

International  
Labour  
Office



# STATISTICS ON COOPERATIVES

## COUNTRY IN FOCUS: REPUBLIC OF KOREA<sup>1</sup>

This country in focus note is part of the **Statistics on Cooperatives series** produced by the *International Labour Organization (ILO)* and the *Committee for the Promotion and Advancement of Cooperatives (COPAC)* in support of a larger initiative to increase understanding of the ways in which countries around the world are producing and using statistics on cooperatives. Currently reliable and comparable statistics on cooperatives are missing in most countries of the world. These statistics are essential to measuring the impact of cooperatives on members, workers and the economy as a whole.

### Cooperatives in the Republic of Korea

Since 2013, Korea has had two different legal frameworks for cooperatives: the special law regime and the **Framework Act on Cooperatives**<sup>2</sup> under the oversight of the **Ministry of Strategy and Finance (MOSF)**.<sup>3</sup> Until then, Korean cooperatives were recognized only by eight special laws which are closely related to specific economic sectors and enterprise types.<sup>4</sup> Enacted in 2013, the Framework Act on Cooperatives encourages organizing cooperatives in all economic sectors except banking and insurance.<sup>5</sup>

Cooperatives under the Framework Act have experienced impressive development in recent years. Although a baseline on the number of cooperatives prior to the Framework Act does not exist, an increase in the number of registrations were noted after the passing of the Act. As of the end of 2015, there were more than 6,000 cooperatives registered across the country.<sup>6</sup> The more inclusive nature of the law was one possible reason for this growth, along with supportive measures from the national and local government and civil society organizations.

### How are statistics on cooperatives generated in Korea?

**Statistics Korea**,<sup>7</sup> the national statistics office, does not produce statistical data specifically on cooperatives. Data on cooperatives are partially included in the information on specific industries or regions in the national statistical system.

There are two data producers for the cooperative sector. In the special law regime, except consumer cooperatives, each sector has one national federation that serves as the representative body on behalf of local cooperatives and their members. Each national federation produces data for its own sector and has developed statistics on their economic activities. In the Framework Act regime, MOSF is responsible for conducting national surveys on cooperatives biennially. The **Korea Institute for Health and Social Affairs (KIHASA)**<sup>8</sup> conducted the cooperative baseline studies in 2013, 2015 and 2017 on behalf of MOSF.<sup>9</sup>

1 This note was drafted by Young Hyun Kim, Technical Officer on Cooperatives in the ILO. The information for its preparation was extracted from Eum, H. (2017) *Conducting country case studies for advancing global statistical system on cooperatives: Spain, France, Italy, South Korea and Costa Rica*. Geneva: ILO.

2 <http://www.law.go.kr/eng/engLsSc.do?menuId=1&query=cooperative&x=0&y=0#liBgcolor27>

3 <http://english.mosf.go.kr>

4 The economic sectors in question are agriculture, fisheries, forestry, credit unions, community credit, SMEs, tobacco leaf production and consumer.

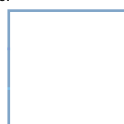
5 The requirements associated with setting up financial institutions, including financial cooperatives, are much stricter than those pertaining to non-financial cooperatives.

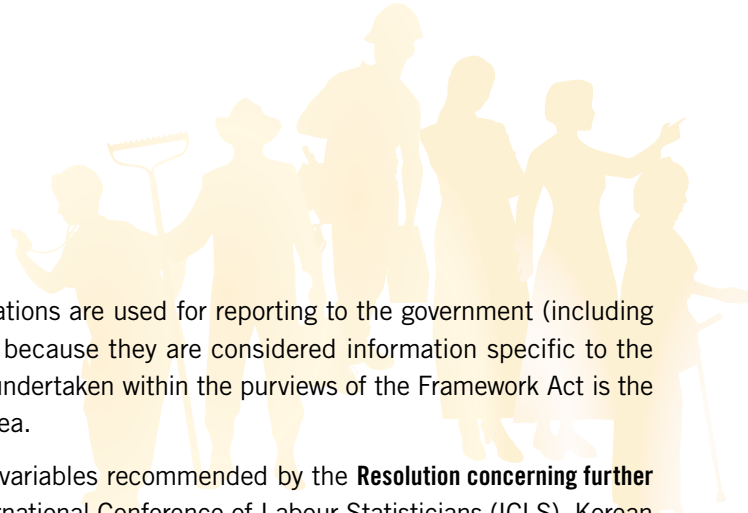
6 Ministry of Strategy and Finance (2015), press release on the cooperative baseline study (31st December, 2015), available in Korean at [www.mosf.go.kr](http://www.mosf.go.kr)

7 <http://kostat.go.kr/portal/eng/index.action>

8 <https://www.kihasa.re.kr/english/main.do>

9 At the time of drafting this country note, the 2017 results were not yet made publically available.





## What statistics are available?

Though some of the statistics produced by the national federations are used for reporting to the government (including Statistics Korea), most of the data are not publicly available because they are considered information specific to the business.<sup>10</sup> At this point the cooperative baseline study that is undertaken within the purviews of the Framework Act is the only comprehensive statistical reference on cooperatives in Korea.

The cooperative baseline study covers information on all core variables recommended by the **Resolution concerning further work on statistics of cooperatives**<sup>11</sup> at the 19th Session of the International Conference of Labour Statisticians (ICLS). Korean Standard Statistical Classification Codes that correspond to International Standard Industry Codes are used in the cooperative baseline study. In the cooperative baseline study information is also available according to type of cooperative (consumer/user, multi-stakeholder, entrepreneur, worker and social cooperative). Information on worker members is differentiated from non-member employees in the case of worker cooperatives and multi-stakeholder cooperatives.

## Reflections on the approach of Korea to cooperative statistics

There are no national-level statistics that show a holistic picture of cooperatives in Korea at the moment. Furthermore, though cooperatives under the special law regime are dominant,<sup>12</sup> statistics of cooperatives under the special laws are not publicly accessible. Though only representative of cooperatives in the Framework Act regime, the recent start of a biennial cooperative baseline study that is recognized by Statistics Korea could be a positive step towards building a national statistical system for the cooperative sector in the near future.

The 19th Session of the **International Conference of Labour Statisticians (ICLS)**<sup>13</sup> in 2013 included cooperatives in the Conference agenda for the first time in its history. The discussion converged towards the need for accurate, reliable, relevant and comparable statistics on the economic and social impact of cooperatives on the economies. A Resolution was passed with a view to carry out further developmental work on the measurement of cooperatives and carry out pilot studies in a number of countries to test various measurement approaches on collecting data on cooperatives.

The initiative on statistics on cooperatives is a collaboration between the ILO, COPAC, the cooperative movement, UN agencies, national statistics offices, government agencies and academic institutions to improve the quality and accessibility of statistical data on cooperatives. The outcome of this work will be guidelines for discussion at the 20th ICLS in October 2018.

COPAC is a multi-stakeholder partnership of global public and private institutions that promotes and advocates for people-centred, self-sustaining cooperative enterprises, guided by the principles of economic, social and environmental sustainable development. The current members of COPAC are the ILO, the UN Department of Economic and Social Affairs, the Food and Agriculture Organization of the United Nations, the International Co-operative Alliance and the World Farmers' Organisation.

To find out more, please visit the **ILO COOP**<sup>14</sup>, **ILO Department of Statistics**<sup>15</sup> or **COPAC** websites<sup>16</sup>.

10 There are a few exceptions. The National Fishery Cooperative Federation and the National Federation of Community Credit Cooperatives produce comprehensive statistical yearbooks.

11 [http://www.ilo.org/global/topics/cooperatives/areas-of-work/WCMS\\_553641/lang-en/index.htm](http://www.ilo.org/global/topics/cooperatives/areas-of-work/WCMS_553641/lang-en/index.htm)

12 According to the estimation by Eum, the economic weight of cooperatives in the special law regime far outweigh that of cooperatives under the Framework Act, e.g. the number of members, turnover, and employment created by cooperatives.

13 <http://www.ilo.org/global/statistics-and-databases/meetings-and-events/international-conference-of-labour-statisticians/19/lang-en/index.htm>

14 [http://www.ilo.org/global/topics/cooperatives/areas-of-work/WCMS\\_550541/lang-en/index.htm](http://www.ilo.org/global/topics/cooperatives/areas-of-work/WCMS_550541/lang-en/index.htm)

15 <http://www.ilo.org/stat/lang-en/index.htm>

16 [www.copac.coop](http://www.copac.coop)

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