterprise concept and the questionable sustainability of certified social enterprises which depend too much on public subsidies. These difficulties were considered as failures of a scheme driven by government support and control. The strong dependency on public support and the increasing opportunism that resulted hereof also damaged the public image of social enterprises. In this situation, the social economy concept began getting a rising attention from various sides. For supporters of the SEPA model, the social economy was understood as a favourable eco-system from which social enterprises could mobilise various resources. For those emphasising the role of civil society, the social economy was understood as a solid base for civil society actors disputing the government-driven social enterprise model. On both sides, the social economy concept emerged as a broader concept than the concept of social enterprise.

On the other hand, it progressively appeared that several ministries in charge of different public schemes related to social enterprises did not accept the SEPA model as their meta-model. Particularly, in emphasising the collective interest of local people rather than the general interest, the “community business” scheme launched by the Ministry of Security and Public Administration and the “community enterprises in rural areas” scheme introduced by the Ministry of Agriculture, Food and Rural Affairs underlined their territorial aspect. Moreover, thanks to the 2012 Framework Act on Cooperative, the cooperative model gained more legitimacy, as a model that is more sustainable, although it receives little public support. The multiplication of different social enterprise models promoted by different ministries introduced a problematic complexity and a higher inefficiency at the local and regional levels, where all these public policies have to be implemented by local and regional governments.

The social economy concept was therefore quickly picked up as an alternative way for local development by some young reformist mayors who wanted to distance themselves from the conservative central government. Particularly, the mayor of Seoul, who was an activist in civic movements, gave priority to the social economy concept as a central tool for developing civil

society. Through the enactment of a series of local and regional decrees on the social economy, the creation of a department of social economy in some local and regional governments, and the creation of political networks of mayors and of members of the National Assembly for the social economy, the concept of social economy is gaining ground as an official concept used to refer to a large range of social enterprise models concerned by different public policies.

## 6. CONCLUSION

In this paper, we tried to explain how a concept—namely that of social enterprise—is being designed in the specific context of South Korea, i.e. how this concept emerges and evolves as a combination of general features and local specificities produced by a particular historical trajectory, political background, and cultural values. In order to answer this broad question, we used a methodology mixing analysis of legal texts, various kinds of documents, media materials, major statistics, and field research and interviews.

Assuming that the social enterprise phenomenon cannot be completely understood in South Korea through the single reference to the 2006 SEPA, which only reflects the perspective of the Ministry of Labour, we tried to make understandable the complexity and dynamics of this phenomenon in South Korea. For this purpose, we considered the social enterprise model not as a fixed entity or organisational form with precise and stable boundaries, but as an “entrance point” for understanding a ground phenomenon expressed in this model.

In such a perspective, we argued that what we call a “meta-model” allows to identify relevant landmarks in the development of social enterprise and is an appropriate conceptual tool for understanding and describing a complex and dynamic phenomenon which is embedded in civil society, public policies, and entrepreneurial spirit. Three successive meta-models were identified, namely the “self-sufficiency”, the “SEPA” and the “social economy” meta-models. They reflect a permanent evolution, with diverse and controversial concepts and realities, over a relatively short period. This dynamic generated several financial schemes and different kinds of institutionalisation of innovative organisational forms through the introduction of *ad-hoc* public policies, including new legal frameworks.

The Korean experience especially reveals interesting combinations and tensions between bottom-up initiatives from civil society and a top-down approach from public authorities, which have their own motives and values to promote this concept. Our analysis suggests that the social enterprise phenomenon in South Korea should not be understood only by its expressed contents, but also be related to the motives and values which served to shape it, given that the content is only a temporally valid outcome of a dynamic that is still in process.

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