Social Solidarity Economy (SSE) as a tool and public policy to localize SDGs: CASE OF SEOUL

GLOBAL SOCIAL ECONOMY FORUM
Laurence Kwark (Secretary General)
Email: lkwark@gsef-net.org
Phone: +82 (0) 2 352 4208

The Social and Solidarity Economy (SSE): Key concepts

- The SSE is an umbrella concept designating social and solidarity economy enterprises and organizations, in particular cooperatives, mutual benefit societies, associations, foundations, non-profits and social enterprises, which have the specific feature of producing goods, services and knowledge while pursuing both economic and social aims guided by principles, values and practices concerned with participation, democracy, solidarity and commitment to the environment.
Who are SSE actors?

- Foundations
- Social enterprises
- Mutual benefit societies
- NGOs
- Cooperatives
- Other organizations e.g. microfinance
- Associations
## Common characteristics of SSE Organizations

<table>
<thead>
<tr>
<th>Common features</th>
<th>Comments</th>
</tr>
</thead>
</table>
| **Economic and Social Function** | • Combined social and economic objectives  
                             • Produce goods and services on a permanent basis  
                             • Do not seek profit maximisation but some SSEOs can be for-profit or generate surpluses (e.g. cooperatives)  
                               - Legally-binding, strict rules on use of surpluses/redistribution of surpluses |
| **Collective Dimension** | • Based on the will of people/groups to join forces in order to meet their own needs or those of others  
                             • Collective dimension depends on the definition and type of organisation  
                               - Very strong in cooperatives (collective ownership);  
                               - Less strong in some social enterprises  
                             • Collective dimension is not in contradiction with a strong leadership |
| **Solidarity**       | Operating methods based on solidarity (either altruism or reciprocity)    |
|                      | • Goals not primarily oriented to accumulated capital or generating profits  
                      | • Aims to include rather than to exclude                                  |
| **Autonomy**         | Autonomy of the organisation in management and in decision making processes |
| **Voluntary involvement** | No compulsory affiliation                                               |
| **Participation**    | • Members/users/beneficiaries have the opportunity to be the owners of the organisation and/or to actively take part in the decision making process  
                             • Participation can take various forms (from one person/one vote to more flexible ways) but should be defined and done on a systematic and explicit basis (as being mentioned in formal documents and/or clearly known and understood by all involved stakeholders)  
                             • Participation should ideally give the possibility to control and/or imposing sanction |
Goal of the SSE:

• equality and fairness in the provision of basic needs of individuals and communities (jobs, food, housing, clothes, education and social services),

• safety of life, development of local economy, economic inclusion, social protection, reduction of ecological footprint
What are the relations between SDGs and SSE?
Realizing the 2030 Agenda through SSE...

SSE can be an alternative model of development by promoting its inclusive, democratic and sustainable values and practices.

<table>
<thead>
<tr>
<th>SDGs</th>
<th>SSE value and practices</th>
</tr>
</thead>
<tbody>
<tr>
<td>Poverty eradication, equality and good governance (SDG 1, 10, 16)</td>
<td>Fair employment generation, enhancing rights to economic resources, women’s economic empowerment</td>
</tr>
<tr>
<td>Social services and assistance (SDG 3, 4)</td>
<td>Prominent in health care, elderly and child care, education sector</td>
</tr>
<tr>
<td>Employment, infrastructure, and inclusive growth (SDG 8, 9)</td>
<td>Decent jobs, fair access to social and energy infrastructure, energy, finance, facilitating economic diversification.</td>
</tr>
</tbody>
</table>

and.. Other SDGs goals can be also realized through SSE.
SE in the Republic of Korea

• developed by the public sector through various ministries and their policies to define and foster several SE organizations especially after 1997 FC (Top-down).

• In the 20’s, legal framework relevant to SE was developed:
  ➢ the size of SE increased,
  ➢ various public/private support mechanisms have been offered to SE organizations such as social enterprises, rehabilitation enterprises, cooperatives and community enterprises.

• Now SE emerged as a key component in society, expanding its base by creating social/financial values.
The SMG amended a number of municipal laws including:

- the Municipal Ordinances on Fostering Social Enterprises
- the Creation and Administration of the Social Investment Fund
- the Municipal Ordinances on Supporting Cooperatives and other related projects.
- the enactment of the Basic Municipal Ordinance on the Social Economy, etc.

The SMG completed a comprehensive system of support for the SE, extending to the formation of a new business ecosystem and international relations (establishment of GSEF).

There are currently 52 municipal ordinances, including 6 at the SMG and 46 borough-specific ones, which provide the statutory basis for the social economy policies of the SMG and local boroughs.
Localizing SDGs through SSE: employment, infrastructure and inclusive growth (SDG Goals 8 and 9)

- The role of SE in generating employment in the aftermath of the global financial crisis.
- SE contributes to countering the growth of precarious employment and the inability of the traditional economic sector to fulfil its role of absorbing surplus labor: rates of “Inheritance of enterprises” is 84 % (in ROK) vs 20 % (global).
- The role of SE in relation to infrastructural development is mainly centered on social and energy infrastructure, Seoul has developed an eco-system that burgeoning fast growth of SE.
Social Economy of Seoul: fast and sustainable growth (in 2017, 519 SE, 2926 C, 103 CE)

Basic info on Seoul

Area: 605.21 km²
Population: 10,297,138

Administration: 25 self-governing gu (boroughs), 424 dong (neighborhood units)
- Average gu-size: Area 24.2 km², Population 413,980
- Average dong-size: Area 1.43 km², Population 24,285
The quality of life in human settlements (SDG Goals 10 & 11)

Establishing multi-sectoral partnership with the active citizenship associated with SE was a key to promote participatory governance system that are essential for community renewal and inclusive development in all urban districts of Seoul.
Seoul’s gentrification and its characteristics

Gentrification of commercial areas

- Artists and artisans establish a unique commercial district, where rent is generally more affordable.
- Floating population increase, leading to more franchise stores in the area → Leads to rent rises.
- High rent drives the artists and artisans out of the district → Neighbourhood loses its identity.
Gentrification

Seoul’s gentrification and its characteristics

Gentrification of residential areas

• New Town and urban renewal projects leading to rising rent and deposit
• As a result, residents (both homeowners and tenants) do not return → they migrate to other areas, while the middle-class and the affluent pour in from other areas
Securing sustainability in urban regeneration
WinWin Partnership Lead Gentrification Policy

Anchor facilities to preserve neighborhood identity

- **위치/규모**: 성수동 1가 1동 656-235번지 외 1필지 (연면적 약 860㎡)
- **사업비**: 건축비 26억원 (대중물 17억원 + 연계사업 9억원)
- **시설계획**: 엔커시설에 영세 임차상인 지원시설 포함

**Urban Regeneration Center**
- Urban Regeneration & Maeul Community Center,
  - Maeul Sharing Workshop,
  - Young people Support Center,
  - Cultural Center for old people

**Social Economy Support Center**
- Social Economy Support Center (연계사업)

Sky view

Floor Plan

3F
- 자생지원센터 (69.35㎡)
- 공동공간
  - 산업공동체 지원 (31.46㎡)
- 교육실 (28.87㎡)

4F
- 공동공간
  - 산업공동체 지원 (37.86㎡)
- 교육실 (40.48㎡)
- 창업지원센터 사무실 (18.42㎡)
Sustainability

Securing sustainability in urban regeneration
Ways to induce a positive gentrification

WinWin Partnership Agreement through strengthening Governance (4 Areas)

- 창동상계(15.10) / 세운상가(16.1) / 성수지역(15.12) / 신촌(15.9)

세운상가 상생협약서

- 규약을 통한 펜트리피케이션 방지책 마련
- 임대차 분쟁조정 위원회 구성 지원
- 표준계약서 작성 및 배부
- 5년 영업 보장 및 임대료 상승 9%제한 명기

Management of an exclusive lawyer in each urban regeneration areas (42 times)

- 성수동 (39회) / 세운상가(3회)
Ensuring the quality of life in human settlements (SDG Goals 10 & 11) and sustainable production and consumption and climate change (SDG Goals 7 & 12 through creating Social Economy Zones (in 2017, in 11 boroughs /25)
To ensure sustainable regeneration of the entire city, SMG sets the scope and direction of urban regeneration, which is as follows:

- Underdeveloped areas with low usage
- Deteriorated industrial zones
- Areas with historic & cultural resources
- Decrepit residential areas

Nurture the growth of new economic centers
Revitalize the local economy in deteriorated areas
Strengthen natural, historical, and cultural identity
Transform and revitalize decrepit residential areas
Community Empowerment
A citizen-led urban regeneration project

- Securing the anchor facilities, maintaining infrastructure, and pushing forward various business for community vitalization

- securing the anchor facilities for community
  - installing CCTV
  - upgrading security lights

- making the safe town
  - improving main roads
  - promoting the environment of allies
  - supporting to make ‘green zone’

- promoting a pleasant village
  - building up unused open area as ‘Ssamzi Park’
  - rearranging public space
  - making trails around village
SOCIAL HOUSING

Increase Burden of Housing expenses

RIR : 08’ 17.5%, 14’ 20.3%

Affordability

Complement the Market with Government

Rate of Social Housing

Alternative

Diverse Needs

Meet Needs

20~30s
Tuition, Jobs

20~30s
Tuition, Jobs

60s
Illness, Loneliness

30~50s
Marriage, Childcare

Affordability

Alternative

Meet Needs
## Social Housing of Seoul

### Policies

<table>
<thead>
<tr>
<th>Social investment Fund</th>
<th>Land-Leasehold Social Housing</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Fund-raising: Seoul Metropolitan Government funded + Private company donated</td>
<td>- Leasing city land for maximum of 40 years to the social-economy organization for building social houses</td>
</tr>
</tbody>
</table>
| - Condition of loan:  
  - Must be Social-economy organizations  
  - 70% of social housing business expenses  
  - 2% interest for 5 years | - Under 80% compare to the market rent price  
- Increase of rental fee cannot exceed 5% within every 2 years |

<table>
<thead>
<tr>
<th>Vacant House Project</th>
<th>Social Housing Support Center</th>
</tr>
</thead>
</table>
| - Rent a vacant house by social-economy organizations → Renovate → Re-lease as a Share House to Single households  
- Support: 50% of the renovation cost (max. 40 million KRW; 261k HKD; 40k USD)  
- Rental fee is under 80% of the market price | - What the Center do:  
  - Discover and promote the main agents of supply  
  - Research the condition of housing, resource investigation and management  
  - Link network between supply and demand |
Social Housing of Seoul
The process

Start of Policy
- Established Social Invest Fund of SMG
- Announced Private Investment Business
- But Interrupted

Set the Foundation for a System
- “Saving Vacant House” Project Started
- Enact an Ordinance of Supporting the Social Housing
- Adopting Land Lease-hold Housing

Start a Business
- Opening Social Housing Association
- 30 Private organizations Joined the association
- Start of Social Housing which renovated from inn, office, and other vacant spaces

Before 2012
- Promoted Social Housing by Private Sector only

2012.7
2013.1
2015.1
2015.2
2015.6
2015.8
2016.2
Co-op Housing

The foundation to stabilized housing and revitalized communities
Living together, sharing space

Community housing?

externality

Community shared space

function

Sharing talents/goods
Sharing space
Sharing time

Resolving daily life problems by communication

Community rules

Public purpose facility

Operating program for residents’ practice

육아, 회의실 등 공동체 지향에 적합한
공동체 생활관련
**Case of Toad Housing**

### Version of Social Housing

<table>
<thead>
<tr>
<th>1</th>
<th>Vacant house into Social housing, ‘GONG GA’</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>• Rent a vacant house → Renovate → Lease as a Share House to Single households</td>
</tr>
<tr>
<td></td>
<td>• Currently 8 houses, 40 residents living</td>
</tr>
<tr>
<td></td>
<td>• Helped to establish a policy as the Vacant House Project of SMG</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2</th>
<th>Land-leasehold Social Housing</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>• Leasing city land for maximum of 40 years and build a social house (open in Dec 16’)</td>
</tr>
<tr>
<td></td>
<td>• Located at Newtown (urban renewal project) cancelled area</td>
</tr>
<tr>
<td></td>
<td>- Combine Social Housing and Urban Regeneration project of Seoul</td>
</tr>
<tr>
<td></td>
<td>• 10 units for family and a share house units for 12 single households</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>3</th>
<th>Challenge to solve the community issues with Social Housing</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>• Youth(age 20-30s) : Supply social house cooperating with private companies, universities, and Community organizations</td>
</tr>
<tr>
<td></td>
<td>• Supply social houses for family in crisis of being homeless, female victims of domestic violence, and other socially underprivileged</td>
</tr>
</tbody>
</table>
Case of Toad Housing
Gong Ga - Background

Possibility of vacant houses

3%

# of vacant houses
78,702 (3%)

Violence/trash/fire...
BUT, focus on possibility of unused space

Single households

RIR of the youth Single household
Over 30% = 58.2%

Sharing Space

SHARE HOUSE
1. Gong Ga - Houses

**Gonga #1**
- Location: Jeungsan-dong, Eunpyeong-gu, Seoul
- For Single households
- 7 Rooms

**Gonga #2**
- Location: Eungam-dong, Eunpyeong-gu, Seoul
- For Single households
- 8 Rooms

**Gonga #3**
- Location: Sindaebang-dong, Dongjak-gu, Seoul
- Student Secured Rental House
- 3 Rooms
- Sungshil Univ. Housing Scholarship
- Share house

**Gonga #4**
- Location: Seongdong-gu, Seoul
- Women Secured Rental House
- 3 Rooms
- For female victims of domestic violence and sexual abuse

**Gonga #5**
- Location: Galhyeon-dong, Eunpyeong-gu, Seoul
- For Single households
- 2 Rooms

**Gonga #6**
- Location: Galhyeon-dong, Eunpyeong-gu, Seoul
- For Single households
- 3 Rooms

**Gonga #7**
- Location: Galhyeon-dong, Eunpyeong-gu, Seoul
- Welfare Secured Rental House
- 2 rooms
- For housing vulnerable group

**Gonga #8**
- Location: Nokbeon-dong, Eunpyeong-gu, Seoul
- For Single households
- 8 rooms
- Opening on Sept. 2016

**Gonga #9**
- Location: Samyang-dong, Gangbuk-gu, Seoul
- For Single households
- Opening on Sept. 2016

**Gonga #10**
- Location: 230-75, Seoul
- Land Leasehold
- 10 family, 12 single
- Opening on Sept. 2016
Poverty eradication, equality and good governance (Goals 1, 10, 16): The SE public policy tools are most effective when coordination at all levels of governments (national, regional and local) happen: Case of Community Enterprise both in Rural and in Urban areas of Seoul

![Diagram showing the role of MOI, Metropolitan provincial governments, Local governments, and 17 community enterprise support agencies.]

- MOI:
  - Establishes basic plans and guidelines.
  - Designates community enterprises.
  - Provides specialized training courses for civil servants, community enterprise leaders, etc.
  - Fosters new types of community enterprises and "Star Community Enterprises."

- Metropolitan provincial governments:
  - Plan, supervise and monitor community enterprise assistance projects for provinces and metropolitan cities.
  - Review and assess community enterprises recommended by cities, counties, and boroughs (for recommendation to MOI for designation).
  - Receive and assess applications from community enterprises and sign contracts.
  - Foster new types of community enterprises.

- Local governments:
  - Foster new types of community enterprises.
  - Review the qualifications of applying community enterprises (for recommendation to metropolitan/provincial governments).
  - Sign contracts with, and manage and monitor community enterprises.

- 17 community enterprise support agencies:
  - Plan and administer community enterprise training programs.
  - Foster new types of community enterprises.
  - Assist the review and designation of community enterprises.
  - Provide all-year-round management consulting and on-site support.
  - Assist development of channels of marketing and local networks.

Source: MOI [2016], pp. 8-9.
Sansae Maeul: A typical aging residential area, nestled under Mt. Bongsan

- Sansae Village was named because people can hear birdsong from Mount Bong.
- However, there were maintenance problems.
Transforming abandoned areas into public space: Powered by citizen’s initiatives

- Residents spontaneously improved the environment
Transforming abandoned areas into public space:
Ugly rubbles turned into a public space for all

- The residents took it upon themselves to revamp this empty lot, which had been left abandoned and trashed for almost 30 years.

#1. 폐 건물 철거작업

#2. 주민의 손수 정비

#3. 주민들이 함께 행복을 심다!

#4. 마을 텅밭과 함께하는 마을공
Various events were held
GLOBAL SOCIAL ECONOMY FORUM (GSEF)?

• The international network of Local Governments and Social & Solidarity Economy Organizations to promote SSE initiated by the Seoul city in 2014.

Projects

• Capacity Building and Training
• Knowledge Exchange
• SSE Research and Publication
• Regional Policy Dialogue Platform
• International Advocacy
• GSEF Bi-annual Forum (2014 in Seoul, 2016 in Montreal, 2018 in Bilbao)
GSEF Foundation in 2014...
GSEF’s Recent History ...
GSEF’s Activity Objectives:

• To promote sustainable partnership between Local Governments and SSE organizations for the harmonious development of economy (market, public and social economy) for sustainable ecosystem of SSE,

• To share good experiences of SSE entities around the world based on the cooperation of national & local public organizations, SSE actors & communities involved

• To integrate decent work into many problems

• To achieve fair growth, participatory democracy and sustainable development.
GSEF recent activities...
THANK YOU FOR YOUR ATTENTION 감사합니다!