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### **THE DYNAMICS OF SOCIAL ENTERPRISES IN SOUTH KOREA: BETWEEN ALTERNATIVE AND STOPGAP**

**Shin-Yang Kim**  
Economie Organisation Société, University of Paris X Nanterre, SOPHIAPOL, France

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## INTRODUCTION

The "raison d'être" of social enterprises and their mode of survival vary according to socio-cultural tradition of each society because they are created to meet specific needs of that society by mobilizing diverse social resources and through interaction between different actors. Therefore, the concept of social enterprises is not a stable one and it tends to evolve while creating a specific social phenomenon in its own environment. Among those who contribute to this movement, the role of civil society actors constitutes a core factor because most initiatives to set up social enterprises are launched by them. In this sense, it is necessary to analyse the social enterprise phenomenon in terms of social entrepreneurship dynamics highlighting the involvement of civil society actors.

From this point of view, the case of South Korea provides an interesting example as the concept of social enterprise has not only changed the way civil society organizations respond to social problems, it also gave a motive to the traditional social economy organizations to cooperate with civil society as well. That is to say, social entrepreneurship proved to be an adequate vehicle for a new generation of social movements in a changed context and it gave a chance to reconstitute the civil society as a third sector. In such a perspective, the recent creation of "Solidarity for social economy" has historical meaning as it is to restore social economy tradition in South Korea interrupted after civil war of fifties. It has been evolved from "social enterprise development network" of associations integrating cooperative sector as a nation-wide unity for a concerted action in front of public and private for profit sectors.

On policy-makers' side, they seem to make use of this new force simply as government agent for implementing policy measures in the field of job creation and social service provision. The law on the "Promotion of social enterprises" adopted in December 2006 driven by ministry of labour without large consensus reflects this reality. Indeed, although this law led to the setting up of a legal framework and related support policies, risks associated to such a government-led initiative are already diagnosed and perceived in many aspects. Firstly, public policies tend to reduce the very nature of social enterprise to instrumental purposes: the Korean government considers social enterprises only as a tool for job creation in the service sector without much public spending. Secondly, and as a result, the performance of social enterprises is measured uni-dimensionally on the basis of their capacity to create jobs for the socially disadvantaged. This, in turn, can raise obstacles to innovation of civil society actors in more extended fields to fully exploit their potentials.

Despite the above-mentioned risks and the lack of resources, the social enterprise movement has achieved remarkable social goals. The networking strategy since the early phase of development and the commitment of leaders' group have contributed to changing the "market geography" and related public policies. Recycling, cleaning, house renovation and maintenance, provision of personal services are core sectors organized at regional and national levels which now constitute alternative entrepreneurial strategies for achieving further social goals.

We can deduce from this situation that social enterprise phenomenon in South Korea can give controversial interpretations. Therefore, it would be more useful to take an empirical approach from different points of view for its better understanding. In the first section, I will examine its process of evolution in terms of institutionalization to show the situation of social enterprises in Korean society. And then I will try to analyse it in more extended context in relation with social

economy sector and their achievements in both social and economic senses. Finally I will conclude this article by questioning a little bit sensitive subjects in speculative way wishing to contribute to wider public debate for the development of social enterprises.

## **1. ORIGIN AND EVOLUTION OF SOCIAL ENTERPRISES IN KOREAN SOCIETY**

The emergence of social enterprises in Korean society is closely linked to the financial crisis of 1997 which required wide mobilization of efforts to not only reinforce social security net in the middle and long term but also to relieve the lives of about ten millions of poor populations in the short term<sup>1</sup> (Table 1). The role of civil society organizations (CSOs) was all the more important since the public assistance was far from being efficient to cover new poor class. From that time on, CSOs have played an active role in the field of welfare services, which had been out of their major concerns and in the field of job creation with social purpose. Even though Korea was not a highly industrialized country like EU member countries having known high level of unemployment rate since 1970's after "Trente Glorieuses", most of the studies on employment outlook predicted that Korean society would enter into the stage of economic growth without employment in a globalised economy context. That is why CSOs started to involve themselves in developing new employment opportunities for the excluded and for the potential victims of the growth. But their action was not confined to such a practical approach. They aspired to introduce a new way of thinking and doing economy by changing market and this, through empowerment of the socially disadvantaged.

### **1.1. The process of institutionalization of social enterprises**

As I have already mentioned, the way social enterprises emerge and settle down depends on each society's specific socio-cultural background. That is to say, the interaction between related policy measures and the way CSOs respond to with their own strategy would be key factor in understanding social enterprise phenomenon. In this sense, it would be useful to review the process of institutionalization of social enterprises in order to analyse this phenomenon.

*1<sup>st</sup> step (1998 ~ 1999): Experimentation of job creation of third sector type*

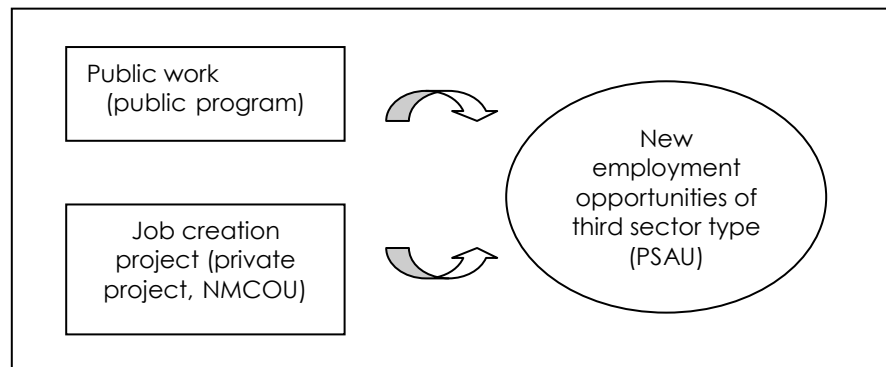
This period is characterized by diverse initiatives of CSOs to explore the opportunities of job creation with social aim. The key actors were one hundred of local structures organized as "One-stop service center for the unemployed (OSCU)", a kind of assembly established by different local associations. Even though each member organisation's political orientation was different, they agreed to develop new employment opportunities for the socially disadvantaged with a view to promoting the third sector. This approach gave reason to cooperate among different organizations traditionally divided into two blocs: one is considered as politically radical movement (poor people movement in urban areas, trade unions of daily-employed workers, etc) and the other is less politically engaged but more oriented to citizens' movement (YMCA, economic justice movement, etc) or feminist groups.

The OSCUs, financially supported by "National movement committee for overcoming unemployment (NMCOU)" established to collect funds to help the unemployed households, used public work program implemented as a temporary allowance for the low-income unemployed to

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<sup>1</sup> In 1998, 65% of poor population was living below poverty line out of social protection system. And the unemployment rate increased rapidly. In the early 1999, it rose to 8.4% (1.7 millions). Simultaneously, the rate of absolute poverty increased very rapidly to 11.5% (Source: National Statistical Office, "Statistical Report on Economically active population, Employment, Unemployment rate", 1997~2000).

develop the "seams of employment". Five main projects were carried out at national level which gained positive echo from the beneficiaries of services (care service for the elderly, house repairing and maintenance, cleaning services in elementary schools), or from the media and the ecology movement (recycling wasted foods and computers). The OSCUs decided to establish a unified organization (People's solidarity against unemployment, PSAU) to carry on more organized actions at national level and claimed to guarantee continuously public work for the participants for two reasons: one is to get a stable institutional ground for the development of new employment projects and the other is to introduce a kind of unemployment benefit as a form of permanent public work. At the same time, the OSCUs succeeded in persuading NMCOU to finance more experimental projects that couldn't be accepted by public program.



## *2<sup>nd</sup> step (2000 ~ Mid 2003): Emergence of social enterprises*

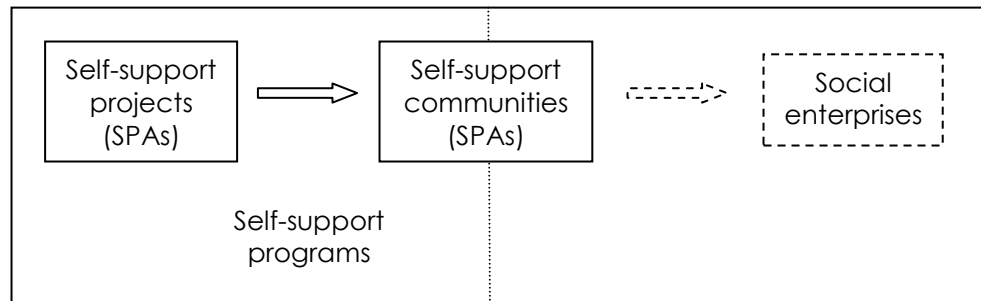
With the adoption of "National Basic Livelihood Security Act (NBLSA)" in late 1999 that introduces "Self-support policy"<sup>2</sup> main job creation projects implemented under public work program were integrated in "Self-support programs" of ministry of health and welfare. The institutionalization of social employment creation projects within the framework of work integration policy modified significantly CSOs' action. Firstly, CSOs had to be certified as "Self-support promotion agency (SPA)" to get public support at the price of institutional isomorphism. Secondly, the objective of new employment creation projects was divided into two orientations: one is for market and the other is for collective interest. This distinction had no plausible explanation both in terms of the purpose of the activities and of their possibility to survive in the market. It was a mere excuse to encourage market-oriented activities and discredit the initiatives with social mission because the performance of the projects was evaluated mainly in terms of profits from trade in the market.

Nonetheless, the institutionalization of work integration support projects proved to have contributed to both extending and structuring job creation projects within SPAs. By end of 2002, 173 SPAs incubated 202 "Self-support communities"<sup>3</sup> and were incubating 476 projects with 4215 participants (KASPA, 2005). Besides, five main projects evolved from public work and promoted as standard sectors by the authority concerned got to be organized at national level

<sup>2</sup> It is a kind of basic income guarantee system for those who are estimated to have work ability – even if not employable in the regular labour market – on condition that the latter participate in self-help programs in line with "Productive welfare policy" of KIM DaeJung government. Initially, the self-support programs are conceived without linking to self-support benefit allowing free participation of those who want to have supplementary income.

<sup>3</sup> A kind of work integration social enterprises created by the participants of self-support programs supported by SPAs whose principles are similar to those of workers' cooperative.

mutualizing human and material resources. This is the result of the commitment of leading groups issue from SPAs who had aspired to create alternative enterprises. Later, this trend evolved toward social enterprise creation movement.



### *3<sup>rd</sup> step (mid 2003 ~ 2006): Social employment<sup>4</sup> creation scheme*

Despite concerted efforts between public authorities and private non for profit organizations, self-support programs implemented only for a limited population of public assistance did not seem to be sufficient to relieve a wide range of poor population out of social protection system<sup>5</sup>. In fact, most of the participants of public work could not participate in self-support programs due to unrealistic criteria of selection. Moreover, the unemployment rate and poverty rate maintained at higher level compared to those before financial crisis. It seemed that, facing this situation, the Korean government was not willing to take a full responsibility of that problem in the long term in line with its principle of "productive welfare". Its choice was to have recourse to temporary measure. Therefore, the government decided to implement "Social employment creation scheme (SECS)" which was not very different from public work program in work conditions (daily employed, minimum wage, fixed term, etc).

However, it was not worked out simply to guarantee livelihoods of jobless population. Its objectives were very close to those of self-support programs - starting business or finding job in the regular labor market at the end of contract - with another ambitious purpose to develop new employment in service sector. Obviously, such a change from government side means that CSOs' pioneering initiatives had a certain impact on policy makers and led them to take into account CSOs' importance as economic actors.

Even if the social employment creation scheme had many problems, no one can deny that it provided an important motive to mobilize diverse social resources. From that time on, not only CSOs' of social and welfare sectors, but also old and new associations of environment, feminist movement, and human rights joined massively job creation movement combining their own cause and social purpose. On the for-profit organisations' part, the SECS seemed to be an adequate field for corporate social responsibility (CSR) allowing them to promote their corporate images. Some conglomerates such as SK and Hanhwa showed innovative practices in partnership with CSOs, which entailed a certain progress in public policy measures.

<sup>4</sup> This term has nearly the same meaning as employment of third sector type even if there is not generally accepted definition. My own hypothesis is that it is a transitional expression from employment in the third sector and social enterprise in European sense.

<sup>5</sup> The law on National Basic livelihood Security covers only 3% (about 1.54 millions) of total population where as the poverty rate at the end of 1999 was of 8,1%.

*Table 1 - Organisation category and its number of social employment creation projects*

Category	SPAs	Welfare	Senior	Senior clubs	Women	Citizen
Number (%)	258(26.6)	139(14.3)	211(21.8)	30(3.1)	70(7.2)	43(4.4)
Category	Employment	Disabled	Local authorities	Government	Diverse	Total
Number (%)	35(3.6)	42(4.3)	80(8.2)	7(0.7)	55(5.7)	970(100)

*Source: Jahwal trend, 2006, vol 2, Social enterprise development agency, p. 8.*

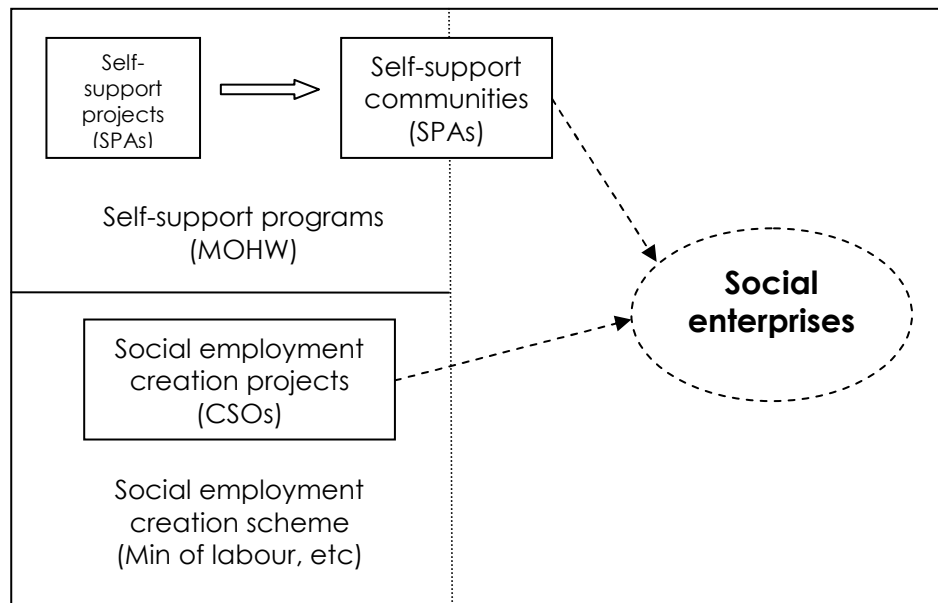
As I have already mentioned, there is not a remarkable difference between self-support projects and SECS or other job creation programs for the disadvantaged except the category of target groups. All these initiatives could be grouped as social employment creation initiatives in a large sense and most of them aimed to start business, i.e. social enterprise.

*Table 2 - Origin of resources & associated project amount for social employment creation projects*

Origin	Self-support program (MOHW)	Senior job creation support program (MOHW)	Social employment creation scheme (MOL)	Local authorities Job creation program	Private enterprises CSR	Total
Number(%)	1088(51.4)	481(22.7)	360(17)	103(4.9)	70(3.3)	2115(100)

*Source: Jahwal trend, 2006, vol 2, Social enterprise development agency, p. 8.*

The term "social employment" became a panacea for all the problems of poverty, unemployment or shortcoming of social services hiding its political amalgam: Is it anti-poverty policy or new employment development policy? ; Who is responsible for the result of the projects, government or CSOs, otherwise, the participants themselves? Leaving so many questions behind, the Korean government found a solution in social enterprise.



*4<sup>th</sup> step (End of 2006 ~ 2009): Institutionalization of social enterprises vs social economy network*

If the preceding periods are more or less oriented by CSOs' initiatives contributing to changing public policies in social affairs and employment in spite of strong public supervision, the recent trend seems to be quite the reverse. The turning point was the adoption of law on the "Promotion of social enterprises" in December 2006, driven by ministry of labor. What happened?

First of all, CSO's actors didn't take a unified position on passing a bill on social enterprises even if no one denied the necessity of adequate legal frame for the commercial activities with social purpose. The question was the timing. The CSOs' actors grouped in 2005 for a concerted action launched "Civil society's solidarity for the development of social enterprises (CSSE)" found it too early to enact a law on social enterprises before having sufficient experiences. Moreover, the government was pushing it ahead without carrying out researches on actual conditions of social enterprises or collecting opinions of stakeholders, especially that of the social enterprise group. Such an attitude not only aroused skepticism about the motive of enactment but also raised worries over the future of social enterprises to CSSE and to social enterprises themselves<sup>6</sup>.

For the government's part, social enterprises appeared to be the most adequate tool for job creation in social service sector allowing it to avoid much public expense. In addition, the public authorities needed reliable providers at least cost to extend the supply of social services. And finally, the government had to take a measure against critical opinions on the social employment creation scheme from both left and right wings<sup>7</sup>. The CSOs' skepticism was not enough to tackle the government's will and the bill was passed without difficulties.

<sup>6</sup> Especially for a reason that the law limits the use of the term "social enterprise" to those who are certified because the law is on social enterprises in general.

<sup>7</sup> The market-oriented liberals criticized for excessive public intervention without remarkable result and the traditional left organizations for the effect of worsening employment security by extending low-income labour market. These criticisms are partly justifiable but not entirely because the government has not studied its overall



From that time on, the destiny of the social enterprises has been oriented by public regulations and the mission of creating and increasing social enterprises became the government's policy objective in order to demonstrate the law's effectiveness. Moreover, the certification system of social enterprises by public authorities and the clause of law limiting the use of the term "social enterprise" to those certified gave a strong control power to the government while CSOs' felt obliged to obtain certification to be acknowledged as a social enterprise. Strictly speaking, we can't say that the certification system itself has caused such an effect. But when the civil society isn't organized, individual social enterprise can't be equal to public force. Asymmetry of power between government and civil society entails institutional isomorphism of social enterprises leading the latter to adapt themselves to the requirements of the government.

Recent networking of CSOs under the name of "Solidarity for social economy" witnesses the necessity to increase their influence under more extended perspective by integrating traditional social economy organizations. However, there is not an effective entity representing all the trends of social enterprises, nor an autonomous structure of certified ones. Meanwhile, government's drive gets stronger for more economic performance at the price of social purposes.

## **2. LIMITS AND ACHIEVEMENTS**

"Social enterprise boom" in Korean society might be interpreted either as a positive phenomenon which contributes to reexamining the purpose of economic activities, or as a negative one because it can be instrumentalized by government to justify state's withdrawal in welfare services. At the same time, increasing CSOs' participation in public programs such as SECS or Voucher system for social services are raising critical opinions or apprehension for it can possibly increase dependence on public sector and then they might become a mere tool of public action in the end.

However, the analysis on social enterprises only in terms of institutionalisation could not explain their dynamics. Apart from their relation with public sector, social enterprises are evolving in the social economy dynamics sometimes by challenging it to restore its initial spirit, sometimes by seeking for synergy effect in cooperation with traditional social economy organizations. In this part, we will examine social enterprises' situation in Korean society in terms of their interaction with social economy sector and then show why we can suggest that they contribute to renew it.

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effect. According to a study on the C/B analysis of job project in care service for the elderly and the handicapped, providing care service within the framework of self-support program has more cost effectiveness than providing cash benefit(Jung et al, 2005). Regarding critics of left side, we can't help deplore their lack of reality and imagination. In fact, work conditions of social employment projects are better than those of ordinary labour market – especially in service sector – because many jobs in service sector remain informal sector and as a result, regulations on work conditions are not applied. For example, the carers' work time for the elderly or the handicapped is twelve or twenty-four hours a day and the basic income system is not applied to them. In this sense, we could think that the SECS provides a good grounds to claim the reform of the regulations for the improvement of work conditions in service sector.

## **2.1. Social economy's situation surrounding social enterprises**

### *Relatively poor ground for the development of social enterprises*

The first generation of social enterprises in Korea consists of relatively young organizations without sufficient resources: community movement in urban areas, organizations fighting against unemployment and job insecurity, community centers for the poor, etc. The situation of the second generation – YMCA, environment movement, feminist groups - is a little bit better than that of the first but there isn't much room for social enterprises because this mission is not "the only" but "one of them" in each organisation.

The distance between traditional social economy organizations and CSOs is one of the reasons explaining the lack of social resources to mobilize. Contrary to European countries in which social enterprises get much support from existing social economy network in different ways – subcontracting or transfer of know-how from big cooperatives and mutual societies, financial support from social banking, human and material support from foundations, etc – Korean social enterprises have few support structures and don't have any relationship with big producer's cooperatives (See below table). Although consumers' cooperatives joined recently the "Solidarity for social economy" network, their contribution to the latter is not enough to make an effective cooperation between associations and cooperatives.

Concerning financial accessibility, as we can see at Table 3, there are only two financial support structures in the network and only a few foundations support social enterprise creation initiatives accompanied subsidies. That is why the degree of CSOs and social enterprises' dependence on public policies is relatively high for their survival and development.

Table 3 - Presentation of social economy network

Category	Members(affiliated organization number)	Function
Association	Korea Association of Self-Sufficiency Promotion Center(242) People's Solidarity Against Unemployment(36) Korean Women Workers Association(10) Social Enterprise Support Jeonbuk Network(78) National YWCA(Young Women's Christian Association) of Korea(56) Korea Association of Community Senior Club(59) Korea Women's Resource Development Center United(51) National council of YMCAs of Korea(64) The Council of Sharing House(8) Korean Women's Association United(28)	Job creation with social goals & creation of social enterprises
	Social Enterprise Support Center Chun-cheon Job Creation and Employment Forum Korea Microcredit Joyfulunion Social Enterprise Promotion Association Social solidarity bank(observer)	Support & promotion
Foundation	Korea Foundation for Social Investment	
Economic organisation	Korea Association of Social Economy Enterprise(41) Korea Health Cooperative Federation(11)* Dure Consumers' Co-operative Union(12)* Hansalim Consumers' Cooperative(19)* Korea Consumers' Co-operative Federation(3)*	Networking & promotion
Research institute	iCOOP Consumers' cooperative Research Institute* Hanyang University The Third Sector Institute Research Institute of the Differently Abled Person's Rights in Korea Research Center for Social Enterprise of SungKongHoe University Center for the Web of Life Korea Center for City and Environment Research	Related research & training

#### *Dispersed social economy organizations*

The second characteristic of social economy in Korean society which influences on the development of social enterprises is its division by sector as we can often see in the Third world or in the ex-colonial countries. Institutionalized agricultural cooperatives are big and powerful at everywhere thanks to government support after Korean War and they are not seemed to be concerned about cooperative principle. Credit unions are in sharp decline and wavering between two strategies, one is to become private for profit enterprises and the other is to restore initial

spirit of social economy. Consumers' cooperatives are younger than the former but more faithful to cooperative principles. But they are relatively small based on high and middle classes with a certain proportion of progressists. Workers' cooperatives are nearly inexistent with less than ten members. In fact, the division results from less sectoral difference than the difference of political consciousness. Therefore, the cooperatives don't have either cooperation entity as a unified sector or legal status covering all the sectors. As for mutual societies, the situation is worse than cooperative sector. Each professional association has its own legal frame without concerning about the promotion of the whole sector as a part of social economy.

*Table 4 - Social economy organizations' scale in South Korea<sup>8</sup>*

	Type	Number
Cooperative	Agriculture	1,326
	Fishing	96
	Forestry	144
	SMB	179
	Community credit	1,646
	Credit union	1,070
	Consumer	176(95) <sup>9</sup>
	Worker	9
Association		25,000

Source: EUM HyungSik (2005), *Social enterprises of South Korea*, p. 10.  
KIM HyeWon, JANG WonBong(2009), *Social economy of South Korea*, p. 18.

Beside above mentioned identity problem, the majority of social economy organizations is not democratically controlled by members and not even politically independent except consumers' cooperatives. In conclusion, the situation that government driven cooperative movement and its sectoral egoism in traditional social economy sector seems to increase the need for an alternative form enabling to keep social purpose where as social enterprise movement is not mature enough to keep its autonomy and independence with regard to public authorities apart from traditional social economy organisations.

## 2.2. Contributions

Despite the above-mentioned risks and the lack of resources, the social enterprise movement has achieved remarkable social goals. The networking strategy since the early phase of development and the commitment of leaders' group have contributed to changing the "market geography" and related public policies. Recycling, cleaning, house renovation and maintenance, provision of personal services are core sectors organized at regional and national levels which now constitute alternative entrepreneurial strategies for achieving further social goals.

<sup>8</sup> The statistics of mutual societies and foundations is not available.

<sup>9</sup> 176 is the number of affiliated members to different federations and 95 is that of authorized ones.

For example, free care service initiative for the elderly and handicapped of low-income householders led to establish "The act of the long-term care security for the elderly" in 2007.

Free house repairing and maintenance service for the poor properties contributed to introducing housing benefit in kind assured in a great part by self-support communities which provided up-graded services by mobilizing significant resources of for-profit enterprises. Moreover, the network of housing social enterprises influenced on housing associations fighting for the housing right and their concerted action led government to adopt the concept "Housing welfare" and to improve housing policy: increasing the provision of the social housing, improvement of service quality for the latter, participation of social enterprises and housing associations in service provision, etc. Social enterprises in care and housing services sectors are leading groups having improved public services.

Cleaning service social enterprises have developed new employment of great scale in social and sanitary field of public education institutions. By providing free cleaning services in elementary schools with SECS, they raised the hygienic problems - especially WC - of the latter due to bad maintenance in cooperation with teachers' trade-unions. Then they succeeded in persuading schools to introduce regular maintenance system by contracting with social enterprises. This initiative was welcome by students' parents and led ministry of national education to allot fixed budget for the small-sized public schools which could not afford to pay services.

In market sphere, recycling social enterprises are the most successful against all odds. They developed "niche market" in computer recycling at first and then in small-sized electric and electronic products recycling where market was not formed due to insufficient profitability, which, in a great part, caused by absence of public regulations. Despite lack of resources to afford equipments and large sites they overcame their weakness by networking strategy, fundamental condition for constituting complete recycling system. This strong point gave them favorable position at negotiation table with big companies well-equipped with recycling system. Through developing new employments for the disadvantaged they played a crucial role in raising awareness of environmental issues buried longtime in the name of economic growth with support of environment associations.

These achievements could not have been realized without leader groups' commitment scarifying their private life in spite of skeptic reaction on their plans. Even if they are less competent and lack of professional experiences compared to private companies, they have succeeded in entering market and are competing with the latter.

In addition, social enterprises built a bridge linking them with CSOs with a view to increasing influence in the process of policy decision-making. And such a new entrepreneurship combining social purpose with economic purpose shifting from public sector to market or vice versa and attracted not only many civil society actors making them reexamine their way of realizing social goals but also more institutionalized social economy organizations making them open to civil society and cooperate with the latter. More and more social economy organizations are getting alerted by social enterprise initiatives and searching for the ways to join them.

## **CONCLUSION**

It's still too early to state a final judgement on social enterprises' performance in Korean society because their history is too short to go through all the stages necessary to become mature. They have passed fluctuating times in a short period without having sufficient time to reflect on themselves in order to move on. Like Korean economy, social enterprises might have known

"compacted growth" at the price of losing autonomy and independence. But in spite of apparent progress in scale, inner situation of each organization doesn't seem to be so good. Still many of them suffer from precarious financial structure and market instability from one side and from identity crisis between two great sectors of state and market accelerated by premature institutionalization from the other.

Instead of finishing this article with some conclusion, I would like to suggest a few topics wishing to contribute to examining the perspective of social enterprises.

*a. To whom belong to social enterprises? i.e. Who has the legitimate property right of the concept?*

Contrary to the traditional social economy organizations, social enterprises are established by different stakeholders by mobilizing social resources. And even after this stage they are often running by hybrid resources from public sector (subsidies), market (sales of goods and services) and civil society (donation or volunteer). That's why social enterprises are often multi-stakeholder ownership as we can see in many countries.

Besides, institutionalization of social enterprises means that they are under regulation of public authorities. Even if the latter doesn't have direct control power, it has legitimate power to influence on them as we have already witnessed before because social enterprises are politically embedded entities.

From this point of view we can conclude that social enterprises are social beings that CSOs' can't claim their property right even though they took initiatives for the establishment of social enterprises. The point is rather to whom belong initiatives making social enterprises maintain their initial objective. And economic viability is not a condition sine qua non for guaranteeing it. If CSOs don't remind of this reality, their efforts could come to nothing.

*b. Is the concept "social enterprise" sufficient by itself to explain CSOs' dynamics?*

Social enterprise is not just a kind of company type different from those of public and private sectors. It has neither specific forms nor defined principles but exists as a trend subject to environment surrounding it. But as the Korean case shows, the concept is often accepted in a limited sense as a simple type of company whose *raison d'être* is to serve social purpose. I don't have intention to underestimate its potentials nor to discredit its value but I think it necessary to complete the concept by introducing "social entrepreneurship", a term which is clearer than the former to explain social enterprises' cause covering wider social economy organisations. And it would be simple to explain CSOs' dynamics by social entrepreneurship because the term "social enterprise" means both a specific structure and a different way of doing economy, which needs complicated process to understand the relation between social enterprises and CSOs'.

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