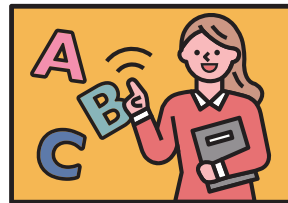
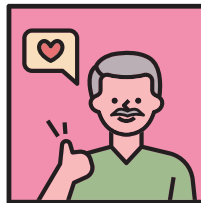
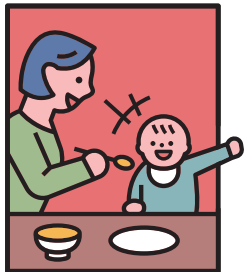
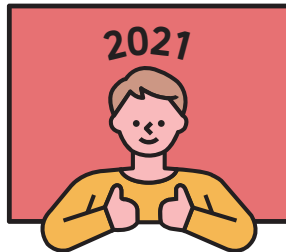
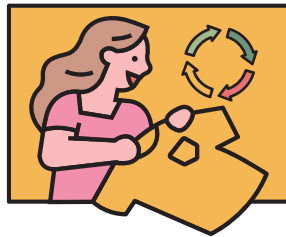




The Reassuring Partner of the Social Economy



Korea Social Enterprise Promotion Agency



2020 Annual Report

**The Reassuring Partner of the Social Economy,
Korea Social Enterprise Promotion Agency
2021**

On our side, the social economy.

The social economy is a people-centered economy that makes better lives and a warm today through changes and innovations.

2020 사회적기업의 날 사회적기업 육성유공 포상전수식

7.1.(수) 14:00 / 커뮤니티하우스 마실

BuySocial

바이소셜 (Buy Social) 캠페인

당신의 구매는 세상을 바꿉니다!
당신의 구매는 사회가 됩니다!
편의로 찬양할 수 있는 양면(雙面)의 가치를 지닌 소비입니다.
당신의 소비가 세상을 바꿉니다! (기부, 후원, 후원금, 후원금)

BUY SOCIAL

Buy for People "사랑을 후원합니다!"
Buy for Life "아이의 성장을 후원합니다!"
Buy for Local "지역 경제를 후원합니다!"
Buy for Earth "환경을 후원합니다!"

TOTAL :

오류를 위한 소지

LAUNCHING DATE : 2019.07.01

Better Tomorrow

내일을 산다, 바이소셜

사회적기업

Social

On the side of the social economy— Korea Social Enterprise Promotion Agency.

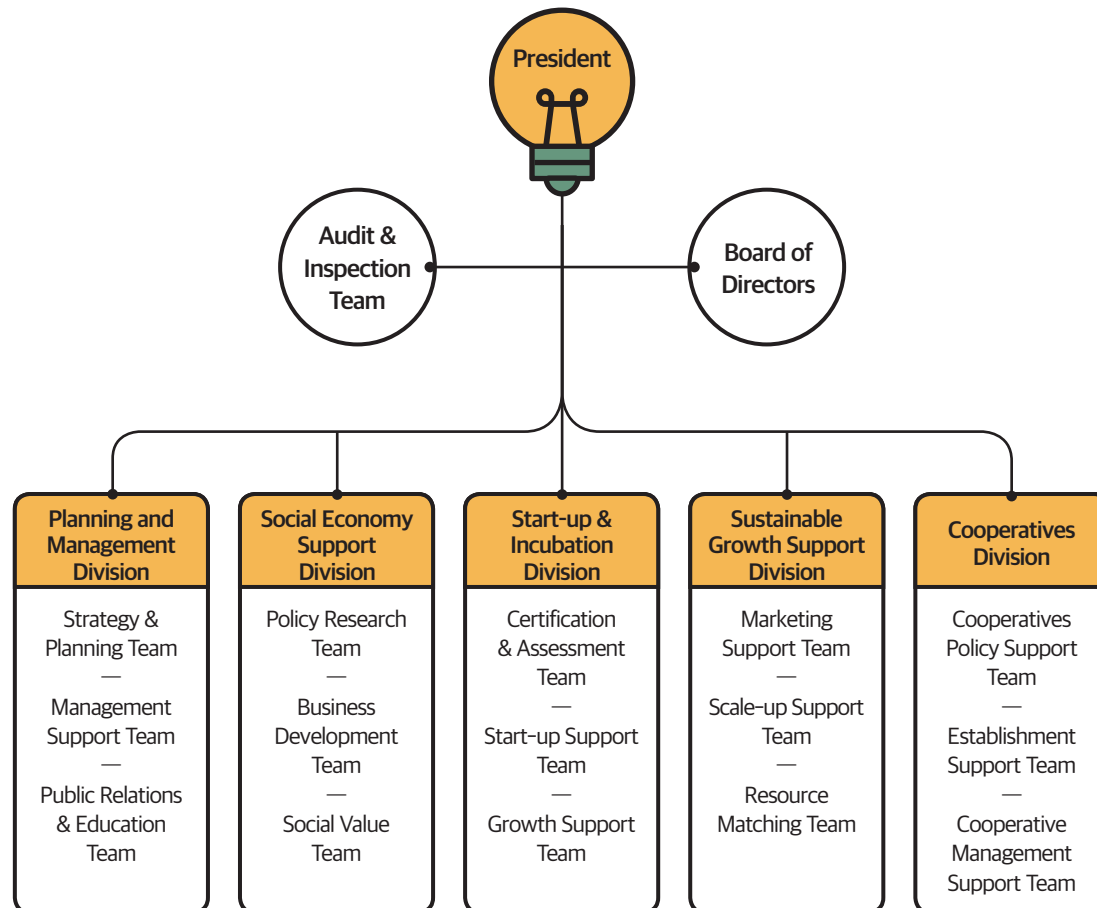
Korea Social Enterprise Promotion Agency
intends to become a reassuring partner so that the social
economy can deliver a bigger hope to our society.

A warm companion of the social economy enterprises, the engine of the inclusive growth

Korea Social Enterprise Promotion Agency is a public organization that is affiliated to the Ministry of Employment and Labor, which was established in December 2010 based on Article 20 of the Social Enterprise Promotion Act.

By helping to enable the social economy enterprises to grow stably and creating a healthy social economy ecosystem, we create a society with great hope with the social economy.

ORGANIZATION



VISION & MISSION

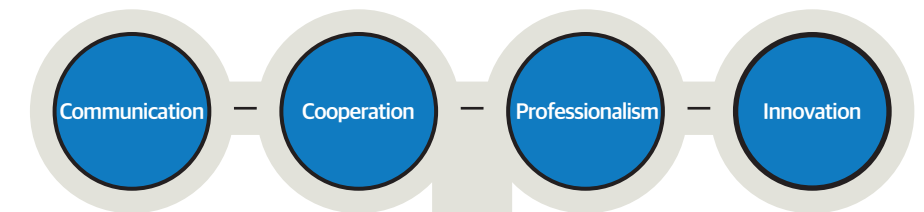
Mission

Promoting social integration and improving quality of life by fostering the social economy

Vision

A specialized agency providing a comprehensive range of support to foster social economy ecosystems

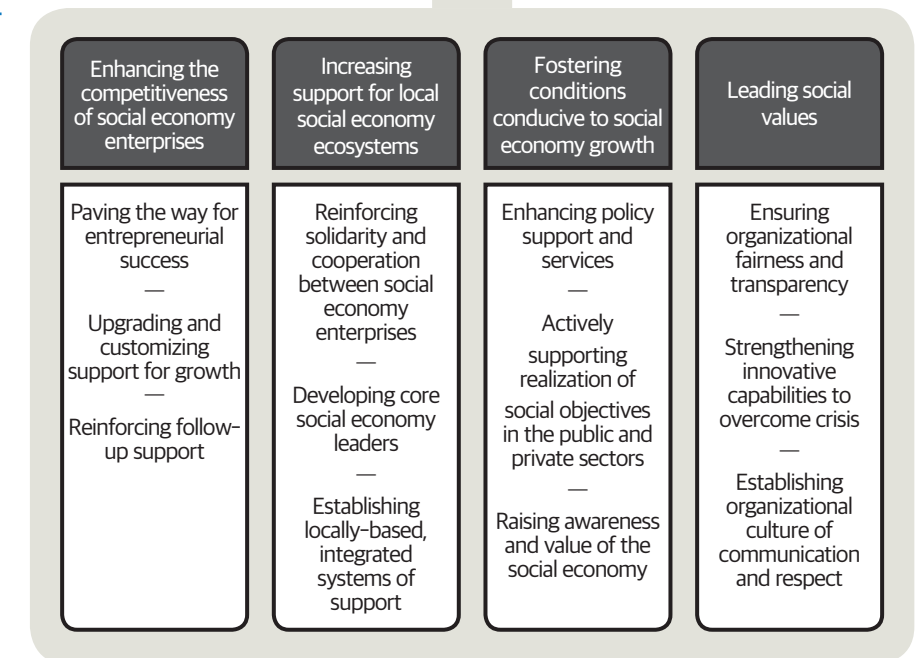
Core values



The medium-to-long term management goals



The strategic aims and tasks



Social economy that makes a sustainable tomorrow.

'Social economy' refers to all economic activities carried out by social economy enterprises based on mutually beneficial cooperation and social solidarity to realize public and social values such as resolving polarization and creating jobs. It is a people-centered economy that goes beyond competition and profit to realize a way of life for all: win-win and sharing.

To speak easily, the economic activity of pursuing the social value!
The 'fair trade' that the profits of the trade should be shared fairly.
The enterprise fulfills the 'social responsibility'. And the consumers engage in the 'good consumption'. Everything, including the cheering of the enterprise, is the social economy.



Autonomy and Democracy

Social integration

Solidarity and Cooperation

Competition and Supplementation

CHECKLIST

How much do you now about social economy?

<input type="checkbox"/> Seoul Milk Cooperative	Producer's Cooperative for Dairy Farmers
<input type="checkbox"/> Credit unions	Financial institutions with assets of 100 trillion won for the financially challenged and the poor
<input type="checkbox"/> Consumer cooperatives	Stores for rational consumers looking for healthy food such as Hansalim, icoop, Dure Co-op, and Happy Co -op
<input type="checkbox"/> Beautiful Store	A social enterprise that embeds reuse and donation into our culture
<input type="checkbox"/> Big Issue	A social enterprise started in the UK to help the homeless become self-reliant by giving them the right to sell magazines.
<input type="checkbox"/> FC Barcelona	A cooperative of 200,000 football fans
<input type="checkbox"/> Sunkist	A fresh juice brand made by 60,000 members of the orange farmhouse
<input type="checkbox"/> Associated Press	America's largest news agency that helps members of 1,500 newspapers effectively jointly report.

Social enterprise

A for-profit enterprise that considers solving social problems and engages in economic activities for the purpose of creating social values in line with the public interest.

Lovely Paper Co.

Certified as a social enterprise in 2020.

It is a social enterprise whose mission is to improve the working environment and the social awareness of the elderly who collect the waste paper. It purchases the waste paper from the elderly at a higher price than the market price. And it manufactures the artist's canvas by the waste paper and sells. The artist's canvases that had been produced get recreated as the works of art by containing the talent donations of the artists in the region. A part of the profits of the sales is supported for the better lives of the elderly.

Cooperative

A business entity in which the members voluntarily gather for the common goal, own together, and manage democratically.

The Gangwon Barns Social Cooperative
Certified as a social enterprise in the year 2020.

It is a social cooperative that supports the marketing of the products that had been produced by the social economy enterprises in Gangwon-do. It operates Gangwon Barns, which is an online shopping mall, and the permanent shops (17 places). Through the education about the online shopping mall and the marketing support for the social economy enterprises, it helps the revitalization of the local social economy ecosystem.

Community business

A community based enterprise that are established and run by local residents, who mobilize local resources to sustain for-profit projects necessary to solve community problems and promote community interests through income and job creation.

The Jinaeul Farming Association Corporation in Yeonggwang-gun, Jeonnam

The highest excellent community business selected by the Ministry of Interior and Safety in the year 2020.

It is a community business that was established in the year 2014 by 9 residents of the Juksin Town, when the sales channels of barley became blocked after the barley purchase system of the government was abolished from the year 2012. By producing, directly contracting and purchasing the barley, which is the representative crop of Yeonggwang and by developing and selling the products, it has been contributing to the stable farmhouse income of the region.

Self-sufficiency Enterprise

An enterprise in which recipients of basic living and low-income residents are self-supporting to get out of poverty in the form of producer cooperatives or joint businesses.

Gangwon residential welfare social cooperative

Excellent self-sufficiency enterprise selected by the Ministry of Health and Welfare in the year 2020.

It is a self-sufficiency enterprise that had improved the poor residential environment of the residentially vulnerable group and that had endeavored for strengthening the residential right in our society. Not only does it provide the high-quality residential service, but it also improves the environment of the local children's center, restores for the residents who were damaged by fire, and fixes the farm village houses through talent donations.

Social Venture

An enterprise that creates the social value through an innovative business model.

Ringer

Grand Prize in the global category at the Social Venture Competition in 2020.

It is a social venture that provides the mobile medical counseling 24 hours a day to the Koreans abroad who have low access to the medical services. It provides medical counseling by employing the medical experts with career breaks. Later on, it intends to expand the user customized health contents, the opportunities for the medical counseling for those who are in the medical blind spots in Korea.



10-14

01

Support for startups
of social economy
enterprises

- 1

Invigoration of business startup

Social Venture Competition
Social Entrepreneurship Promotion Program
Support for the startup of cooperatives
- 2

Support for growth of early-stage social economy enterprises

Social Enterprise Growth Support Center:
Social Campus On
- 3

Training of the people of talent

Social Entrepreneurship Academy
Training support for the cooperatives
- 4

Support for certification and authorization

Support for certification of social enterprises
Support for authorization of establishment of social cooperatives and federation

15-19

02

Support for growth
of social economy
enterprise

- 1

Marketing support for entry into public and private markets

Operation of e-store 36.5 and joint stores
Fostering public procurement
- 2

Management consulting support

Basic & management consulting
- 3

Support for resource matching

The public and private resource matching
Pro Bono and SE Pro
Social financing
- 4

Building a network for cooperation

Support for building a network of social economy

20-22

03

Support for creation
of a social economy
ecosystem

- 1

Raising awareness

Raising awareness of social economy
Support for voluntary public disclosure of management performance of social enterprises
International cooperation
- 2

Support for policy research and development

Support for social economy policy research and development
Discovering models of social economy
Support for realization of social value

01

Support for startups of social economy enterprises

- 1
Invigoration of business startup
- 2
Support for growth of early-stage social economy enterprises
- 3
Training of the people of talent
- 4
Support for certification and authorization



1 Invigoration of business startup

01 Support for startups of social economy enterprises

* All business performance data are as of the end of December 2020.

Social Venture Competition

A social venture is an enterprise model that simultaneously creates the social value and the economic profit through an innovative business for solving the social problems. In order to increase the public interest and understanding of the social venture and to discover the innovative business models, KoSEA has been holding the Social Venture Competition from 2009. As for the enterprises that had grown through the Social Venture Competition, there are 'God of Study' (2009), 'Cizion' (2010), 'Life Chair' (2018), 'Today's Behavior' (2019), etc.

• **980 teams** participated.

• **35 teams** won the prizes.

Support for the startup of cooperatives

KoSEA provides the customized business startup support program by the phase of the business startup of the cooperatives. And, through the support for the business cost that is needed in establishing a corporation, KoSEA supports the establishment of substantial cooperatives. Furthermore, KoSEA has discovered areas specialized in cooperative start-ups that are easy to link with the government policy and are highly interested by the field, providing practical support to the teams that prepare for the business startups.

• **100 teams** were supported to start a cooperative.

• **462 jobs** were created.

Social Entrepreneurship Promotion Program

By discovering the startup teams that has the creative ideas for solving the social problems and by supporting the whole process of the social enterprise business startup, including business startup fund (up to million won, the average of around 30 million won), mentoring, space, etc., the social entrepreneurs who lead the social changes are incubated.

It has settled down as a gateway for the representative social economy enterprises domestically, including 119REO, AGIO, TESTWORKS, etc. And, through the continuous business innovations, including the incubation of 5,169 startup teams in the past 10 years, KoSEA endeavors to discover the even more diverse social enterprise models.

• **910 teams** participated in the program

• **97.5%** of the teams started their business.

• **51.3%** of the teams became (preliminary) social enterprises.



2 Support for growth of early-stage social economy enterprises

01 Support for startups of social economy enterprises

Social Enterprise Growth Support Center : Social Campus On

KoSEA manages Social Enterprise Growth Support Centers (Social Campus On) at 13 places nationwide to enable the early-stage social enterprises to organize a diverse social economy ecosystem.

Social Campus On provides a base for the early-stage social enterprises to grow stably by providing working spaces, training, mentoring and networking. Also, by running various education programs about social economy, it plays a role as the base for revitalizing the local social economy.

- **13** Growth Support Centers nationwide.
- **643** tenant enterprises
- **144** tenant enterprises became (preliminary) social enterprises



3 Training of the people of talent

01 Support for startups of social economy enterprises

Social Entrepreneurship Academy

For spreading of the awareness of the social economy and for fostering of the core people of talent, KoSEA runs education for each target person.

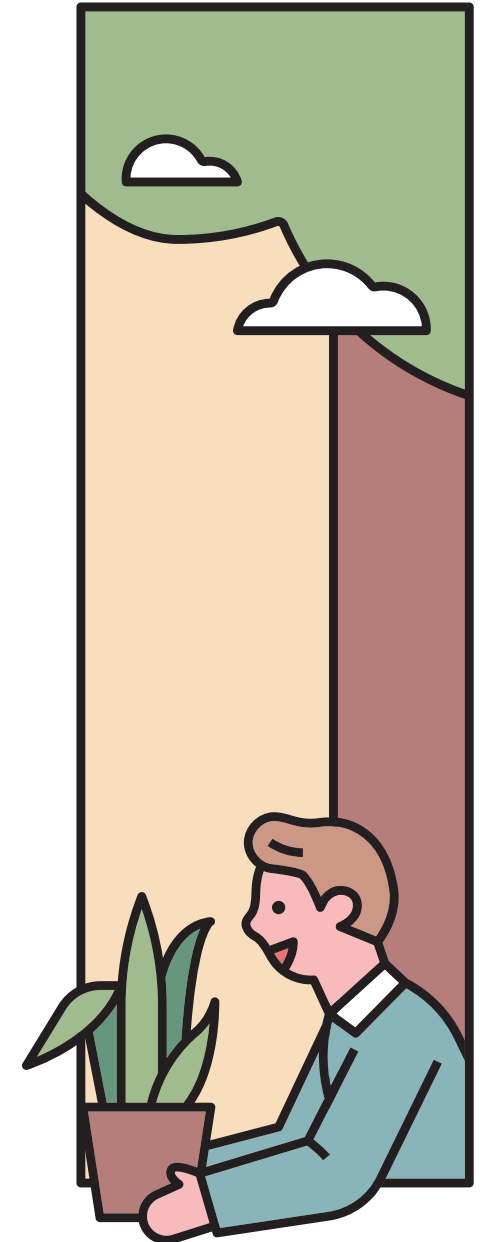
In order to enable the youths, who are the main players of the future society, to understand the social economy, the experiential education has been carried out. And the business startup introduction program is provided to the business startup hopefuls. KoSEA also runs a social economy leading university projects to provide the customized academy for strengthening the capabilities of the workers in the social economy enterprises and for the training of the leaders.

- **317 people** completed the Introductory Social Entrepreneurship Program
- **962 people** completed the Customized-type Academy
- **4** Social Economy-Leading Universities
- **339 people** completed the Youth Camp (2019)

Training support for the cooperatives

KoSEA operates education for each target so that the members in the cooperative ecosystem can grow with expertise. We support the capacity development through personalized education in which cooperation members design their own necessary education.

The customized education to increase understanding and awareness of the duty of the public officials in charge of the cooperative is provided. And the workers in the intermediary support organization are trained as the consultants who specialize in the cooperative. Also, by developing and distributing the diverse educational contents, including standard educational teaching materials, cyber education, etc. optimized for cooperative, we are meeting the educational needs of local field.



4 Support for certification and authorization

01 Support for startups of social economy enterprises

Support for certification of social enterprises

KoSEA supports the fair and professional certification process by counseling, receipt and examination of the application for social enterprise certification and site inspection.

KoSEA holds workshops for improvement of management capability and building a network of the newly certified social enterprises. Follow-up support including reissuance of the certificate and receipt of reports on the amendment to articles of incorporation, etc. is also provided.

- The number of certified social enterprises(cumulative)
3,294

- Total sales of social enterprises (2019)
4,817 billion won

- **49,063 jobs** were created by social enterprises (2019)

Support for authorization of establishment of social cooperatives and federation

KoSEA supports the fair and professional authorization process by examination of the application for authorization for establishment of social cooperatives and site inspection.

KoSEA also provides education, counseling and consulting for establishment the prepared social cooperatives.

- The number of social cooperatives and the federations(cumulative)

2,586 (Based on December 2020)



02

Support for growth of social economy enterprise

1

Marketing support for entry into public and private markets

2

Management consulting support

3

Support for resource matching

4

Building a network for cooperation



1 Marketing support for entry into public and private markets.

02 Support for growth of the social economy enterprise

Operation of e-store 36.5 and joint stores

To support marketing of social economy enterprises, a total of 88 joint stores of social economy enterprises(Store 36.5) have been managed nationwide. Also, the integrated online marketing platform(e-store36.5) provides a comprehensive supports such as the online mall and information about public procurement and marketing support for social economy enterprises.

- The number of enterprises selling products in the joint stores (cumulative) **450**
- The sales amount from the joint stores (cumulative) **34,323 million won**
- The number of enterprises selling on e-store 36.5 (cumulative) **1,503**
- The sales amount from e-store 36.5(cumulative) **3,103 million won**

Fostering public procurement

KoSEA supports social enterprises and social cooperatives to secure stable sales networks by encouraging public institutions to purchase more than a certain percentage of goods and services produced by social enterprises and social cooperatives among the preferential purchase items of public institutions. Also, KoSEA provides education and events for social economy enterprises to enter the public markets.

- Total amount of social enterprise products purchased by public institutions (2020) **1.6225 trillion won**
- Total amount of social cooperative products purchased by public institutions (2020) **265.6 billion won**



2 Management consulting support

02 Support for growth of the social economy enterprise

Basic and management consulting

A local, basic, on-site management supporting service is provided to (preliminary) social enterprises to solve regular management problems and strengthen the management capabilities by utilizing local experts. KoSEA supports two types of consulting: Standard consulting is to provide standardized consulting by selecting topics and consulting institutions by KoSEA to solve basic issues of social enterprises and strengthen competitiveness. Autonomous consulting allows social enterprises to select topics and consulting institutions to solve the pending issues of management, technology, etc.

- **3,097** enterprises received basic consulting (cumulative)
- **1,191** enterprises received management consulting (cumulative)

3 Support for resource matching

02 Support for growth of the social economy enterprise

The public and private resource matching

KoSEA effectively matches diverse resources of public and private corporations with social economy enterprises in need to help the latter grow and enhance their capabilities.

KoSEA aims to create a foundation for revitalizing cooperation between social economy enterprises and private and public corporations, match resources, support commercialization, and spread the best practices.

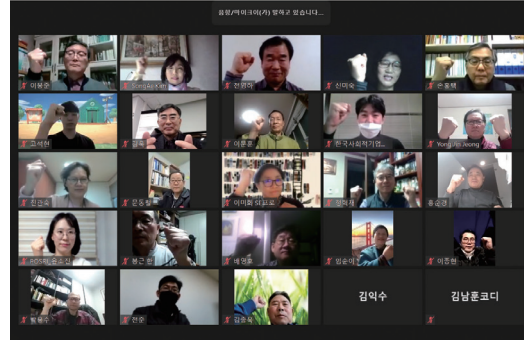
- The number cooperating corporations **43**
- The number cooperating programs **80**
- The amount of fund raising **24,040 million won**



Pro Bono and SE Pro

KoSEA supports strengthening of competitiveness of social economy enterprises by utilizing the rich experience and expertise of pro bono composed mainly of incumbents and retirement experts from private companies and financial institutions. The management advisory services such as management, accounting, law, etc. through professional volunteer service is provided to social economy enterprises that lack human and material resources.

- The number of participants as Pro Bono and SE Pro **203**
- The number of beneficiary social economy enterprises **384**



Social financing

KoSEA supports crowdfunding, establishment of social finance networks, and IR(Investor Relations) to solve the most difficult financing problems for social economy enterprises. We are striving to facilitate social finance as a means of scaling up social economy enterprises.

- The number of investors participated in crowd funding **4,410**
- The amount of the investment inducement. **2,203 million won**

4 Building a network for cooperation

02 Support for growth of the social economy enterprise

Support for building a network of social economy

KoSEA fosters and develops networks of cooperation by region, industry and field to strengthen the market competitiveness of social economy enterprises and foster conducive ecosystems. Local governments and civic groups jointly operate a public-private consultative body that supports social enterprises by matching the resources of local community. KoSEA supports the implementation of joint projects of social economy enterprises by industry, and supports the establishment of networks so that expertise in various specialized fields such as religion and IT can be intensively supported to social enterprises.

- The number of nationwide networks **16**
- The number of industry-wide networks **12**
- The number of professional, specialized networks **12**



03

Support for creation of a social economy ecosystem

1
Raising awareness

2
Support for policy research and development



1 Raising awareness

03 Support for creation of a social economy ecosystem

Raising awareness of social economy

KoSEA aims to spread meaningful achievements and values of the social economy in various contents, thereby raising positive awareness of the social economy and expanding consensus.

In addition, we encourage more people to participate in creating a sustainable and better tomorrow along with the social economy through the Buy Social Campaign, a campaign to realize social values in our daily lives.

KoSEA spreads social values through online channels such as SNS as well as offline events to commemorate the Social Enterprise Day on July 1.

- The level of awareness of/sympathy for the social economy **39.1% / 35%**
- The number participations in the Buy Social Campaign event and contests **47,124 cases**
- The number of subscribers to the SNS of KoSEA(cumulative) **69,403 people**

Support for voluntary public disclosure of management performance of social enterprises

In order to spread the consensus on fostering social enterprises and make a transparent, social enterprise ecosystem, by widely publicizing the economic and social performances of the social enterprises, KoSEA supports the voluntary public disclosure of management performance of social enterprises.

To this end, we promote the voluntary public disclosure system, recruit participating enterprises, and support the preparation of disclosure materials through consulting support, etc.

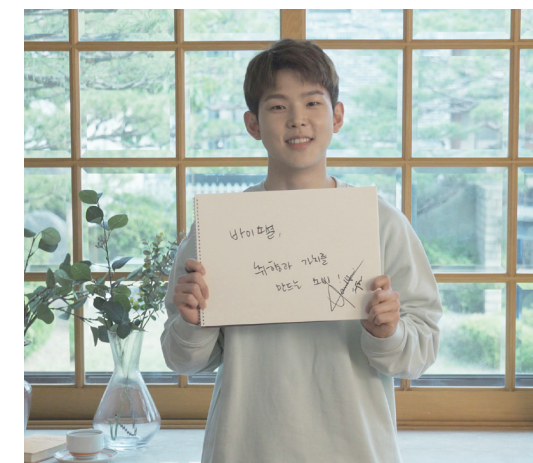
To the participating enterprises, an incentive is granted either the additional points are given to the various supporting programs or considering them as the priority targets.

- The number of enterprises participated in the voluntary public disclosure (cumulative) **3,474**

International cooperation

KoSEA holds Social Economy Leaders Forum every year to create a venue for various exchanges among the global social economy leaders forum for active discussions for the development of the social economy. KoSEA provides overseas best practices and policy learning opportunities for domestic social entrepreneurs and policy makers to help the social economy become richer and more active.

In addition, we are forming a global cooperative relationship by sharing international trends by spreading our social economy policies and best practices through cooperation projects with international organizations and regular exchanges.



2 Support for policy research and development

03 Support for creation of a social economy ecosystem

Support for social economy policy research and development

In order to foster social economy, KoSEA supports the development of the social economy policy of a government department.

KoSEA plays a role of a bridge between the policy and the filed so that the voices of the filed are reflected in the policy, through the policy forums, the government officials' workshop, and the distribution of policy guides to the social economy enterprises.

In addition, through the investigation and the research of the policy and the related academic network, KoSEA supports the elevation of the policy.

Discovering models of social economy

KoSEA discovers and fosters the social economy model that conforms to the policy goal and supports the commercialization of the strategic models by the type of business and by the targets that can be linked to the social economy.

KoSEA monitors various ministries' policy projects for revitalization of social economy to find a connection point between policy and social economy, and present a social economy model through research on related data, collecting expert opinions, and communication with stakeholders.

- The number of developed business models that link social economy and policy **5**



Support for realization of social value

In addition to the support for the legislation and the policy that are related to the social value, through the collection and the systematization of the policy information domestically and overseas, KoSEA creates a foundation for realizing social values in the public and private sectors.

Also, it contributes to the realization and the spreading of the social value in the public sector through discovering good case examples, development of the contents, and the holding of the events.

Together with these, KoSEA supports the realization of the social value in the public sector by understanding the demand of public institutions and building a cooperation system with them.



[TIP] The list of supporting programs for social enterprises in the year 2021!

Classification	Program	Description
Support for discovering and commercialization of the ideas	University Social Startup Club Support Program	<ul style="list-style-type: none">• Recruiting 20 university startup clubs organized with 3 or more persons (Separately including 1 member of the Advisory Committee)• Providing grants for the activity expense worth 1.5 million won and mentoring.
	Social Venture Contest	<ul style="list-style-type: none">• Proceeding in the order of the regional competition, the capability enhancement program, and the national contest.• Prize money of a total of 200 million won, the Prime Minister's Award, the Minister of Employment and Labor Award, the award by the President of Korea Social Enterprise Promotion Agency, etc., linkage to Social Entrepreneurship Promotion Program
	Social Entrepreneurship Promotion Program	<ul style="list-style-type: none">• Preliminary Business Startup Team (A separate track newly established in 2021), the Initial Business Startup Team, the 2nd Year Support Team, and the Re-challenge Business Startup Team.• Providing working space, business startup fund, mentoring, education, networking, resource matching, growth support, etc.
	Social Enterprise Growth Support Centers (Social Campus On)	<ul style="list-style-type: none">• Startup Teams participating Social Entrepreneurship Promotion Program and early-stage social economy enterprises• Providing working space, regular counseling, training, resource matching, support for collaboration etc.
Support for (preliminary) social enterprise	Support for job creation	<ul style="list-style-type: none">• Support for a part of the personnel expense required in a new employment. (A part of the personnel expense on the level of the minimum wage and a part of the 4 major social insurance premiums)
	Support for professional manpower	<ul style="list-style-type: none">• Support for personnel expense when employing the professional manpower.• Support for 2 persons per certified social enterprise (Except, 3 persons for an enterprise with 50 or more paid workers), 1 person per preliminary social enterprise
	Support for business development expenses	<ul style="list-style-type: none">• Support for business expenses for improvement of the management capability, including R&D, marketing, branding, etc. (Up to 100 million won a year for a certified social enterprise, up to 50 million won a year for a preliminary social enterprise. From the year 2018, the target group of the support had been expanded to the entire social economy enterprises)
	Support for social insurance premium	<ul style="list-style-type: none">• Support for a part of the 4 major social insurance premiums for 4 years.• <u>Only for certified social enterprises</u>
	Management consulting	<ul style="list-style-type: none">• Support for technological support and consulting cost from professional consulting organizations
	Tax benefit	<ul style="list-style-type: none">• Reduction or exemption of income tax, corporate tax, acquisition tax, registration license tax, and property tax.• <u>Only for certified social enterprises</u>
	Preferential purchase from public institutions	<ul style="list-style-type: none">• Providing a protected market to social enterprises by purchasing products/services of social enterprises by public institutions• <u>Only for certified social enterprises</u>
	Marketing support	<ul style="list-style-type: none">• Support for assessment and improvement of product• Support for entering on-offline channels of distribution such as home shopping, department stores, expositions, Store 36.5, etc.• Establishment and spreading of marketing supporting infrastructure through integrated marketing support platform (e-store 36.5)
	Financial support	<ul style="list-style-type: none">• Microfinance, SME policy fund, credit guarantee specialized for social enterprise, etc.
	Resource matching	<ul style="list-style-type: none">• Creation of a base that links the public and the private, excavations of the participating corporations etc.
Others	Financing support	<ul style="list-style-type: none">• Support or loan for site purchasing cost, facilities cost, etc.
	Support for education and network	<ul style="list-style-type: none">• Providing quality education for capacity building of workers of social economy enterprises and expansion of the base of social economy
	Pro Bono	<ul style="list-style-type: none">• Providing management advices by the experts in the diverse fields
	Support for evaluation of social value index(SVI's)	<ul style="list-style-type: none">• Support for matching with private and public resources based on the grade of social value index (SVI)

Source: A Guide to Social Enterprise 2020

2020 Annual Report

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Published

May, 2021

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