

Present Situation and Development Plan of Social Enterprises in the Jeju Area

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Abstract

This study analyzes the problems of social enterprises in Jeju Island and presents a sustainable growth and development plan for Jeju social enterprises. Social enterprises are the most problematic regarding self-sufficiency when government subsidies are discontinued. For social enterprise to be sustainable, entrepreneurship must be premised, and a clear mission and vision must be established. To solve this problem, first, for sustainable social enterprise, the entrepreneurial spirit should be premised not only on establishing the social entrepreneur's clear mission and vision. Second, effective public relations such as cost reduction and joint marketing of social enterprises are necessary to create a friendly market for social enterprises. Third, there is a platform to establish a close collaboration between social enterprise-related parties, and it is necessary to have a strategy that can coexist with local and social enterprises. Finally, local governments are expected to contribute to the development of social enterprises by organically linking the forms of middle organizations such as the Jeju social economic network.

Keywords: *Social enterprises, Social economy, Entrepreneurship, Jeju social economy network*

1. Introduction

Since the implementation of the Act on the Promotion of Social Enterprise in 2007, the number of social enterprises in Korea was 1,856 in 2017. Six hundred thirty-two social enterprises were established in Seoul and Gyeonggi-do, and nationwide distribution is evenly distributed. As of November 2017, there are 43 social enterprises, 25 preliminary social enterprises, 206 cooperative associations, and 28 village enterprises in Jeju Special Self-Governing Province.

This study investigates whether social enterprises in the local community are connected with the local network or whether social enterprises collaborate, focusing on the Jeju Social Economic Network and Jeju Social Economic Support Center. This study examines the actual problems of social enterprise activation and suggests ways to improve it.

2. Theoretical background

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2.1. Concept of social economy

The social economy refers to an economy moving toward reciprocal economic activities with a social purpose, a democratic operating principle, and a redistributive principle of sharing. Social enterprises, cooperatives, village enterprises, and self-help enterprises in Korea are social economic organizations. A cooperative is a company voluntarily formed by people who want to meet economic, social, and cultural needs based on joint ownership and democratic operation. The village enterprise is a company that seeks to meet the needs of residents and solve local problems based on the voluntary participation and cooperative network of villagers who know the needs and problems of the local people better than anyone else. The self-help enterprise is based on the National Basic Livelihood Security Act (Jeju Social Economic Support Center), which creates jobs and provides social services to help the residents' social and economic independence.

The purpose of the Framework Act on Social and Economic Development, initiated in 2014, is as follows: To improve social enterprise management's inefficiency, support stable operation and management of products and services produced by social enterprises, and support social enterprises as a sustainable alternative economy. To this end, a nationwide social enterprise network is being established to build regional partnerships that strengthen cooperation and solidarity among social enterprises.

2.2. Concept of social enterprise

The concept of social enterprise differs according to each country's legal and cultural environment. However, many kinds of literature and research provide a comprehensive meaning [1]. The Department of Trade and Industry (DIT) is a "social enterprise" that prioritizes social goals rather than seeking to maximize profits for shareholders and owners, rather than reinvesting the generated profits primarily in the enterprise itself or the community Companies'. In the OECD report, a social enterprise is "a corporation that is carried out for the public interest and whose goal is not to maximize profits but to achieve specific social and economic goals." It defines social enterprises as "all private activities for the public good that present innovative solutions to problems such as social exclusion and unemployment."

3. Jeju social enterprise status

In Jeju, the rapid population inflows in recent years have led to the emergence of new community problems as the income gap between the municipal and urban areas and the invisible conflict between migrants and indigenous peoples have intensified. Especially due to the small size of pre-social enterprises and the deterioration of financial conditions, it is becoming difficult to change into social enterprises, and employment capacity (vulnerable class) is decreasing [2].

Table. 1 Social Corporation in Jeju

Name of Company	Major products/services	Social service field	Type of social purpose	Certification time (year)
사회복지법인 평화의마을	Ham, sausage processing/installation, and operation of residential facilities for the disabled	Others	Job-provision	2008.04
사회복지법인 마로원	Laundry for the severely disabled	Others	Job-provision	2008.04
유한회사 클린서비스 보금자리	Environment (disinfection, cleaning)	Cleaning	Job-provision	2008.10
사회복지법인 제주황새왓카리타스 일배움터	Pottery Production & Sales / Flower Delivery	Others	Job-provision	2008.12
(유)엔젤사업지원단	Visiting Care Service Management	Social work	Social service provision	2010.01
영농조합법인 산새미	Manufacture of handicapped / horse leather bags & wallets	Others	Job-provision	2010.05
사단법인 일하는사람들	Disinfection / Cleaning	Cleaning	Combination	2010.07
(주)제주생태관광	Ecotourism tourism	Sightseeing/ Sports	Others	2010.12
주식회사 온디	Wet tissue, laundry detergent, toilet paper production and sale	Others	Job-provision	2011.11
생드르 영농조합법인	Local Food	Others	Community contribution	2012.04
주식회사 서정	Cleaning / Protecting / Security	Cleaning	Job-provision	2012.09
사회복지법인 정혜원 에코소랑	Cosmetics Production & Sales	Others	Job-provision	2012.09
더불어 주식회사	Sales of Jeju special products / Sales of eco-friendly products	Others	Job-provision	2012.12
한라산성암영굴농원 영농조합법인	Organic Tangerine / Juice	Others	Job-provision	2013.03
백년의굴향기 영농조합법인	Jeju Specialties Tangerine Production & Processing & Sales & Storage	Others	Community contribution	2013.07
주식회사 제이엠누리	Local Culture Content Development & Advertising & Internet News	Others	Job-provision	2013.09
유한회사 좋은세상	Disinfection/child food delivery	Cleaning	Job-provision	2013.09
한울 영농조합법인	Eco-friendly agricultural products shipment & processing & sales	Others	Job-provision	2013.09

농업회사법인 주식회사 제주살림	Eco-friendly local food production & distribution & sales	Others	Job-provision	2013.11
제주물마루된장학교 영농조합법인	Well-being Traditional Food Development & Education	Others	Combination	2013.11
주식회사 한라환경	Tire recycling/cleaning tool production	Cleaning	Job-provision	2013.12
주식회사 푸른바이크 쉐어링	Bike Travel Course Development and Diffusion and Rental	Sightseeing/ Sports	Job-provision	2014.03
(주)제이제이콜렉션	Leather Wallets and Belts Manufacturing and Sales	Others	Job-provision	2014.05
사회복지법인 창암복지재단 엘린	Cleaning services / Lodging / Travel	Others	Job-provision	2014.06
농업회사법인 (주)제주허브	Jeju Eco-friendly Agricultural Products Manufacturing & Processing & Distribution & Sales	Others	Job-provision	2014.11
사단법인 국악연희단하나아트	Culture and Arts Business	Culture/Art	Social service provision	2014.12
사단법인 제주영상문화연구원	Promotional Video Production / Festivals & Events / Technical Support Consulting	Culture/Art	Job-provision	2014.12
제주콩나물 영농조합법인	Eco-friendly sprouts & host cultivation	Others	Job-provision	2014.12
행복나눔마트 협종조합	Staff Cooperative / Mart	Others	Others	2014.12
소담제주 영농조합법인	Agricultural Products & Retail / Real Estate Brokerage	Others	Job-provision	2015.03
주식회사 디엘에스	Computer & Electronic Imaging / Publishing & Wholesale	Others	Job-provision	2015.03
주식회사 대유기업	Air Conditioning & Machinery Installation	Others	Job-provision	2015.03
주식회사 시와월드	Design Goods & Character Goods Manufacturing & distribution	Culture/Art	Community contribution	2015.07
농업회사법인 (주)제주공방	Special Souvenirs & Crafts & Landscaping Pots	Culture/Art	Community contribution	2015.09
(주)제주이어도돌봄센터	Care services / Medical equipment / Visit care	Care, Housekeeping	Social service provision	2015.09
주식회사 해피맘하우스	Doll Experience / Personality Education	Others	Social service provision	2016.02

사회적협동조합 희망나래	Design / Publishing / Printing / Flower	Others	Combination	2016.12
영농조합법인 제주다	Desserts / Agricultural Products / Cosmetics wholesalers	Others	Community contribution	2017.06
제주희망 협동조합	Freight Transportation / Food Transportation	Others	Job-provision	2017.05
주식회사 정성기업	Laundry	Others	Job-provision	2017.05
유한회사 섬이다	Western restaurants/food/tourist souvenirs	Others	Community contribution	2017.09
의귀마을 영농조합법인	A horse race track	Sightseeing/ Sports	Job-provision	2017.11
주식회사 꿈틀	Development of publishing software content	Others	Job-provision	2017.11

Source: Korea Social Enterprise Agency

Table 2. Social purpose type and social services sector ratio in Jeju

Type	Job Provision	Social Service	Combination	Community contribution	Others		Total
Certification Requirements	Employment rate of vulnerable groups 50% or more	More than 50% of vulnerable groups receiving social services	Employment rate of vulnerable groups 30% or more / 30% or more of vulnerable groups receiving social services	More than 20% of the employment rate of the local vulnerable groups / 20% or more of the vulnerable service delivery ratio	It isn't easy to judge whether the social purpose is realized		
Ratio	28(65.1%)	4(9.3%)	3(6.9%)	6(14%)	2(4.7%)		43(100%)
Service	Others	Cleaning	Culture/art	Sightseeing/sports	Social work	Care/Housekeeping	
Ratio	28(65.1%)	5(11.6%)	4(9.3%)	3(7%)	2(4.7%)	1(2.3%)	43(100%)

Source: Korea Social Enterprise Agency

A social and economic organization with relatively low self-sufficiency and technological power compared to existing economic entities is required to establish sustainability as a network that forms a virtuous cycle system of coexistence and coexistence to improve residents' quality of life. [3].

4. Development plan of social enterprise in Jeju

Solving the abovementioned problems is a direction for social enterprise development.

1) Since the social enterprise is a company that pursues social and economic values simultaneously, it may face difficulties in competition with general companies for profit. Expanding the market and creating differentiated marketing is necessary to cope with this. In other words, companies need to help consumers who use social enterprise products or services recognize themselves as subjects who realize social values. Public relations or campaigns related to this will be a means by which social enterprises can have a lasting competitive advantage. In the early days of establishing a social enterprise, building a business model that can secure profit through a start-up consulting organization such as a 'social venture' is necessary.

2) In the case of social enterprise collaboration, it is necessary to pursue strategies that reduce stakeholder conflict and make a win-win relationship. For example, Jeju Ecotourism, Bluebike Sharing, and Daegu Village Farming Association are in different fields. Still, they can create synergy with co-marketing strategies that enable tourists to do ecotourism, bicycle, and horse riding at low prices. From a long-term perspective, this will be a competitive strategy in competition with commercial enterprises.

3) Government subsidies are a prime example of establishing a social enterprise. The current social enterprise policy is focused on the labor cost support policy. Currently, social enterprises can receive support from the Ministry of Employment and Labor for labor costs at the minimum wage level. Social enterprise certified - 3 years (90% for the first year, 80% for the second year, 70% for the third year), a preliminary social enterprise for two years (100% for the first year and 90% for the second year. [4]. This poses a risk that social value creation in social enterprises will be confined to the vulnerable class employment area.

To solve this problem, there can be differential support of labor costs by the life cycle of social enterprises. A company that does not escape the poverty line after three years will have to be turned into support for creating a profit model or increasing sustainability instead of supporting labor costs.

4) It is no exaggeration to say that entrepreneurship is the most significant variable that determines the success or failure of social enterprises. As such, social entrepreneurs' ethical and creative entrepreneurship can not be overemphasized. The Ministry of Employment and Labor, local governments, and large corporations are conducting social entrepreneurs' academies, but their effects are weak. The curriculum runs for a minimum of 20 hours and a maximum of 150 hours, which is an introductory level to the social enterprise and is insufficient to train successful social entrepreneurs. [5]. Like the Asoka Foundation's Asha Fellow selection process, it is necessary to find a social entrepreneur with high potential through a thorough verification process and then provide a professional and systematic education program. It is also necessary to educate the civil servants and officials concerned.

Entrepreneurs are not born but are raised. Governments, municipalities, and organizations should make unremitting efforts to improve the quality of education programs to foster and nurture social entrepreneurs. Social entrepreneurs and employees should have self-consciousness, responsibility, and self-esteem to solve problems and create noble values.

5. Conclusion

In this study, we derived a more realistic method by comparing domestic and overseas industry-university cooperation programs on the activities for activating industry-university cooperation.

The R&D Research Compensation Program also established guidelines for the payment of performance-based pay for technology development patents and guidelines for free technology transfer. In addition, we derive a joint competency-strengthening program in which students, companies, and universities jointly evaluate indicators that can add value to companies in various business supports. We have also developed a total management program that transforms education into a step-by-step educational system and strengthens employment and entrepreneurship to benefit residents' education. Finally, in the intellectual property expert matching program, dedicated manpower was assigned to each of the minimum administrative districts utilizing technology dealers, and a method for providing Internet information search service using the expert map nationwide was derived.

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