

Seoul: A Global Plan to Support the SSE

Since 2011 the Seoul Metropolitan Government (SMG) has developed institutions and policies to enable the growth of the social economy. Their ambitious global plan ranges from supporting the growth of local enterprises and facilitating the networking of local and national actors to initiating efforts for the creation of an international association for the promotion of the social economy at the regional level.

ACTORS INVOLVED

Seoul is the largest regional economy in Korea. It accounts for about 1/5 of Korean population and about 1/4 of national GDP. The city also regroups the largest number of social economy organizations among Korean municipalities. As of 2011, Seoul has 136 certified social enterprises and 411 pre-certification social enterprises, 46 % of which operate social service businesses. The social economy of Seoul is estimated to account for 0.04% of regional GDP and 0.1% of total employment in the region. Seoul's budget for the social economy is equal to that of the central government.

Mr. **Won-Soon Park** was elected as a new mayor of Seoul in 2011 under the slogan "the citizens are the mayor." Mr. Park had been working in the Korean social economy for a long time, and was one of its prominent leaders. Given his in-depth understanding of the realities of the sector, Mr. Park's election led to a paradigm shift for the Seoul social economy.

The **Seoul Social Economy Network** was established in 2012 by individuals and groups of the social economy in order to promote the social economy in Seoul and in South Korea, in particular through networking with various social and economic institutions. Its mission is to bring together non-public actors of the SSE, propose new or modified legislation, boost capacity, and raise public awareness about the SSE. The organization facilitates exchange and cooperation between its members and the National Assembly, local governments and local councils in order to develop the social economy. It is a member of the Korea Social Economy Network, a national network of actors.

In 2013 the Network was commissioned to operate the **Seoul Social Economy Center**, a government control tower mandated with planning and implementing social economy-related policies and activities.

OBJECTIVES

The SMG is implementing a comprehensive policy environment to build a sustainable ecosystem, in contrast to the existing social enterprise development policy that focuses on quantitative growth. It is promoting various policies such as enlargement of public purchase, establishment of a systematic interim support system, local business development to create a regional ecosystem, the discovery of innovative social enterprises addressing social problems, and marketing support for exemplary social enterprises, etc. The city has identified seven strategic sectors to support: collective education, caregiving, health, housing, traditional handicrafts, parents of small children and temporary work.

For 2013-2014, the Seoul Social Economy Center has been mandated with realizing 10 Policy Goals:

A. Building A Foundation for The Social Economy

- 1) Increasing access to public procurement;
- 2) Building the foundation for social finance;
- 3) Fostering social entrepreneurship and human resources in the social economy;
- 4) Creating incubating spaces such as incubating centers or hubs ;
- 5) Building regional infrastructure

B. Incubating and Supporting SE organizations

- 6) Supporting SE organizations based on their needs and types

C. System and Governance

- 7) Creating a SE-targeted support system;
- 8) Establishing cooperative governance

D. Networking and Strategic Collaborations

- 9) Promoting regional/industry networks in the SE;
- 10) Fulfilling strategic collaborations

« Seoul will be a leader in forming an eco-system lead by citizens and supported by the public sector. We plan on creating a new economic paradigm and improving the quality of life of citizens while promoting social values” Hyeok-So GWON, Head of the Economic Promotion Department of the SMG

HOW IT WAS IMPLEMENTED

Since 2010, the Ministry of Employment and Labour transferred the implementation of several policy programs such as the certification of social enterprises and the distribution of subsidies to local governments. As a result, local governments have been more active implementing policy for the social economy.

In 2011 Mr. Won-Soon Park was elected as mayor of Seoul and declared that boosting the social economy was one of the main objectives of SMG policy. Under his leadership the SMG created a comprehensive plan for fostering social economy in Korea, with the help of a team of social economy experts from both civic sector and academia. He also promoted his policy agenda by making a number of notable declarations on Seoul's social economy, including declaring 2012 “the first year of Seoul Social Economy”, declaring Seoul a “Cooperative City”, and declaring Seoul “the City of Sharing Economy”.

The SMG set up a new control tower to take charge of planning and implementing social economy policy programs and commissioned the leading social economy network group to operate it. Given that Korean policy for the social economy has tended to be formulated and implemented in a very “top-down” fashion, the Seoul Social Economy Center, oriented by actors' needs and concerns, is expected to reshape the social economy scene not only in Seoul but also in Korea.

In 2013 the Seoul Social Economy Center convened an international [Global Social Economy Forum](#) that regrouped more than 1000 participants from over 30 countries. The Forum sought to promote and strengthen a political and economic relationship between local governments and civil society organisations across the world and to encourage the establishment of international social economy consultative institutions.

IMPACT

The SMG has made a great deal of efforts to promote social enterprise in Seoul. For example, through its certification system it has certified more than 411 organizations as social enterprise. It has sought to leverage the impact of its 50 billion won purchasing budget by passing a decree allowing municipal organizations to buy preferentially from cooperatives in order to enable their development (though if these enterprises are not conformed to government requirements, the SMG can exclude them from public markets, and even revoke their certification as a social enterprise).

The Haja Center (Seoul Youth Center for Job Experience), an initiative of the SMG and Yonsei University, has created incubators for social enterprise. The business sector has also directly invested in social outcomes through innovative mechanisms such as the social investment fund created by the SMG to support cooperatives and social enterprises which matches private financing.

These efforts have resulted in quantitative growth of Seoul's social economy. The results of the government-led drive for quantitative growth, namely the promotion of the principles of the social economy, are less clear. Thus, some have called for a new focus for government efforts.

Many municipal governments in Korea have followed the lead of strong policy initiatives in Seoul and other cities such as Chungnam. By the end of 2011, more than 100 municipalities had enacted ordinances to foster social economic organizations and social enterprises and set up new teams or converted existing teams to enable social enterprise.

The 2013 Global Social Economy Forum led to the [Seoul Declaration](#). The Seoul Social Economy Center, responsible for its organisation, is now at the helm of global efforts to create a permanent network working to further the objectives of this declaration. For more information see: www.gsef2014.org

AUTHORS—COLLABORATORS—SOURCES

Centre RELIESS www.reliess.org

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RELIESS news item (2012): [Seoul Metropolitan Government Announces A Comprehensive Plan to Support the Social Economy](#)

