

****THE 11th GLOBAL ISSUES COLLOQUIUM****

Institute for International Trade and Cooperation would like to invite you to our tenth faculty colloquium.

Monday, September 23th, 2013
5:00pm-6:30pm (Dinner will be provided)
#1001 Seminar Room, International Education Building

**“Current Social Enterprise Issues
& Policies in Korea”**



Presenter: Prof. Jae Gu KIM

(President of the Korea Social Enterprise Promotion Agency)

Jae Gu, Kim is the President of the Korea Social Enterprise Promotion Agency. He was granted all his degrees, from a bachelor's to a doctorate, in Business Administration at Seoul National University. After that, he built his research career at the Korea Labor Institute and Stanford University. He is a professor of Business Administration at Myongji University before he became the President of the KoSEA for ten years.

His research focuses on organizational theory, human resource management, strategic management, social enterprise, government reinvention, and automotive industry. His academic zeal toward these topics contributed to his admission to several professional organizations; he was a member of the Social Enterprise Policy Coordination Task Force, Korean Presidential Office and an editor of the Korean Academy of Management. Specifically, He was a former Chairman of the Korean Academy of Automotive Industry Research and the Korea Productivity Association.

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Abstract

There are important regional differences in what social enterprise means, and how it is developed. However, since it is a relatively new phenomenon in Asia, numerous studies tried to analyze it in the same perspective applied on social enterprises in Europe or the U.S. This study aims at reviewing social enterprises in Korea in the light of Korean history, traditions, and current social/economic life of the region.

Similarly with other West countries, the concept of social enterprise originated in social movement at the first from the beginning of 1990s. Then, even though Korea is still one of OECD countries which allocate small budget on social welfare, it has tried to install various policies dealing with social problems including poverty, unemployment, and social exclusion after the economic crisis in 1997. The productive welfare policies enacted at that time, such as self-sufficiency program and public work schemes, led to the establishment of the Social Enterprise Promotion Law in 2007.

The Law defines social enterprise restrictively as a company which does business activities of producing and selling products and services while pursuing such social purposes as providing vulnerable social groups with social services or jobs to improve the quality of life of the local residents. Not only the narrow definition but also the certification system in Korea may result in the small number of social enterprises compared to other countries. During five years after the implantation of the Social Enterprise Promotion Act, it has increased rapidly and steadily; 801 enterprises have certified as social enterprises and 1,836 enterprises have designated preliminary ones. More than a half of certified social enterprises are in the job creation type, and almost 20 thousand people work at social enterprises. It also has expanded their scope from a traditional welfare area to environment and culture.

The numerical growth of social enterprises in various fields greatly results from the public support system, but ironically, financial supports of government could make viability or sustainability of social enterprises weak. Social enterprises financially vulnerable and in small and medium sized depend upon subsidies from the public sector. In order to solve current social enterprises' dependence on subsidies and improve their own sustainability, the Korean government requires establishing a market-friendly mechanism toward social enterprises and financing themselves through the capital market.

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* **RSVP BY September 16th FOR DINNER PREPARATION**

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