

# Seoul Social Economy Becoming an Integral Part of Daily Life

Where Citizens Can Feel Its Benefits!

A silhouette of a city skyline is visible at the bottom of the slide, including the N Seoul Tower. In the foreground, there are silhouettes of people: a worker with a cart, a family, and two business people shaking hands.

Social Economic Revitalization

**PLAN 2.0**

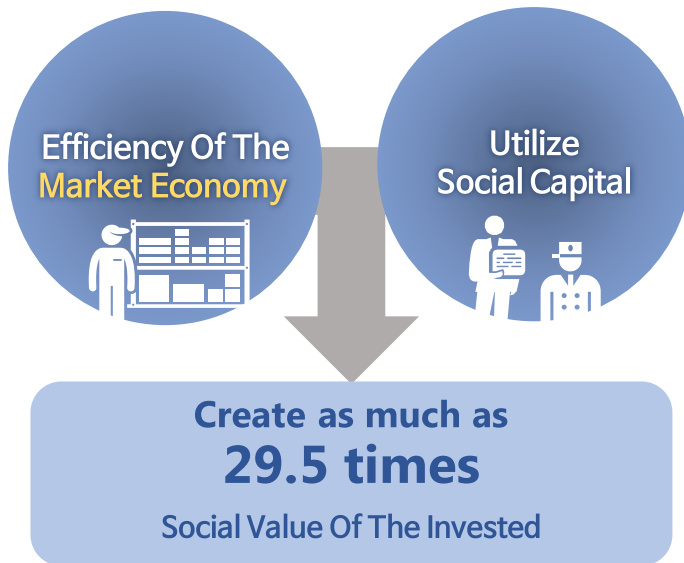
I·SEOUL·U

# Importance of Social Economy

As a 'Breakthrough'

Low Growth, Income Inequality, Aging Society...

## ■ Characteristics and effect of social economy

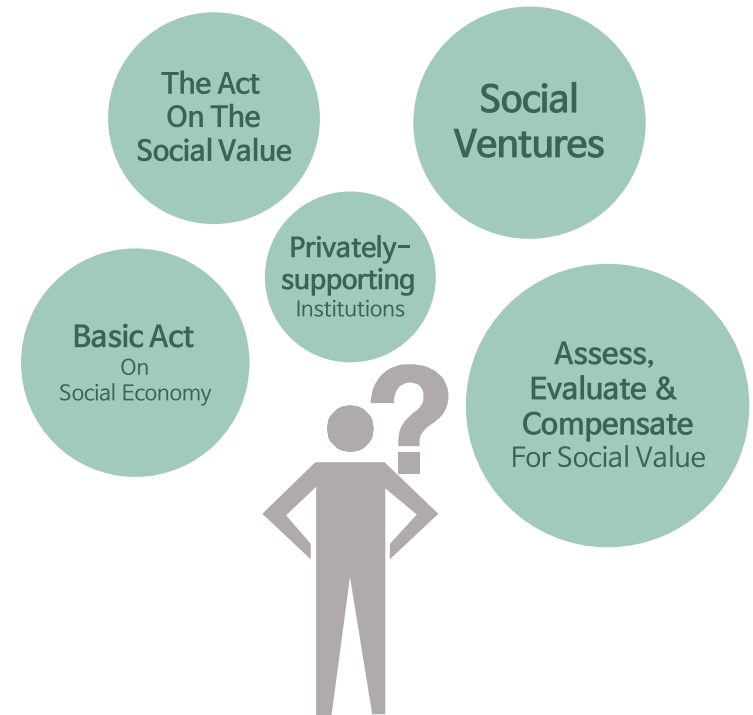


Swiftly-changing

# Social Economy Ecosystem

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

## ■ Need to respond to changes



SMG Established The Master Support Plan In April, 2012

# Creating The Ecosystem By Changing Policy Paradigm.



# Social Economy in Seoul Has Grown.

For about six years since 2012

2012

Hired  
10,000

Total sales  
700 bil

882  
Companies

FIVEFOLD  
GROWTH

4,505  
Social and  
Economic enterprises  
2019 (as of feb.)

2019

2019  
Hired  
20,000

Total sales  
1.9 tril

Cooperatives 3,284  
Social Enterprises 620  
Self-support Company 145  
Community-based Enterprise 97

Launch  
Task Force  
For Social  
Economy Policy

Establish Seoul  
Social Economy  
Center

Open The  
Cooperative  
Support Center

Launch  
Social Economy  
Committee



2012

2013

2014

2015

2016

2017

2018

- 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

## SUSTAINABLE DEVELOPMENT GOALS

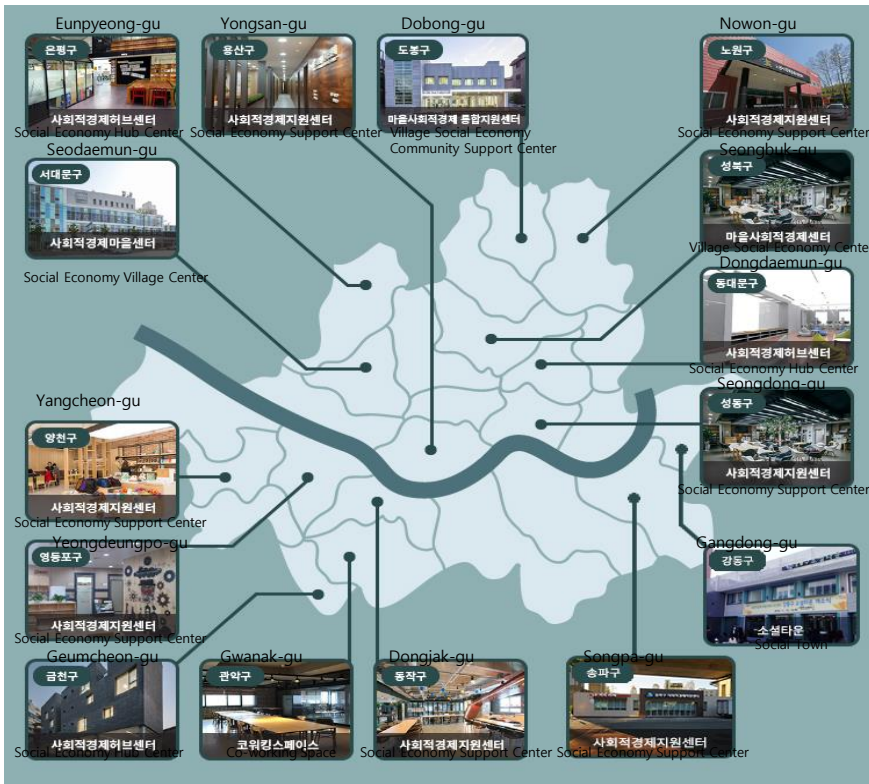


For over six years since 2012

# Helped communities develop circular economy networks in Seoul.

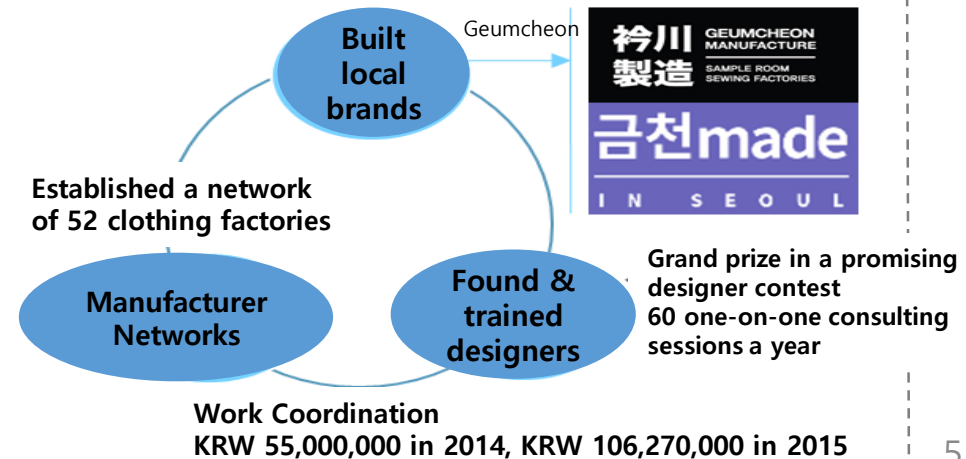
## Seoul. Fifteen Shared Social Economy Clusters

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



# Urban Policy Results & Future Goals

## 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





# REVITALIZE THE SOCIAL ECONOMY OF SEOUL

Social Economic Revitalization

## PLAN 2.0

5 tasks, 15 projects

### I

Establish The Regional Economy Where Citizens Can Feel Its Benefits

- “Co-housing” project for apartment complexes
- Realize the regional caring system of social economy
- Nurture regional businesses based on the resident technology academy

### II

Foundation For Self-support of Citizens

- Create the basis for self-support of citizens
- Revitalize the private-public governance

### III

Fortify The Foundation For Sustainable Ecosystem

- Utilize public asset for social economy
- Identify and nurture innovative companies including social ventures
- Lead social financial market by expanding social investment fund
- Expand compensation projects for social impact
- Establish and run the evaluation system on social value

### IV

Discover New Sales Routes And Raise Awareness

- Expand sales routes in private and public areas
- Encourage public disclosure of social enterprises
- Raise awareness on social economy

### V

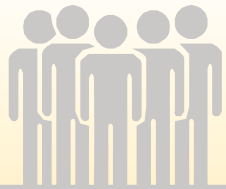
Nurture Innovative Resources And Reinforce International Cooperation

- Foster innovative resources for social economy
- Promote cooperation with related international associations

# 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

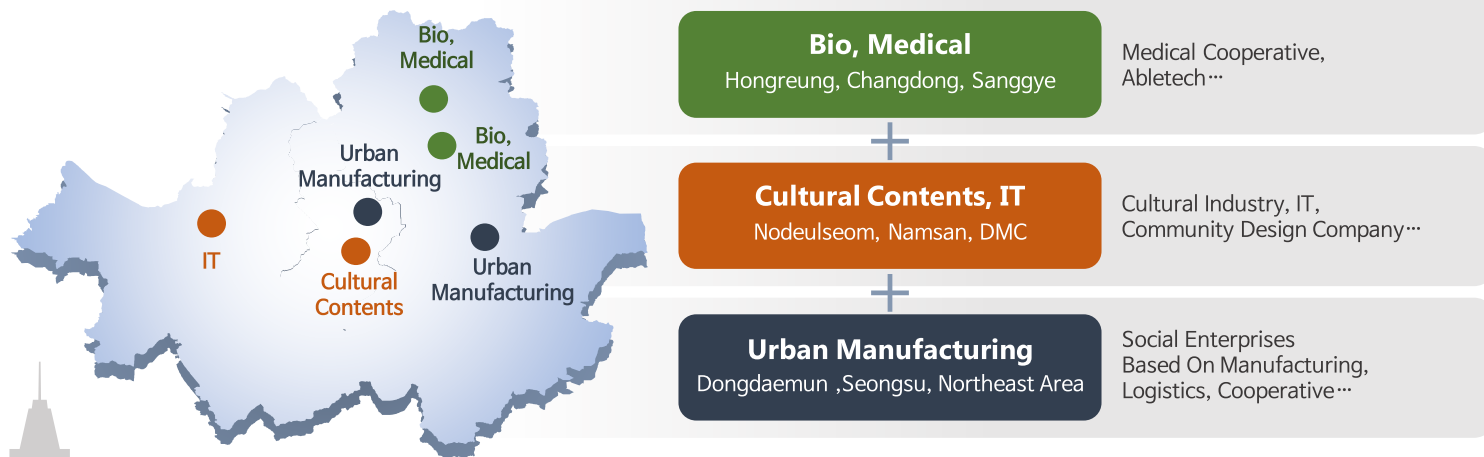
2022

- ✓ **Increase the fund** effectiveness by raising the cooperative fund

# Utilize Public Asset For Social Economy

Strengthen the  
foundation

Create Industrial Clusters in line with regional characteristics and focal industry



Floor Plan & Programs (draft)

**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

Strengthen the foundation

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)

Social Enterprise	Loan	Job Creation
426개	84.1 Bil (Long-term, Low-interest)	2,402개

#### 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

Nurture and reinforce international cooperation

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

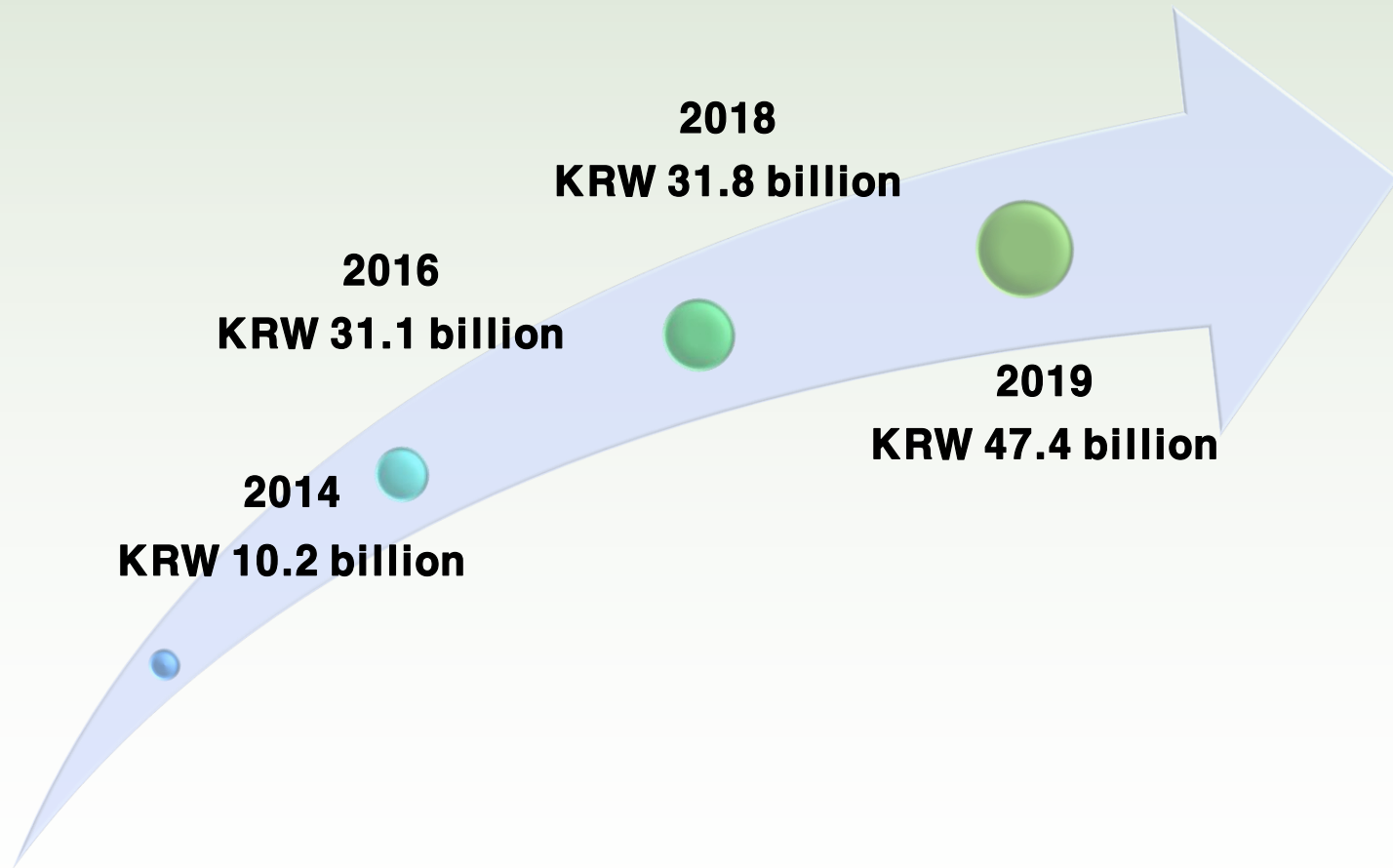
By Inviting Overseas  
Institutions



# Responsibilities of the Seoul Metropolitan Council



# Seoul's Social Economy Budget



# Seoul City Social Economy Ordinance

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



# Seoul City Cooperative Ordinance

Bill	Outline	Proposer	Date
<b>Seoul Metropolitan Government Ordinance on Support for Vitalization of Cooperatives</b>	Promote independent, self-sufficient, and autonomous operation of cooperatives and efficiently facilitate a wide range of community services.	Councilor	Feb. 7, 2013
<b>Seoul Metropolitan Government Ordinance on Support for Vitalization of Cooperatives Partial Amendment</b>	Improve the effectiveness of existing systems promoting Seoul Metropolitan Government and public institutions' preferential purchase of goods and services produced by cooperatives.	Councilor	Feb. 7, 2014
<b>Seoul Metropolitan Office of Education Ordinance on Aiding and Fostering School Cooperatives</b>	Support school cooperatives composed of students, parents, teachers, and education workers to invigorate civic education, student welfare, and the local social economy.	Councilor	Jun. 18, 2015
<b>Seoul Metropolitan City Ordinance on the Establishment and Operation of the Clothing Cooperative Support Center</b>	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.	Councilor	Jun. 7, 2016

# Forums & Public Hearings



Event	Host	Date
Public Hearing on the Seoul Metropolitan Government Ordinance on Support for the Promotion of Social Housing	City Planning Management Committee	Nov. 7, 2014
Public Hearing on the Amendment of the Seoul Metropolitan City Framework Ordinance on Social Economy	Planning & Economy Committee	Dec. 2, 2014
Local Social Economy Development Forum	Planning & Economy Committee	Dec. 12, 2017
Forum on Improving Seoul's Cooperative Laws	Seoul Cooperative Support Center	Apr. 24, 2019

SEOUL  
SOCIAL ECONOMY  
REVITALIZATION

PLAN 2.0

# SEOUL CITIZENS CAN FEEL

The Benefits Of The Social Economy!

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Thank you

