

Building Hybrid Ecosystems: Korea's Experience and Global Lessons

A joint report by the Social Enterprise World Forum (SEWF)
and the Center for Social Value Enhancement Studies (CSES), Korea



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Chapter 1:

Introduction - Why Korea Now?

The social economy is at a moment of global reckoning. Across continents, governments are asking whether market mechanisms alone can deliver the social and environmental outcomes their citizens need. Social enterprises, cooperatives, mutuals and community-owned organisations - enterprises that put purpose before profit - are increasingly part of the answer. But the conditions under which these organisations can grow, sustain themselves and genuinely influence economic development remain unevenly distributed.

Against this backdrop, Korea offers a particularly instructive case. In less than two decades, it has constructed one of the most institutionally dense social economy ecosystems in Asia: a comprehensive legislative framework, a diversified support infrastructure, dedicated finance mechanisms, and a growing body of evidence about what works and what does not. It has done so through a process of active experimentation - trying different policy approaches, learning from failure, and progressively building a more complex and resilient system.

Korea's experience is not without tensions. A social economy built largely through government initiative must, at some point, develop the independence from government that genuine resilience requires. An ecosystem that has expanded the number and diversity of legal forms must eventually develop the coherence to speak with one voice in the policy arena. These are live challenges - and that is precisely what makes Korea's experience so valuable to the global movement. It is not a finished model but a living laboratory.

This report examines the evolution and current landscape of Korea's social economy ecosystem, with a focus on its distinctive features and emerging innovations. It draws out lessons that may inform the development of social economy ecosystems globally. It situates Korea's experience in comparative perspective alongside Québec and Scotland - two of the world's most admired social economy ecosystems - and invites the reader to engage with Korea directly through the inaugural SEWF Ecosystem Leadership Exchange in Seoul in October 2026.

This report is a joint initiative between the Social Enterprise World Forum (SEWF) and the Center for Social Value Enhancement Studies (CSES), contributing to ongoing global discussions on the future of the social economy.

1.1 Global Trends in the Social Economy

The social economy is growing in scale and sophistication across all regions. Policy recognition has expanded significantly: the ILO's 2022 Recommendation on the Social and Solidarity Economy, the European Commission's Social Economy Action Plan, and the UN Resolution on promoting the social and solidarity economy for sustainable development all reflect a broader acceptance of social economy organisations as legitimate economic actors rather than marginal welfare providers.

At the same time, the challenges facing social economies globally are intensifying. The care economy is under structural strain. Housing insecurity is acute in high-income countries and critical in low-income ones. Climate transition requires investment at scales and with risk profiles that conventional finance struggles to accommodate. In each of these domains, social

enterprises and cooperatives are active - and in many cases, demonstrating approaches that outperform conventional alternatives in cost-effectiveness, community embeddedness and long-term sustainability.

Yet the ecosystem conditions that enable social economy organisations to play these roles at scale - supportive legislation, accessible finance, credible measurement frameworks, capable intermediaries, and engaged markets - remain fragile and uneven. Building those conditions is the central challenge of social economy policy. Korea's experience in meeting that challenge is what this report examines.

1.2 Why Korea Is Gaining Attention

Korea's social economy has attracted increasing international attention for several interconnected reasons. First, the speed and deliberateness of its development: within approximately fifteen years of the foundational Social Enterprise Promotion Act of 2007, Korea had assembled a multi-layered support infrastructure, multiple legal forms for social economy organisations, and a distinctive finance mechanism - the Social Progress Credit - that is being studied internationally as a model for outcomes-based social investment.

Second, Korea's model challenges the assumption that social economy development is primarily a civil society project requiring patient

state support. Korea demonstrates that a state can actively design and iterate institutional frameworks for the social economy, using the tools of industrial policy - certification, subsidy, preferential procurement, and performance-based finance - in service of social purpose. This approach has costs as well as benefits, and Korea is working through those trade-offs in ways that other countries can learn from.

Third, Korea's size and global significance means that its social economy has the potential to demonstrate proof of concept at scale. A social economy that works in a high-income, high-productivity, technologically sophisticated economy like Korea's carries a different kind of credibility than one embedded in smaller or lower-income contexts.

1.3 About This Report

Chapters 2 to 5 examine the Korean social economy in depth: its historical evolution, current landscape, distinctive features, and innovative financing mechanisms. Chapter 6 places the Korean experience in comparative perspective alongside Québec and Scotland. Chapter 7 draws out the lessons for the global ecosystem. Chapter 8 describes the SEWF Ecosystem Leadership Exchange - the practical vehicle through which these lessons can be explored directly in Seoul.

Chapter 2:

Evolution of the Korean Social Economy

Before turning to the current landscape, this chapter traces the historical evolution of Korea's social economy, identifying the key phases and structural shifts that have shaped its development. This evolution can be understood in four stages: early emergence driven by crisis and grassroots initiative; policy-driven institutionalisation; diversification and the rise of new actors; and a recent shift toward a more hybrid, ecosystem-based model.

2.1 Early Emergence: Crisis-Driven Origins and Grassroots Initiatives

The origins of the Korean social economy can be traced to the aftermath of the 1997 Asian Financial Crisis, which exposed structural vulnerabilities in employment and social protection. Unemployment rose sharply and the limits of Korea's existing welfare infrastructure became acute. In response, a range of grassroots and civil society initiatives emerged - work integration social enterprises, community-based care organisations, and cooperative ventures - that began to address the gaps left by the retreating state and the contracting labour market.

These early organisations were primarily mission-driven and community-rooted. They operated largely outside any formal legal framework for social enterprise, relying on combinations of volunteer labour, municipal support and informal community fundraising. They established the civic foundation on which subsequent government-led institutionalisation would build.

2.2 Institutionalisation: Policy-Driven Expansion (2007–2014)

The Social Enterprise Promotion Act of 2007 marked the beginning of a qualitatively different phase. For the first time, social enterprises had a legal identity, a formal certification process, and access to government subsidies - primarily wage subsidies for the employment of disadvantaged workers. The Korea Social Enterprise Promotion Agency (KoSEA), established in 2010, became the statutory body responsible for implementing certification, providing support and building the sector's capacity.

This period saw rapid quantitative growth: the number of certified social enterprises increased significantly, and the sector gained visibility within government economic policy for the first time. But the model also exhibited characteristic limitations of government-led development: enterprises optimised for certification rather than commercial viability; support programmes created dependency rather than building genuine market capability; and the sector remained, in important respects, an extension of employment policy rather than a recognised component of economic strategy.

The Social Economy Basic Act (proposed in this period though not passed until later), the Framework Act on Cooperatives (2011), and progressively strengthened support for worker cooperatives and social ventures reflected a growing ambition to build a more comprehensive ecosystem rather than a narrowly defined social enterprise support programme.

2.3 Diversification and the Rise of New Actors (2015–2019)

From approximately 2015, the ecosystem began to diversify in significant ways. New actors entered the space - accelerators, impact investors, corporate foundations, social venture funds - bringing commercial sophistication and private capital that the government-centred model had not previously engaged. The concept of the social venture gained currency, and the Seoul metropolitan government became an active laboratory for urban social economy innovation.

This period also saw the development of new approaches to measuring and rewarding social value, most notably the Social Progress Credit (SPC) model. By linking financial incentives to measurable social outcomes rather than to employment creation alone, the SPC represented an important shift in the underlying logic of government support - from input-based subsidy to outcomes-based reward.

Taken together, these changes signalled a transition from a purely policy-driven system toward a more pluralistic and experimental ecosystem in which diverse actors and mechanisms could coexist.

2.4 Recent Evolution: Towards a Hybrid and Ecosystem-Based Model (2020–Present)

In recent years, the Korean social economy has continued to evolve into a more complex and hybrid system. The ecosystem is increasingly characterised by the interaction of multiple institutional logics - policy, market and civil society - rather than being dominated by a single driver. Several trends are particularly notable: the expansion of policy instruments from direct subsidies to performance-based and ecosystem-oriented approaches; the growing role of intermediaries, including accelerators, support organisations and network platforms; the

increased participation of private capital through ESG-aligned investment and thematic funds; and the progressive development of sector independence, as established organisations develop their own advocacy capacity and reduce their dependence on government certification.

The Ministry of the Interior and Safety has established a dedicated Social and Solidarity Economy Bureau, signalling a shift toward a more integrated and place-based approach to social economy policy. This evolution reflects both the maturing of the ecosystem and the growing recognition within government that the social economy is a systemic contributor to wellbeing and resilience, not merely an instrument of employment policy.

Korea is in the process of introducing the Social and Solidarity Economy Framework Act, which establishes an integrated policy framework covering diverse social economy organisations and strengthens mechanisms for measurement, finance, and public procurement. The Act is expected to pass within the first half of 2026, marking a significant step toward a more coordinated and system-level approach to ecosystem development.

Chapter 3:

Current Landscape of the Korean Ecosystem

3.1 Overview: A Multi-Layered and Hybrid Ecosystem

Korea's social economy today is best understood as a multi-layered, hybrid system in which different organisational types, institutional logics and support mechanisms coexist and interact. It is institutionally dense - built upon a strong and multi-layered policy and regulatory framework. It is organisationally diverse - comprising multiple types of impact actors, from social enterprises to ventures and cooperatives. It is functionally differentiated - structured across distinct but interconnected domains, including policy, capital, market access and ecosystem support. And it is increasingly hybrid - integrating public, private and civil society actors within a single ecosystem.

3.2 Ecosystem Landscape

The current landscape of the Korean social economy can be understood through five key functional dimensions: impact creation, policy and regulation, market access and partnerships, capital provision, and ecosystem development. Rather than focusing on specific actors, this framework highlights the core functions that enable social value to be created, supported, and scaled, reflecting the highly interconnected and hybrid nature of the ecosystem.

3.2.1 Impact Creation

One of the defining features of the Korean ecosystem is the coexistence of multiple legally and institutionally distinct organisational types. Five major organisational archetypes each represent a distinct pathway for impact creation. Certified social enterprises, the original core of the post-2007 ecosystem, focus predominantly on work integration for disadvantaged groups. Cooperatives - greatly expanded following the Framework Act on Cooperatives of 2011 - pursue a wider range of economic and social purposes through democratic member governance. Self-support enterprises address employment reintegration for people furthest from the labour market. Community enterprises operate at the neighbourhood level, delivering services and strengthening local economic resilience. Social ventures combine commercial ambition with explicit social or environmental mission, increasingly attracting impact investment.

3.2.2 Policy and Regulation

The policy and regulatory environment for Korea's social economy has evolved from a focus on formal certification and wage subsidy toward a broader mix of regulatory, financial and ecosystem-oriented instruments. KoSEA plays a central role in implementing policy programmes and directly supporting social enterprises through certification systems, financial support and capacity-building services. The progressive development of preferential procurement systems and dedicated market platforms has created more structured routes

to public and private market access. Overall, the policy environment has shifted from input-based subsidies toward an increasingly adaptive mix of approaches reflecting growing sophistication about what effective social economy support requires.

3.2.3 Market Access and Partnerships

Market access has become an increasingly important dimension of the Korean social economy, reflecting a shift from subsidy-dependent models toward more market-integrated approaches. On the public side, preferential procurement systems and dedicated platforms connect public institutions with social economy organisations. The Korea International Cooperation Agency (KOICA) has supported the international expansion of social enterprises, linking them to global development programmes. Large corporations and corporate foundations play a critical and growing role in expanding market access - not solely through CSR, but through procurement, supply chain integration and joint business development. SK Group's active incorporation of social enterprises into its broader social value ecosystem and the engagement of Hyundai Motor Chung Mong-Koo Foundation in supporting impact-driven ventures are examples of a qualitative shift from philanthropy to partnership.

3.2.4 Capital Provision

The capital landscape for the Korean social economy has diversified significantly, moving beyond government grants and subsidies toward a more complex mix of finance types. Impact investment has grown, supported by ESG-aligned capital from institutional investors and corporate foundations. The SPC model (discussed in detail in Chapter 5) represents the most distinctive Korean innovation in social finance: a performance-based mechanism that links financial incentives directly to measured social outcomes. The self-reinforcing logic

of the SPC model - impact creation attracts financial reward, which enables reinvestment and expanded impact - represents a significant contribution to the global repertoire of social finance instruments.

3.2.5 Ecosystem Development

The intermediary and knowledge infrastructure of Korea's social economy has developed substantially, though its quality and independence varies. KoSEA anchors the statutory support architecture. MYSC - one of Korea's leading social innovation consulting and impact investment firms - represents a model of commercially sophisticated intermediary development that combines business support, impact measurement, and investment in a single organisation. Research bodies, including CSES, provide the analytical infrastructure needed for evidence-based policy and informed investment. Network platforms and sector associations increasingly connect actors across legal forms and geographic contexts, beginning to perform the coalition-building functions that distinguish mature social economy ecosystems.

Chapter 4:

Distinctive Features of the Korean Model

The Korean social economy is best understood as a system in which multiple institutional logics operate simultaneously. Rather than being driven by a single organising principle, the ecosystem reflects the interaction of three core logics: a policy logic, shaped by government frameworks, regulation and public support mechanisms; a market logic, emphasising efficiency, scalability and competitiveness; and a social logic, focused on addressing societal challenges and creating public value. These logics do not operate in isolation. They coexist and interact across the ecosystem, shaping how organisations are structured, supported and scaled - creating both synergies and tensions as different actors navigate competing expectations and constraints.

4.1 Strong Policy-Driven Institutionalisation

The most immediately visible feature of the Korean model is the strength and deliberateness of its government-led institutional architecture. The Social Enterprise Promotion Act, the Framework Act on Cooperatives, the various ordinances and support programmes that have followed - these represent a sustained government commitment to building the conditions for social enterprise development that few other countries have matched. This institutional density has created a sector that is legally recognised, professionally supported and increasingly visible in public policy. The challenge, as Korea is working through, is how to sustain and develop that architecture as the sector matures and government cannot remain the primary driver.

4.2 Multiple Entry Pathways and Institutional Diversity

Korea's five legal forms for social economy organisations - certified social enterprises, cooperatives, self-support enterprises, community enterprises and social ventures - create a degree of organisational diversity that reflects the breadth of social economy activity. Each legal form carries different implications for governance, financing and relationship with government. This diversity is a genuine strength, enabling a wide range of actors to find an appropriate institutional home. It also creates coordination challenges, as organisations operating under different legal frameworks and support programmes have limited incentives for cross-sector solidarity.

4.3 Intermediaries as Core Infrastructure

The development of a capable intermediary layer is one of the most significant achievements of the Korean ecosystem. KoSEA provides the statutory backbone; MYSC exemplifies what commercial sophistication in the intermediary space can look like; CSES and other research bodies provide the analytical infrastructure for evidence-based policy. These intermediaries do not merely support individual enterprises: they connect actors across the ecosystem, translate between policy intent and practice reality, and hold institutional knowledge that survives the turnover of individual organisations. Their quality and independence is, arguably, a more reliable indicator of ecosystem health than enterprise numbers alone.

4.4 Increasing Participation of Corporations and Foundations

In many social economy contexts, corporate involvement has been associated primarily with philanthropic activities or CSR-driven initiatives. In Korea, corporate engagement has evolved toward more strategic and integrated forms of participation. Rather than operating at the margins, corporations contribute to shaping key mechanisms within the ecosystem - supporting the development of impact measurement approaches, creating market opportunities, and engaging in collaborative platforms. This reflects a broader shift in which corporations function not only as participants but as active stakeholders within the ecosystem. It also raises important questions about the balance of roles among public, private and civil society actors - questions that Korea's ecosystem is actively navigating.

4.5 Expansion of Impact Investment and Outcomes-Based Mechanisms

The Korean social economy has been characterised by a gradual shift in how financial support is structured and delivered. Early-stage development relied heavily on input-based subsidies and grants. Since approximately 2015, there has been growing experimentation with mechanisms that link financial incentives to measurable outcomes. The growth of impact investment and performance-based approaches - culminating in the SPC model - reflects a transition from a system primarily supported by policy inputs to one increasingly shaped by performance and results. This shift also reflects the growing importance of measurement, verification and standardisation in defining and rewarding social value.



Chapter 5:

SPC and Innovative Financing Mechanisms

Among Korea's many innovations, the Social Progress Credit (SPC) model stands out as the most internationally significant. Launched in 2015 by SK Group in partnership with CSES and developed over the following decade through successive refinements, it represents one of the most serious attempts anywhere in the world to operationalise social value within a market-compatible financial framework. Its implications extend well beyond Korea.

5.1 How SPC Works

The Social Progress Credit model is designed around a straightforward but powerful principle: enterprises that can demonstrate measurable positive social outcomes should receive financial reward proportional to those outcomes. The mechanism works as follows. Social enterprises participate in a standardised social value measurement process, under which their activities are assessed against defined outcome indicators - employment of disadvantaged groups, provision of social services, environmental contribution, community development impact and others. Enterprises that achieve verified positive outcomes receive cash incentives in proportion to their monetised impact.

The SPC model thus creates a self-reinforcing loop: impact creation generates financial reward, which is reinvested to expand impact - and the cycle continues. The underlying logic is to build a system in which social value is recognised and translated into economic value, aligning financial incentives with the actual impact generated instead of merely the inputs traditionally rewarded in subsidy-based models.

5.2 Contributions to the Korean Ecosystem

The broader contributions of the SPC model to the Korean ecosystem have been substantial and well-documented, including through a case study published in the [Stanford Social Innovation Review](#), which reflects on a decade of lessons from its implementation. The SPC has expanded the acceptance and standardisation of impact measurement across the sector. Enterprises that were initially hesitant about monetising social value showed increased understanding and acceptance after experiencing the measurement process, which in turn contributed to the wider diffusion of measurement practices.

It has enabled a shift towards data-driven decision-making by providing quantified evidence of social performance. By reducing information asymmetry between enterprises and funders, it has allowed investment decisions to be based more on outcomes than on intentions. It has strengthened impact management capabilities at the organisational level: participating enterprises have developed a clearer understanding of how their activities generate social value, enabling them to refine strategies and improve performance over time.

The SPC has also provided flexible and strategic capital. Unlike traditional grants, SPC incentives can be used without restrictions, enabling enterprises to deploy resources in ways that best support both growth and impact expansion. And at the individual level, it has strengthened motivation and retention among social entrepreneurs and employees by linking social performance to tangible rewards.

SPC Case 1 - SuperBin

SuperBin is a technology-driven recycling enterprise that operates AI-enabled reverse vending machines and resource recovery systems. By combining digital infrastructure with user incentives, it actively drives citizen participation in recycling. Within the SPC framework, these behaviour-change outcomes

- typically difficult to monetise - are captured and validated as measurable social value. This has allowed SuperBin to convert environmental impact into financial returns, strengthening the business case for scaling its circular economy model.

6 years participation

Cumulative social value: **USD 5.81m**

SPC incentives received: **USD 1.25m**

SPC Case 2 - Todak Todak Cooperative

Todak Todak is a social enterprise that delivers mental health and emotional care services through digital platforms and community-based support, improving access for underserved populations. Its work generates meaningful but often intangible outcomes, such as enhanced emotional well-being and reduced social isolation. By applying SPC, these impacts are

captured as measurable and credible social value, allowing previously overlooked results to be recognised within a results-based framework. This has reinforced the organisation's sustainability and highlighted the potential of integrating mental health services into impact-driven financing models.

6 years participation

Cumulative social value: **USD 3.73m**

SPC incentives received: **USD 0.58m**

SPC Case 3 - Comwin

Comwin is an e-waste recycling company that integrates environmental services with inclusive employment, particularly for vulnerable groups. Its operations generate multiple layers of impact, from carbon reduction to job creation. Through SPC, Comwin has been able to systematically

measure and verify these complex outcomes, linking them directly to financial incentives. This has enabled continuous reinvestment into facilities and processes, reinforcing a virtuous cycle between operational performance, impact, and growth.

9 years participation

Cumulative social value: **USD 8.98m**

SPC incentives received: **USD 1.15m**

5.3 From Experiment to System-Level Adoption

SPC, which originated as an experimental approach within the private sector, is increasingly being institutionalised within the public domain. At the local level, this shift is reflected in the enactment of ordinances in Jeju (2024) and Jeollabuk-do (2025), embedding SPC-inspired outcome-based mechanisms into policy frameworks. Building on these developments, the Ministry of Employment and Labor plans to launch a nationwide pilot from 2026, with a budget of approximately KRW **10** billion (USD **7.7** million), targeting up to **500** certified social enterprises. Together, these efforts signal a transition from private experimentation to broader public-sector adoption at scale.

What began as a pilot programme has progressively embedded itself as a structural feature of Korea's social economy financing

architecture. The SPC model has influenced the design of government procurement systems, shaped the metrics used by impact investors, and contributed to the development of Korea's broader social value measurement infrastructure. Its influence is increasingly felt beyond Korea: international organisations studying the Korean experience have identified the SPC as a model worth adapting for other contexts.

The key condition for its replicability elsewhere is the prior investment in a credible, standardised measurement framework. The SPC works because Korea has invested systematically in the infrastructure needed to verify social outcomes - and because government, sector actors and private investors have committed, over time, to accepting those verified outcomes as a legitimate basis for financial allocation. Building that infrastructure of trust is the precondition for any SPC-equivalent to work in a different context.



Korea's SPC model demonstrates that this cycle can be institutionalised - and that doing so transforms the economics of the social economy.

Chapter 6: Two Ecosystems, One Global Movement - Lessons from Québec and Scotland

When practitioners and policymakers around the world look for proof that a thriving social economy is achievable at scale - not as a niche experiment but as a structural feature of a whole economy - they tend to look to two places: Québec and Scotland. Each has taken a distinct historical and institutional path. Each has assembled a different combination of legislation, finance, intermediary infrastructure and democratic governance. And yet together they embody a common conviction: that collectively owned, democratically governed enterprises can be a primary engine of inclusive economic development, not merely a supplementary welfare instrument.

This chapter examines both ecosystems, comparing their architectures across key dimensions before drawing out what makes each of them distinctively instructive for the Korean context and for the global social economy movement more broadly.

6.1 Québec: A Century of Solidarity, Formalised in Law

Historical Roots and the 1996 Turning Point

Québec's social economy did not spring from a government white paper. It grew from the

economic survival strategies of a marginalised francophone majority who, in the late nineteenth and early twentieth centuries, found themselves effectively excluded from the anglophone financial system. Alphonse Desjardins founded the first *caisse populaire* in Lévis in 1900, creating a cooperative credit institution that would become one of the largest cooperative financial groups in the world. Today, with approximately **44%** of Québec's savings market and over **39,000** employees, the *Mouvement Desjardins* is not merely a financial institution - it is a cultural and economic institution that has shaped every subsequent generation of collective enterprise in the province.

The modern ecosystem was crystallised at a single pivotal moment: the 1996 Summit on the Economy and Employment, convened by the Bouchard government in the midst of fiscal crisis and **12%** unemployment. Rather than treating the social economy as a poverty programme, the government invited civil society - unions, women's organisations, cooperatives, community groups - to the table as full economic actors. The resulting *Chantier de l'économie sociale* was a civil society coalition, not a government agency, tasked with proposing strategies to create thousands of new jobs through the nonprofit and cooperative sectors.

“We always say the social economy is simply the formalisation of the commons. It's social ownership, the goal of which is a sustainable, democratic economy with a market - instead of a market economy.”

Nancy Neamtan, co-founder,
Chantier de l'économie sociale

Legislative Architecture and Finance

Québec's Social Economy Act, passed unanimously by the National Assembly in October 2013, mandates a new government action plan every five years, each to be accompanied by dedicated funding. The Réseau d'investissement social du Québec (RISQ), established in 1997, was the first non-profit venture capital fund dedicated exclusively to the social economy. The Fiducie du Chantier de l'économie sociale, launched in 2007, provides loans with a fifteen-year capital repayment moratorium - genuine patient capital. In June 2024, a reinvestment of **\$55 million** reflected continued confidence in the model. Every dollar invested by RISQ, according to independent analysis, generates ten dollars of community benefit and five dollars of government return.

At scale, Québec's social economy comprises **11,360** enterprises generating more than **\$53.6 billion** in annual revenue - more than the province's construction, aeronautics and mining industries combined. They employ **248,000** people and involve **11.5 million** memberships. **39%** of enterprises have been operating for more than thirty years.¹

6.2 Scotland: Devolution, Land, and the Architecture of Inclusive Business

The Legislative Ecosystem

Scotland's social economy emerged primarily from the creation of a devolved parliament in 1999 and the appetite that followed for a distinctively Scottish approach to economic development. Its legislative architecture is layered and interlocking: the Land Reform (Scotland) Act 2003 introduced the Community Right to Buy; the Procurement Reform (Scotland) Act 2014 created a statutory sustainable procurement duty; the Community Empowerment (Scotland) Act 2015 enabled

communities to take over management of public assets; and the Community Wealth Building (Scotland) Act 2026 makes Community Wealth Building partnerships a mandatory statutory requirement for local authorities and public bodies. This partnership specifically sets out routes for Scotland's local authorities and public bodies to support and promote social enterprises, co-operatives and employee-owned businesses. Additionally, Scottish Ministers will need to publish a community wealth building statement on the efforts the Scottish Government are pursuing, where they must consult with social enterprises.

The Scottish Government and the Social Enterprise Sector in Scotland have a long history of collaboration, evidenced by both long-term and short-term planning. For instance, a 10-year strategy for social enterprises was co-produced with the sector and in place since 2016. Integral to this strategy were the three-year Social Enterprise Action Plans (SEAP), which were developed in partnership with Social Enterprise Scotland. This collaborative approach, with the government actively engaging the sector, is crucial for developing robust plans and strategy.

This collaborative approach across the sector allowed ecosystem partners to shape and inform government policymaking, which is one of the reasons that the reputation of social enterprise in Scotland is so strong. This is also indicated across the positive figures around social enterprise that are seen in the census and will show in future spending with social enterprise, due to the Community Wealth Building Act.

Scotland's procurement spending - approximately **£16 billion** annually - creates substantial potential market access for social enterprises when the sustainable procurement duty is meaningfully applied. The 2024 Social Enterprise Census shows **6,047** social enterprises generating **£2.89bn** in gross value added (up **41.7%** since 2017), with a net worth of **£8 billion** - **107%** higher than in 2015.

1. <https://statistique.quebec.ca/fr/document/leconomie-sociale-au-quebec-portrait-statistique>

Community Ownership: Scotland's Distinct Contribution

Scotland's contribution to the global social economy movement is the community right-to-buy and the land reform tradition it has created. Scotland has the highest concentration of private landownership in Europe; its land reform legislation democratises that concentration

by enabling communities to own the assets on which their social and economic lives depend. The results are visible in places like Eigg, Gigha, Knoydart and the West Harris Trust, where community buyouts have reversed population decline - in some cases doubling the local population within fifteen years - and created locally owned enterprises operating in competitive markets.

6.3 A Comparative Framework

The table below maps both ecosystems across key dimensions, providing a structured basis for the lessons in Chapter 7.

| Dimension | Québec | Scotland |
|-------------------------------|--|--|
| Origins & trajectory | Century-long cooperative tradition (Desjardins, 1900); political watershed at 1996 Economic Summit; civil society-led mobilisation | Post-devolution policy activism (1999-); blend of social enterprise, cooperative and community enterprise; land reform as founding impulse |
| Legislative architecture | Single Social Economy Act (2013, unanimous); mandated 5-year Government action plans with accompanying budgets, solidarity co-ops (since 1997). A convening "table des partenaires" brings together main social economy actors, partners and government. | Multiple interlocking Acts: Land Reform (2003, 2016), Procurement Reform (2014), Community Empowerment (2015), Community Wealth Building Act (2026) |
| Peak body / sector leadership | Chantier de l'économie sociale (civil society-led) + CQCM; jointly recognised in legislation; government-funded infrastructure | Social Enterprise Scotland (membership body); Highlands and Islands Enterprise providing rural leadership, Just Enterprise as national support programme |
| Finance ecosystem | RISQ (1997); Fiducie du Chantier (2007, 15-year repayment moratorium); labour solidarity funds (FTQ, Fondation); \$55m reinvestment (2024). CAP finance regroups all funds investing in the social economy and has facilitated the adoption of a common evaluation methodology to invest in SEEs. They also are at the forefront of disbursing/investing federal funding within these funds and others. | Social Investment Scotland; Firstport; community shares (£19m raised 2014-23); Scottish National Investment Bank, smaller initiatives; include Challenges Venture Fund and foundations |

| Dimension | Québec | Scotland |
|------------------------|--|---|
| Scale (latest data) | 11,360 enterprises; \$53.6bn revenue; 248,000 employees; 11.5 million memberships ² | 6,047 social enterprises; £2.89bn GVA; 90,050 FTE employees; £8bn net worth (+107% since 2015) ³ |
| Distinctive innovation | Co-construction of solidarity finance with labour movement; patient capital; supported employment in mainstream manufacturing supply chains. Participation of other social movements (women, environmental, labour) to the development of new tools and policies and a governance structure (within Chantier) that includes these movements + territorial and sectoral representatives | Community right-to-buy and land reform legislation (world-first); sustainable procurement duty; People and Planet First verification |

6.4 Where They Converge, Where They Differ

Despite very different starting points, Québec and Scotland share several structural commitments: long-time horizons built over decades rather than electoral cycles; sector-government co-production; investment in intermediary infrastructure; evidence and data as strategic assets; and place-based development rooted in specific community conditions. Their differences are equally instructive: Québec's unified Act versus Scotland's layered architecture; sector leadership versus policy leadership; deep cooperative integration versus Scotland's emerging convergence of inclusive models; and the relative maturity and embeddedness of Québec's solidarity finance ecosystem compared to Scotland's growing but still consolidating social investment market. Scotland has looked to Québec to understand how to better integrate social enterprises and social economy enterprises including co-operatives as the separation at policy and intermediary level is holding back the identity and influence of the social economy.

6.5 What These Ecosystems Offer the Korean Conversation

Korea's social economy, as described in Chapters 1–5, is closer in some respects to Scotland's model than to Québec's: government has played a leading role, with sector actors progressively asserting greater independence. Both Québec and Scotland offer Korea specific lessons on legislative durability, sector leadership, patient capital, procurement leverage and territorial development. But Korea also has something to offer both: its SPC model is being studied internationally as a financial innovation neither Québec nor Scotland has yet developed at equivalent scale; and its corporate engagement model, moving beyond CSR toward co-construction, is more advanced than either European or Canadian comparators.

2. <https://statistique.quebec.ca/fr/document/leconomie-sociale-au-quebec-portrait-statistique>

3. <https://socialenterprise.scot/social-enterprise-in-scotland/census/>

Chapter 7:

Lessons for the Global Ecosystem

7.1 What the Korean Experience Teaches

Comparative analysis has limited value unless it generates transferable insight. The preceding chapters have mapped Korea's social economy in depth - its origins in crisis response, its policy-driven institutionalisation, its gradual evolution toward a more plural and hybrid ecosystem, and its distinctive innovations in social value measurement and outcomes-based finance. Chapter 6 placed that experience alongside Québec and Scotland. This chapter draws those threads together into a set of lessons that the Korean experience offers to the global movement - grounded in evidence, tested against international comparison, and oriented towards practical application.

These are not prescriptions. Every social economy is embedded in its society's specific history, institutional culture and political economy. What transfers between contexts is not policy instruments but structural insight - the understanding of why certain approaches succeed or fail, and what conditions must be in place for alternatives to take root.

7.2 Six Lessons

Lesson 1: Government can initiate, but must not permanently own

Korea's most instructive structural story is the one told by its own evolution. The Social Enterprise Promotion Act of 2007 was a state-led intervention - government defined the terms, certified the enterprises and funded the infrastructure. It worked. Within a decade, Korea

had one of the most institutionally dense social economy ecosystems in Asia. But the limits of a purely government-driven model also became apparent: enterprises dependent on certification and subsidy struggled to develop independent commercial capacity; intermediaries aligned with government priorities sometimes lost the independence needed to advocate effectively for sector actors.

The shift that followed - toward a more plural ecosystem with growing roles for sector-led intermediaries, private capital, and corporate partners - was not an abandonment of government commitment but a maturation of it. For governments in earlier stages of social economy development, the lesson is not to invest less, but to invest differently - and to design support programmes explicitly for the transition toward sector leadership, rather than for indefinite continuation.

Lesson 2: Social value measurement is market infrastructure, not accountability overhead

Perhaps the most globally significant contribution of the Korean social economy is its approach to measuring and rewarding social value. The SPC model creates a self-reinforcing loop in which impact creation, measurement, financial reward and reinvestment become mutually enabling. The broader ecosystem effects have been substantial: expanded acceptance of impact measurement; reduced information asymmetry between enterprises and funders; strengthened internal management capabilities; and a signal to investors, corporations and policymakers that social value is quantifiable and therefore comparable. Québec's RISQ and Scotland's biennial Social

Enterprise Census reflect the same underlying insight in different forms. What Korea has added is a direct financial mechanism linking measurement to reward - the frontier for social economy finance globally.

Lesson 3: Legal architecture matters - but clarity matters more than uniformity

Korea has five legal forms for social economy organisations. This diversity of forms reflects the breadth of social economy activity. It has also created periodic policy incoherence. Québec resolved the equivalent challenge through a single Social Economy Act that brought cooperatives, mutuals and associative enterprises under one framework without homogenising them. Scotland resolved it differently, through layered legislation addressing specific market failures one by one. Both approaches work; both took decades of deliberate design. The transferable lesson is that without some form of recognised framework, enterprises remain at the margins of economic policy - and that at some point, a proliferation of legal forms without a unifying framework creates costs that outweigh the benefits of variety.

Lesson 4: Corporations must become ecosystem co-constructors, not ecosystem funders

Korean corporations have moved from funders to co-constructors - contributing to the design of impact measurement frameworks, creating market access platforms and engaging in collaborative ventures that integrate social value creation into their business models. This matters for the global movement because the resource gap facing most social economies cannot be filled by public funding or philanthropic capital alone. Korea demonstrates that corporate engagement is most productive when corporations are invited not just to fund but to co-design - to put their institutional knowledge, market relationships and data capabilities at the service of the ecosystem's development.

Lesson 5: The quality of intermediaries is a strong measure of ecosystem health

It is tempting to measure the health of a social economy by counting its enterprises. These metrics matter, but they are lagging indicators. A more reliable leading indicator is the quality, independence and capacity of the intermediary layer. Korea's KoSEA, MYSC and research community; Québec's Chantier and its network of Pôles régionaux; Scotland's combination of Social Enterprise Scotland, First Port and Just Enterprise - all demonstrate that the intermediary layer is not overhead but essential infrastructure. The lesson is to invest in it with the same seriousness as direct enterprise support, and to resist the temptation to measure its value by short-term economic returns.

Lesson 6: Build for iteration, not perfection

Korea's ecosystem has gone through four distinct developmental phases since 1997. Québec's Social Economy Act mandates a new action plan every five years. Scotland has enacted five major pieces of relevant legislation in twenty years. This pattern of continuous iteration is not evidence of instability - it is evidence of institutional learning. The lesson for newer ecosystems is to build revision mechanisms into the architecture from the start: mandated review cycles, participatory evaluation processes, and the institutional confidence to reform what experience has shown to need reforming.

7.3 A Comparative Summary

The table below summarises each lesson alongside its grounding in the Korean experience and its amplification through the Québec and Scotland comparison.

| Lesson | From the Korean experience | Amplified by Québec & Scotland |
|--|--|---|
| 1. Government initiates; sector sustains | Policy-driven phase (2007–2014) created the foundations; hybrid evolution since 2015 shows the transition to sector ownership is both necessary and achievable | Québec's Chantier and Scotland's HIE both demonstrate long-term durability when sector actors hold genuine institutional power alongside government |
| 2. Measurement as market infrastructure | SPC model links financial incentives to measured outcomes, reducing information asymmetry and enabling market mechanisms to serve social purpose | Québec's RISQ and Scotland's census both demonstrate that consistent, credible data transforms the sector's standing with investors and policymakers |
| 3. Legal architecture: clarity over uniformity | Five co-existing legal forms create diversity of approach; the cost is occasional fragmentation and policy incoherence | Québec's single Act provides political durability; Scotland's layered Acts provide comprehensive coverage: both work, but both required deliberate design |
| 4. Corporations as co-constructors | Korean corporations contribute to ecosystem mechanisms - impact measurement, market platforms, collaborative infrastructure - not just philanthropic funding | Scotland's procurement legislation and Québec's labour solidarity funds provide structural corporate engagement, but Korea's co-design model is more advanced |
| 5. Intermediaries as connective tissue | KoSEA, MYSC, sectoral networks - quality of intermediary layer more reliably predicts ecosystem health than enterprise numbers alone | Chantier, Pôles régionaux, HIE, Just Enterprise, Social Enterprise Scotland - all demonstrate that sector infrastructure is not overhead but essential investment |
| 6. Design for iteration | Continuous legislative and policy evolution - four distinct phases since 1997 - reflects learning, not instability | Québec's 5-year mandatory review cycles and Scotland's successive Acts both institutionalise adaptation |

7.4 The Value of Structured Learning

Reading about another ecosystem's experience is useful. Visiting it is transformative. There is a quality of understanding that comes from standing in a room with the people who built something, understanding the choices they made and the alternatives they rejected, that no written account can fully replicate. This is why Chapter 8 describes not just the case for engaging with Korea but the specific vehicle SEWF has developed for enabling that engagement: the Ecosystem Leadership Exchange.

The deepest lesson from comparing Korea, Québec and Scotland is not which model to adopt - it is that building a social economy is an act of sustained institutional imagination, renewed in every generation.



Chapter 8: Why Korea, Why Seoul, Why Now – An Invitation to Learn

8.1 The Case the Report Has Made

This report began with a question – why Korea now? – and set out to answer it with evidence, not advocacy. The chapters that followed traced the evolution of Korea's social economy from the founding legislation of 2007 through to a diversified, increasingly independent ecosystem whose architecture of policy, finance, intermediary support and market engagement has few direct parallels anywhere in the world.

Korea's is not a neat story. It is a story of deliberate government intervention giving way, over time, to a more plural and contested ecosystem – one in which sector actors have progressively asserted their own voice, direction and institutional identity. It is a story of a society deploying the social economy in response to structural challenges – an ageing population, widening inequality, a care economy under strain – rather than treating it as a peripheral policy interest. And it is a story that is unfinished: the questions the Korean ecosystem is currently wrestling with are not unique to Korea. They are the central questions of our global movement.

Chapter 6 placed Korea in comparative perspective alongside Québec and Scotland. That comparison illuminated both what makes Korea distinctive and what it shares with the most mature social economies in the world. Korea is not an outlier. It is a peer – a society that has chosen to invest seriously in the social economy as economic policy, not as social welfare, and that has built the institutional infrastructure to deliver on that choice at scale.

8.2 What Korea Offers That Cannot Be Read

There is a limit to what a report, however thorough, can convey about an ecosystem. Numbers can describe scale. Diagrams can illustrate structure. Policy analysis can map the legislative architecture. What none of these can do is communicate the texture of an ecosystem: the energy in a room when sector leaders and government officials negotiate as equals; the pride and practicality with which a social enterprise manager explains why their model outlasts the market alternatives around it; the granularity of a territorial development strategy built up over twenty years of trial, error and local learning.

Korea's social economy has that texture. Seoul itself is a particular kind of learning environment: a city of more than ten million people that has, in less than two decades, developed one of the most concentrated clusters of social economy actors, support infrastructure, academic expertise and government engagement in any major city in Asia.

“Korea stands as a pioneer in supporting the social and solidarity economy. KoSEA represents a model that we hope will expand across Asia and the Pacific region”.

ILO representative, 2024 Social Enterprise Leaders Forum, Seoul

8.3 SEWF's Role: Spreading What Works

SEWF was founded in Edinburgh in 2008 by national social enterprise support agencies who recognised that the movement they were building was global. Seventeen years of forums on six continents have deepened SEWF's understanding of how learning actually travels between ecosystems. A global conference is a powerful moment of connection. It is not, on its own, an instrument of policy transfer. The conversations that genuinely shift policy happen in smaller rooms, over longer periods, between people who have gone deep into each other's contexts.

This understanding led SEWF to develop the Ecosystem Leadership Exchange - a structured, immersive programme designed specifically to support the kind of learning that changes policy.

It is not a study tour. It is a facilitated enquiry into a specific ecosystem, conducted by senior practitioners and policymakers who are explicitly asked to relate what they see to the challenges and opportunities in their own contexts - and to leave with concrete commitments to what they will do differently when they return.

8.4 The SEWF Ecosystem Leadership Exchange: Programme Design

The inaugural Ecosystem Leadership Exchange will take place in Seoul in October 2026. Forty participants - selected for seniority, diversity and the quality of their home-context influence - will spend five days immersed in the Korean social economy, guided by a programme designed in partnership with CSES.

| | |
|---------------------|---|
| Programme | SEWF Ecosystem Leadership Exchange - inaugural edition |
| Location | Seoul, Republic of Korea |
| Date | October 11-15 2026 |
| Participants | 40 senior practitioners, policymakers and ecosystem leaders |
| Host partner | CSES (Center for Social Value Enhancement Studies), Korea |
| Convened by | Social Enterprise World Forum (SEWF) |
| Frequency | Biennial - Seoul is the inaugural edition |

The five-day programme is structured around four complementary learning experiences: ecosystem immersion through guided visits to social enterprises, intermediary organisations, finance institutions and government bodies; structured dialogue with Korean ecosystem leaders designed for genuine exchange rather than presentation; peer synthesis in daily cohort reflection sessions that draw out connections between Korea and participants' own contexts; and transfer planning on the final day, when each participant develops and shares a concrete commitment to how they will apply their learning at home.

8.5 Why Seoul for the First Edition?

Korea's social economy is at a specific moment in its development - past the initial period of government-led institution-building, actively diversifying its finance and intermediary ecosystem, and beginning to engage seriously with the questions of sector independence and international integration that characterise maturing ecosystems. This is precisely the moment at which outside observation is most valuable, both for the visitors and for the Koreans they will meet.

The SEWF-CSES partnership that produced this report provides the foundation for a programme with real depth. CSES brings two decades of rigorous analysis of the Korean social economy, relationships across the full ecosystem from government to grassroots, and the capacity to curate encounters that go beyond a showcase. This is a substantive research and advocacy partnership, not a relationship formed for the purpose of an event.

8.6 An Invitation

We are inviting forty people to join us in Seoul in October 2026: people who hold senior roles in social and economic policy, social finance, CSR, corporate procurement and social enterprise leadership or enterprise support; who lead or significantly influence an organisation whose work shapes the conditions for social enterprise in their context; who are genuinely curious about how other ecosystems have addressed challenges that are live in their own; and who are willing to commit not just to attending the programme but to acting on what they learn.

SEWF will track post-programme actions to understand the value and impact of the programme and to deepen understanding of the transferability of systems, processes, innovation and its cultural context. We welcome conversations with organisations who wish to support the participation of practitioners from specific regions or contexts.

8.7 Closing: What We Learn Together

The social economy movement has always been, at its core, a learning movement. Its founding insight - that economic activity can be organised around democratic governance and collective benefit without sacrificing viability - was discovered in practice, in the *caisses populaires* of rural Québec, the community buyouts of the Scottish Highlands, the social firms of the Italian Emilia-Romagna region, and the worker cooperatives of the Basque Country. It has been continuously re-discovered and re-invented in different cultural and institutional contexts ever since.

Korea's social economy is the latest chapter in that story - one of the most deliberately constructed, rapidly developed and institutionally sophisticated chapters yet written. SEWF has spent seventeen years creating the conditions for the global social enterprise

movement to learn from itself. The Ecosystem Leadership Exchange in Seoul is the next expression of that mission - more intensive, more structured and more explicitly focused on policy impact than our global forums, but rooted in the same conviction: that what we learn together is greater than what any of us could discover alone.

We look forward to learning from Korea - and from each other - in October 2026.

For information on the SEWF Ecosystem Leadership Exchange Seoul 2026, contact <https://sewfonline.com/> or complete the following [Expression of Interest Form](#).



