Seoul Social Economy

Becoming an Integral Part of Daily Life

Where Citizens Can Feel Its Benefits!

Social Economic Revitalization

PLAN 2.0

I·SEÚL·U
Importance of Social Economy

As a ‘Breakthrough’

Low Growth, Income Inequality, Aging Society...

Characteristics and effect of social economy

Create as much as 29.5 times Social Value Of The Invested

Swiftly-changing Social Economy Ecosystem

Discussions on Three Acts on Social Economy, Increasing Number of Social Ventures...

Need to respond to changes

- The Act On The Social Value
- Social Ventures
- Privately-supporting Institutions
- Basic Act On Social Economy
- Assess, Evaluate & Compensate For Social Value
SMG Established The Master Support Plan In April, 2012

Creating The Ecosystem
By Changing Policy Paradigm.

SEOUL MASTER PLAN
1.0
FOR SOCIAL ECONOMY

- Governance: Framework To Plan And Execute The Private-public Governance
- Support: Establish and operate the Social economy center & Support center for cooperatives
- System: Revitalize cooperatives, Support sales channel, Set up basic ordinance
- Finance: Proactive Involvement in social investment and projects to compensate for social impact
- Sales Channel: Expand the Public Purchase Market
  50 bil in 2012 → 136.9 bil in 2018
- International Cooperation: Set up and promote the Global Platform for promoting social economy (GSEF)
Social Economy in Seoul Has Grown.
For about six years since 2012

- **2012**
  - Hired 10,000
  - Total sales 700 bil
  - Launch Task Force For Social Economy Policy
  - Establish Seoul Social Economy Center
  - Open The Cooperative Support Center

- **2013**
- **2014**
- **2015**
- **2016**
- **2017**
- **2018**

- **2019**
  - Hired 20,000
  - Total sales 1.9 tril
  - Cooperatives 3,284
  - Social Enterprises 620
  - Self-support Company 145
  - Community-based Enterprise 97

- FIVEFOLD GROWTH

- 882 Companies

- **4,505** Social and Economic enterprises 2019 (as of Feb.)

- Set up the comprehensive support system at the autonomous district level
- Establish act on creating the social investment fund
- Announce the declaration on making Seoul a fair trade city

- Host the GSEF general assembly (Seoul)
- Establish international consulting body for social economy

- Efforts to create special zones for social economy

- The very first project to compensate for social impact in Asia

- Start private-public cooperation project to nurture social ventures
Development Goals for Seoul’s Social Economy Corresponding to UN SDGs
For over six years since 2012

Helped communities develop circular economy networks in Seoul.

**Fifteen Shared Social Economy Clusters**

- Built shared offices and workshops. Purchased shared office buildings from Gwangjin Cooperative Social Network. (Used as public assets)

**Resolving Livelihood Issues & Rejuvenating Local Industries**

- Gangdong Urban Agriculture Network
- Seongdong & Geumcheon, professional tailors & dressmakers - Mobile app for young designers

- Established a network of 52 clothing factories
- Manufacturer Networks
- Found & trained designers
- Work Coordination
  - KRW 55,000,000 in 2014, KRW 106,270,000 in 2015

- Built local brands
- Grand prize in a promising designer contest
  - 60 one-on-one consulting sessions a year
### 2012 – 2018

- Provided integrated support & phased support models for a rapidly growing pool of new businesses.
- Budget lowered by thirty percent – Developed indirect support models: Companies have grown fourfold & sales have increased tenfold.
- Laid the groundwork for cooperative economy within the social economy development ecosystem.
- Four common elements in the ecosystem: human resources – market – capital – business systems
- Developed joint systems and local infrastructure to resolve regional issues.
- Established local goals, assisted management of thirteen special social economy zones.
- Promoted assistance policies based on evidence and helped improve civic awareness.
- Oversaw aid projects, assisted on-site research, and continued to support promotional efforts.
- Developed and distributed excellent private-private / private-public governance models in Korea and overseas.
- Oversaw operation of the Seoul Social Economy Policy Council and GSEF.

### Unfinished Tasks (2019 – 2022)

- Expand and support strategic businesses with high civic awareness.
- Create central government policy models (community care, social housing, regional management, etc.).
- Develop shared private assets through the social economy.
- Create civic assets such as mutual assistance programs and shared working spaces.
- Establish infrastructure for sustainable social economy regionalization.
- Build social franchises for village enterprises.
- Enhance management support programs and create multiple citizen participation channels.
- Promote business valuation and management disclosure. Find ethical consumers and investors.
- Vitalize collaborative administration and regionalization.
- Aid specialized local businesses and coordination between administrative bodies.
Need to Transition into Citizen Participation.
From focusing on public support or enterprise

1997~
FINANCIAL SUPPORTS
FROM THE GOVERNMENT

✓ Voluntary and distributed activities focusing on the production community by the poorest
✓ Become the first Asian country to establish laws on nurturing social enterprises and acquire government certification
✓ Provide temporary financial aid to create jobs for the vulnerable
✓ Introduce the notion of social economy

2012~
BUSINESS-CENTERED
✓ Draw up policies by private-public cooperation
✓ Lay the foundation for social economic cooperation
✓ Decentralize the efforts by providing regional support
✓ Develop and distribute support system throughout the business lifecycle
✓ Increase the number of new cooperative

Social economy 2.0
2019~
CITIZEN-CENTERED
✓ Solve everyday issues in terms of social economy
✓ Reinforce private-private, private-public cooperation
✓ Strengthen the foundation with spatial and financial support
✓ Expand sales routes in public and private sectors
✓ Extend international cooperation
# Revitalize the Social Economy of Seoul

## Vision

### Plan 2.0

<table>
<thead>
<tr>
<th>I</th>
<th>Establish The Regional Economy Where Citizens Can Feel Its Benefits</th>
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<tbody>
<tr>
<td></td>
<td>“Co-housing” project for apartment complexes</td>
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<td>Realize the regional caring system of social economy</td>
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<td>Nurture regional businesses based on the resident technology academy</td>
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<table>
<thead>
<tr>
<th>II</th>
<th>Foundation For Self-support of Citizens</th>
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<tbody>
<tr>
<td></td>
<td>Create the basis for self-support of citizens</td>
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<tr>
<td></td>
<td>Revitalize the private-public governance</td>
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<thead>
<tr>
<th>III</th>
<th>Fortify The Foundation For Sustainable Ecosystem</th>
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<tbody>
<tr>
<td></td>
<td>Utilize public asset for social economy</td>
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<td>Identify and nurture innovative companies including social ventures</td>
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<td>Lead social financial market by expanding social investment fund</td>
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<td></td>
<td>Expand compensation projects for social impact</td>
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<td>Establish and run the evaluation system on social value</td>
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<th>IV</th>
<th>Discover New Sales Routes And Raise Awareness</th>
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<tr>
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<td>Expand sales routes in private and public areas</td>
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<td></td>
<td>Encourage public disclosure of social enterprises</td>
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<td>Raise awareness on social economy</td>
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<tr>
<th>V</th>
<th>Nurture Innovative Resources And Reinforce International Cooperation</th>
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<tr>
<td></td>
<td>Foster innovative resources for social economy</td>
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<td>Promote cooperation with related international associations</td>
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</table>
Create The Basis
For Self-support of Citizens

Support establishment of
“SEOUL SOCIAL ECONOMY COOPERATIVE”
(Mutually Aiding Social Financing)

Seoul Social Economy Cooperative

Target
Social Enterprises, Social Ventures, Intermediate Organizations

☑️ Examples Of Product

Organizations
Surety Insurance, Operating Capital...

Individuals
Accident Insurance For Businessman, Rehabilitation Fund For The Employed, Complementary Unemployment Benefit For Employees, Financing For Living Expenses...

ANNUAL TASKS

2019
☑️ Research projects related to establishing cooperative
☑️ Establish and run voluntary cooperative (fund) at the private level

2020
☑️ Establish related ordinances and secure budget in enactment

2021
☑️ Joint investment for cooperative

2022
☑️ Increase the fund effectiveness by raising the cooperative fund
Utilize Public Asset
For Social Economy

Create Industrial Clusters in line with regional characteristics and focal industry

- **Bio, Medical**
  - Hongreung, Changdong, Sanggye
  - Medical Cooperative, Abletech

- **Cultural Contents, IT**
  - Nodeulseom, Namsan, DMC
  - Cultural Industry, IT, Community Design Company

- **Urban Manufacturing**
  - Dongdaemun, Seongsu, Northeast Area
  - Social Enterprises Based On Manufacturing, Logistics, Cooperative

- **Floor Plan & Programs**
  - Low-level Floor: Child Caring, Community
  - Mid-level Floor: Start-up, Training, consulting
  - High-level Floor: Resting Area, Social Housing

Expand space for social enterprise startups in cooperation with urban regeneration projects in Seoul utilizing vacant houses

Allocate some to resident technology academy and social enterprise startups when SMG buys 2,000 vacant houses a year
Lead Social Financial
Market By Expanding Social Investment Fund

Goal of additional investment of 100 bil. By 2022

Expand investment and loan by increasing the social investment fund

- Cooperate with private fund with launch of social value solidarity fund (Jan, 2019)

Results of social investment fund
(6 years) (‘13~’18)

<table>
<thead>
<tr>
<th>Social Enterprise</th>
<th>Loan</th>
<th>Job Creation</th>
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<tbody>
<tr>
<td>426개</td>
<td>84.1 Bil</td>
<td>2,402개</td>
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<td>(Long-term, Low-interest)</td>
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Drive Focal Projects (Social Projects)

Social Housing, Mini Solar Panel

Create and run ‘Impact Investment Association’

- Operate the 1st association in cooperation with private investment institutions (14.5 bil)
- Proceed with the 2nd impact investment association (total of 5 bil)
Promote Cooperation
With Related International Associations

Drastic increase in the number of GSEF members through cooperation at home and abroad

- **2018**
  - 49

- **2022**
  - 200

- **Hold ‘GSEF’ In Mexico City In 2020**
- **Study And Distribute Policies**
- **Strengthen Network With Vice-chair Cities Across Continents**
- **Establish Subsidiary In Korea & Increase The Number Of Staff**
  - Language Area: Spanish, English, French
- **Share Best Practices & Offer Training**
  - By Inviting Overseas Institutions
Seoul’s Social Economy Budget

2014: KRW 10.2 billion
2016: KRW 31.1 billion
2018: KRW 31.8 billion
2019: KRW 47.4 billion
<table>
<thead>
<tr>
<th>Bill</th>
<th>Outline</th>
<th>Proposer</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Seoul Metropolitan City Framework Ordinance on Social Economy</td>
<td>Lay the foundations for subsidizing and providing GSEF human resources to social economic enterprises that are necessary for their self-reliance.</td>
<td>Mayor</td>
<td>Oct. 30, 2015</td>
</tr>
<tr>
<td>Partial Amendment</td>
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<tr>
<td>Seoul Metropolitan City Framework Ordinance on Social Economy</td>
<td>Establish the Social Economic Committee of Seoul Metropolitan Government to deliberate and revise key policies pertinent to social economy development.</td>
<td>Councilor</td>
<td>Apr. 1, 2015</td>
</tr>
<tr>
<td>Partial Amendment</td>
<td></td>
<td></td>
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<tr>
<td>Seoul Metropolitan Government Ordinance on Facilitation of Purchase</td>
<td>Promote the preferential purchase of goods or services to facilitate sustainable growth of social economic enterprises.</td>
<td>Councilor</td>
<td>Mar. 30, 2015</td>
</tr>
<tr>
<td>of Social Economic Enterprise-manufactured Products and Support for</td>
<td></td>
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<tr>
<td>Development of Their Markets Partial Amendment</td>
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<tr>
<td>Seoul Metropolitan Office of Education Ordinance on Facilitation of</td>
<td>Promote the preferential purchase of public goods or services produced by social economic enterprises including social enterprises and social cooperatives.</td>
<td>Councilor</td>
<td>Nov. 10, 2014</td>
</tr>
<tr>
<td>Purchase of Social Economic Enterprise-manufactured Products</td>
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<tr>
<td>Seoul Metropolitan City Framework Ordinance on Social Economy</td>
<td>Offer new training opportunities for potential social economy participants such as students and social entrepreneurs and reinforce civic education and promotion.</td>
<td>Councilor</td>
<td>Sept. 5, 2014</td>
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<tr>
<td>Partial Amendment</td>
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<tr>
<td>Seoul Metropolitan City Framework Ordinance on Social Economy</td>
<td>Lay the legal, institutional foundations for invigorating social economy and establishing sustainable social economy ecosystems.</td>
<td>Councilor</td>
<td>Apr. 15, 2014</td>
</tr>
<tr>
<td>Partial Amendment</td>
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<tr>
<td>Seoul Metropolitan Government Ordinance on Facilitation of Purchase</td>
<td>Lay the institutional foundations that ensure the preferential purchase of public goods or services produced by social economic enterprises including social enterprises and social cooperatives.</td>
<td>Councilor</td>
<td>Feb. 7, 2014</td>
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<tr>
<td>of Social Economic Enterprise-manufactured Products and Support for</td>
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<td>Development of Their Markets</td>
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# Seoul City Cooperative Ordinance

<table>
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<tr>
<td>of Cooperatives Partial Amendment</td>
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<td>of Cooperatives Partial Amendment</td>
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<tr>
<td>Seoul Metropolitan Office of Education Ordinance on Aiding and</td>
<td>Support school cooperatives composed of students, parents, teachers, and education workers to invigorate civic education, student welfare, and the local social economy.</td>
<td>Councilor</td>
<td>Jun. 18, 2015</td>
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<tr>
<td>Fostering School Cooperatives</td>
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<tr>
<td>Seoul Metropolitan City Ordinance on the Establishment and Operation</td>
<td>Provide assistance to the Clothing Cooperative and establish a specialized support center to vitalize clothing enterprises and ultimately renovate Seoul City into a global fashion hub.</td>
<td>Councilor</td>
<td>Jun. 7, 2016</td>
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<tr>
<td>of the Clothing Cooperative Support Center</td>
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<tr>
<td>Event</td>
<td>Host</td>
<td>Date</td>
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<tr>
<td>Public Hearing on the Seoul Metropolitan Government Ordinance on Support for the Promotion of Social Housing</td>
<td>City Planning Management Committee</td>
<td>Nov. 7, 2014</td>
<td></td>
</tr>
<tr>
<td>Public Hearing on the Amendment of the Seoul Metropolitan City Framework Ordinance on Social Economy</td>
<td>Planning &amp; Economy Committee</td>
<td>Dec. 2, 2014</td>
<td></td>
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<tr>
<td>Local Social Economy Development Forum</td>
<td>Planning &amp; Economy Committee</td>
<td>Dec. 12, 2017</td>
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<tr>
<td>Forum on Improving Seoul’s Cooperative Laws</td>
<td>Seoul Cooperative Support Center</td>
<td>Apr. 24, 2019</td>
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</tbody>
</table>
SEOUL
CITIZENS CAN FEEL
The Benefits Of The Social Economy!

Thank you