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ORIGINAL ARTICLE

A Study on the Policy Promotion for the Revitalization of Korean Social Venture

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ABSTRACT

The purpose of this study is to determine the political implications to activate social ventures in Korea. These efforts may create various social impacts, such as social innovation, employment of vulnerable classes, expansion of social services, and job creation for young adult employment. Two policy tasks are proposed as an institutionalization plan to foster the social venture ecosystem. First, based on the social enterprise promotion law, social venture-type social economy enterprises aiming to solve social problems are set up as separate categories, and support programs that are different from existing social enterprise support policies, such as mid- to long-term R&D support. Another approach that may be considered is to define separately the social venture business development sector in venture business development. Secondly, there is an approach to institutionalize social venture support that differs from existing social economy enterprise support. After social venture activity is initiated, it can be considered as a mid- and long-term development plan.

<Key-words>

social ventures, social innovation, social ventures ecosystem

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I. Introduction

A social venture is defined as an innovator start-up that creatively operates to produce impact value that is treated as a new political alternative for South Korea's social problems, such as economic slowdown or youth unemployment. However, social ventures are facing limitations with regards to insufficient institutional support and not creating numerous social values. The government budget for start-up support initiatives for small and medium businesses was 2 trillion KRW (about 1680 billion dollars), whereas administrative support for social ventures is only about 15 billion KRW (about 12.6 million dollars). According to the Korea Small Business Institute (2018), these disparities have a crucial impact on the development of social ventures. The average sales in social ventures (55 million KRW) were significantly lower than sales of ventures overall (6.8 billion KRW). Therefore, the purpose of this study is to determine the political implications to activate social ventures. These efforts may create various social impacts, such as social innovation, employment of vulnerable classes, expansion of social services, and job creation for young adult employment.

A social enterprise is defined as an "organization that solves social problems through the employment of vulnerable classes, the supply of social services, and contribution to community", and a social venture can be understood as a "start-up that is established by a small number of entrepreneurs to commercialize the innovative ideas for solving social problems" (Lee, et al., 2013). Therefore, social ventures are a form of company that flexibly tackles the major challenges in society. For instance, Marymond (marymond.kr), a social venture that supports older adults who have suffered from sexual slavery in Second World War, employs 60 people, achieves annual sales of 10 billion KRW, and is one of best practices that has attained both business competitiveness and a social mission. The terms 'Social enterprise' and 'Social venture' are used interchangeably in Korea, as was found in the government's announcement on the activation of the social economy in the second half of 2017. The governmental intention was to emphasize the impact of investment funds for social ventures and job creation; however, the scholars and the public has agreed that the announcement lacks specific political plans.

As with the ambiguity in the term, the legal bases of a social venture are more ambiguous than that of a social enterprise, and the support for social ventures hardly exists. After the enactment of 'the social enterprise promotion in 2007', a social enterprise can be certified as 'social enterprise' or 'preliminary social enterprise' if it satisfies certain conditions, such as sales scale, the number of paid employees, and realization of a social objective through business. After being recognized for legal status, a social enterprise can receive a variety of support from the government such as managerial support on management, technology, taxation, accounting, education and training, facility expenses, tax exemption, social insurance premium support, priority purchase of public institutions. These types of support however do not apply to 'social venture', because there is no legal

basis or support system (Lee, et al., 2018).

Therefore, research and policy agenda are needed due to the lack of knowledge on how to support social ventures and ways to attract social ventures to continue their endeavors in solving social problems. Also, the need for enacting a social venture policy is receiving support from a variety of people in politics, academia, and social economy. However, there are few studies on social ventures for the formation of various discourses, which is essential for policy making, and there is no research on what support social ventures need, what are powerful incentives, and what is effective regulation. If policy on the social venture is enacted, the domestic social venture area becomes the main actor of the social economy, which can have a positive effect on its activation in the future. Ultimately, social ventures will help solve social problems through innovative ideas.

II. Status and Problems of Social Venture Policy

Compared to the social enterprise support system which is bolstered by the central government level, the support for social ventures is insufficient, and the legal basis for social venture development is not yet established.

1. Insufficient support system of the social venture

Since major developed countries have no fixed legal terms and requirements for 'social enterprise', they are supporting social enterprises as they support various types of organizations and enterprises that aim to achieve social purpose in a comprehensive manner (Leadbeater, 2007). On the other hand, in Korea the government is promoting various support for social enterprise only if the organization is certified as a social enterprise. Therefore, social ventures, not having a clear legal position yet, have a difficult time without any support.

There are a variety of support programs for organizations related to social economies such as social enterprises, cooperatives, village enterprises, and self-help companies through legal conditions, certification and accreditation procedures. However, social ventures have no specific support programs as well as separate authentication procedures. A social enterprise that can acquire various support programs such as labor costs, business development cost, and education must comply with the certification requirement which stipulates strict rules concerning prohibiting reinvestment of 2/3 or more of profit and maintaining democratic decision-making structure. Due to these rigid requirements, social ventures that realize social purpose by creating financial profit do not yearn for certification as do social enterprises (Jang, 2017).

Social enterprises and social ventures have different goals, and this makes it difficult for social ventures to gain support in the context of a social enterprise. Specifically, social enterprises mainly focus on providing employment to the vulnerable and the low-income

class and yielding social services; whereas, social ventures, even though they share some common goals like community integration and social innovation, seek a wide arrange of social purposes that social enterprise typically do not handle. As a result, diverse social innovation ideas that solve various social problems such as health, welfare, employment, environment, and housing are not leading to the establishment of a social venture (Kim, S, et al., 2015) [Table 1.].

<Table 1> Legal Standards and Certification System of Social Economy Enterprises

Division	Social Enterprises	Cooperative Firms	Community Enterprises	Self-sufficiency Enterprises
The nature of the corporation	profit/ Non-profit	(profit) Corporation	Profit Corporation	Corporation (Partnership/ Business)
Subject	Representative	Co-Founder (More than 5 people)	Co-Founder (More than 5 people)	Recipients who received beneficiary of self-support work project Or low income persons
Target of Business	low income persons	Citizen and Interest group	Local residents	Low Income Vulnerable group
Foundation (Certification)	Ministry of Labor certification	Report of branch office (Accreditation Cooperatives are authorized by relevant Ministries)	Recommend local government screening → Designated in Ministry of Public Administration and Security screening	Recognition of Guarantee
Requirement of the Foundation Requirement of the Certification)	Realize of the purposes, By laws, Use of social purposes for profit, Democratic decision-making structure, Hiring Paid Workers etc.	Social cooperatives perform more than 40% of public utilities	Village residents invested more than 10% of total project cost, 70% or more of the residents etc.	Requirements of Self-support company (1/3 or more of beneficiaries, profit sharing, working days, etc.)
Social Purpose (Business Purpose)	Creating jobs for the vulnerable people, Promotion of social welfare and services	Spend more than 40% of project costs on state utilities	Local troubleshooting, Community Contribution, Regional economic development and revitalization	Inspiring self-sufficiency and creating jobs
Regal Reserve	-	10% or more of net profit (30% or more for social cooperatives)	Appropriate loss of more than 10% of net profit, reserve of reinvestment of more than 50% of net profit	-
Allocation	Less than one third of profit (more than two thirds of profits for social purposes)	Dividend available, Prohibition of more than 10% of paid-in capital (social cooperatives do not divide)	Dividend available	Allocation of profits above market standard income

Source: Korea Small Business Institute (2018)

1) The absence of foundation for upbringing social venture

Social ventures do not have a clear legal status. Therefore, the government authority responsible for them is ambiguous. Social enterprises are regulated by The Ministry of Labor, community enterprises are supported by the Ministry of Public Administration and Security, the self-sufficiency enterprise is in charge of the Ministry of Health and Welfare, the cooperative is supported by the Ministry of Strategy and Finance, venture development is led by the Department of Small, Medium, and Venture Businesses. There are no ministries that handle social ventures which have both social economy and venture businesses (Lee, et al., 2018).

Governmental support for social enterprises such as subsidize labor costs, social insurance premiums, and business expenses are not as relevant to the specific need of social ventures. Most of the support for social enterprises is financial support such as subsidizing personnel expenses and business expenses, or to finance or secondary finance business for settlement and business funds, and lack of support for research and market development. Social ventures based on social innovation should realize a business model that can achieve social value through maintenance and sustainable growth of a company. Therefore, R&D investment and market research for a social venture is as important as for any venture in general (Korea Small Business Institute, 2018) [Table 2].

<Table 2> Social Economic Enterprise Support System and Main Contents of Supports

Division	Ministries, Support organization	Budget (year)	Main Contents of supports	
			Individual level	Common level
Social Enterprises	Ministry of Employment and Labor, Korea Social Enterprise Promotion Agency	151 Billion KRW ('18)	Labor costs (expert personnel), Social Insurance Premium, Business Development Costs, Tax benefits, etc.	
Cooperative Firms	Ministry of Strategy and Finance, Korea Social Enterprise Promotion Agency	4.3 Billion KRW ('18)	Project cost, business development cost, etc.	Training and mentoring, Entrepreneurship Support, Management Consulting, Sales connection(public procurement) and PR support Policy fund loans, etc.
Community Enterprises	Ministry of Public Administration and Security, Community Enterprise Support Center	7 Billion KRW ('18)	Project cost (Foundation supports) etc.	
Self-sufficiency Enterprises	Ministry of Health and Welfare, Central Self-Support Center	12.2 Billion KRW ('16)	Labor costs, Consulting fees, Rental fees, Founding Funds, Mechanical equipment costs, Facility reinforcement costs, ect.	

Source: Ministry of Health and Welfare (2017); Ministry of Public Administration and Security (2019); Ministry of Employment and Labor (2019).

In addition, there is a lack of administrative resources for social ventures such as statistics and survey reports which are the basis of policy development, as well as specialized support and infrastructure. Survey reports on not only social enterprises, cooperatives, and self-sufficiency companies, but also venture business take place

annually; however, there is no official report on social ventures currently, consequently it is difficult to pinpoint current status, major characteristics, and policy demand.

2. The current of social venture ecosystem

Chapter 2 examines the current situation centered on human capital, the core ecosystem of social venture startups, and financial capital required for growing social ventures.

1) Human capital

The core of human capital in social ventures depends on two policies: nurturing social venture entrepreneurs and fostering human resources for intermediary organizations that support them. In terms of human capital in social ventures, there is a lack of awareness of social ventures and a shortage of training for social venture entrepreneurs. Currently, there is no department within government that handles social ventures. Only the Ministry of Employment and Labor, which nurtures the social economy, regards social ventures as one form of an uncertified- or preliminary- social enterprise. Therefore, there is no official system to cultivate social innovative venture entrepreneurs in a practical sense. The Ministry of Employment and Labor categorizes pre-founder or early-stage startups as social ventures that prepare for start-up in order to achieve the social purpose of the social enterprise. Some start-up social companies have a social venture orientation. However, few social enterprises have such an orientation.

The Ministry of Employment and Labor has recognized a total of 2,622 entrepreneurial teams supported by 'social enterprise development project' as social ventures from 2011 to 2017. A company that does not meet social enterprise qualification conditions but aims to realize the social purpose is designated as 'preliminary social enterprise' (1,108 at the end of 2016), and preliminary social enterprise is also considered as a type of social venture. The startup team and the prospective social enterprise are considered to be oriented toward social enterprise certification, but many start-up teams withdraw from achieving social enterprise certification due to rigid regulations that hinder innovative activities (Lee, 2018).

Presently, intermediary support organizations are incubating social enterprises in various ways. In particular, there are many intermediate support organizations that support social enterprises, whereas there is a lack of intermediary support organizations that mainly support social ventures. Some intermediary support organizations operated by the private sector provide the impact investment and the common workspace to a social venture, but there is no public intermediary support organization that is specialized in social ventures (Korea Small Business Institute, 2018).

2) Financial capital

(1) Immaturity of impact investment market

Most social ventures acquire financial capital, which is the core foundation of social venture fostering, from impact investment. However, impact investment in Korea has shown immaturities.

The total amount of impact investment in Korea is only about 53.9 billion KRW in 175 cases, as of 2015. According to the Global Impact Investment Network (GIIN), the global impact investment in 2017 grew to almost \$228.1 billion (about 250 trillion KRW), nearly doubling from \$201.4 billion in 2016. This shows that the total amount of financial capital is growing rapidly. The investment sector is also diversifying, with financial services (19%), energy (14%), microfinance (9%) and housing (8%) (Korea Small Business Institute, 2018). Since there is no governmental funding that promotes private impact investment, such investment has only been sourced from a few professional angel funds. There is no fund for the social venture from the government-funded funds, such as the mutual fund and the growth ladder fund, before 2019. The government plans to establish an impact fund for social ventures since the second half of 2018, the Korea Social Value Solidarity Fund(www.svsfund.org) was launched in January 2019.

The Social Value Solidarity Fund was established to contribute to the development of a sustainable social financial ecosystem and social economic revitalization. As Korea's first social finance whole fund, the Social Value Solidarity Fund was established through a public-private partnership based on the government's social finance activation plan. Funds will be raised to 300 billion KRW over five years, and will voluntary donations and contributions, and contributions from the private sector. The Social Value Solidarity Fund promotes projects such as the provision of 'endurance capital' for the growth of a social economic organization, and supports project for prevention and solution of social problems including social performance incentive businesses (SIBs), development of social financial intermediary, and build a market base. Moreover, the Social Value Solidarity Fund will cooperate with various policy funds and private funds to operate various projects, such as investment and loans, in accordance with the financial demand of the social economy.

(2) Constraints in fund accessibility due to lack of impact investment and evaluation of the social value

Developed countries have established a variety of social valuation models, and financial means such as equity, loans, and bonds for social purpose projects, and are actively being utilized. There are several evaluation systems for social enterprises led by the private sector, such as Social Return On Investment (SROI) by Roberts Enterprise Development Fund (REDF), GIIN's Impact Reporting & Investment Standards (IRIS), and B lab's Global Impact Investment Rating System (GIIRS).

The SROI was developed by REDF, the American investment fund, and upgraded by the New Economics Foundation (NEF), the nonprofit research organization, and is widely

used in the United States and the United Kingdom. The SROI is an evaluation model that quantitatively measures the social and economic value created by an organization. It helps to calculate the social value as an economic value based on cost-benefit analysis. IRIS and GIIRS serve as criteria or performance indicators for impact investment and as a rating or rank for the company. The IRIS developed by GIIN has the characteristics of an index directory that summarizes the impact reporting and investment criteria. GIIRS is developed by B Lab based on IRIS. It evaluates the impact of the enterprise or project, assigns the rating, and is used as a means of authenticating a company that creates impact (Korea Small Business Institute, 2018).

In Korea, there is no social evaluation (social value) model that is commonly used in venture investment and financial institutions. Although the Korea Social Enterprise Promotion Agency(www.socialenterprise.or.kr) has developed a 'Social Value Index' that measures social performance, it is too simple and insufficient for financial transactions such as investments, loans, and guarantees. SK, one of Korea's leading companies, also has developed and used the Social Process Credit (SPC) for the purpose of paying social benefits and incentives to partner companies, and it is difficult to utilize SPCs for impact investment, because it is a model for measuring social performance to award economic incentives.

3) Other features of ecosystems: lack of sales base in the private market and immaturity of the social services market

Since there is little public awareness of social ventures, it is difficult for consumers to access the market of a social venture. At the same time, social ventures suffer from securing the demand in a scarce market. The main problems that the entrepreneur teams benefited from in the "Social Entrepreneurial Growth Project" of Korea Social Enterprise Promotion Agency were identified as 'financing' followed by 'opening a market'. Also, in the survey on social enterprise by the small and medium business research institute, among the difficulties faced in the operation stage of social enterprise, 'finding a market' was the second highest following 'financing'. In other words, it is necessary to establish the policy ecosystem of the state such as the development of the financial capital for cultivating the social venture (Korea Small Business Institute, 2018).

In addition, small-scale social venture companies cannot open aggressive domestic sales channels due to lack of advertising expenses and vulnerable sales networks, and they are relatively short of exports. Therefore, the social venture market faces difficulty with opening a private market, and the social service market is also immature.

3. The policy agenda regarding cultivating social venture

Based on the Korea Small Business Institute (2018), Lee, et al(2013) and other research papers, three policy tasks were presented. First, proposing social venture identification and valuation system establishment. Second, this study suggests ways to support social

venture startups and foster human capital and revitalize promising social venture businesses. Third, proposing ways to spread successful models such as fostering financial capital, supporting R&D and marketing, and fostering social venture clusters by supporting social ventures during the growth period.

1) social venture identification and valuation system establishment

(1) Providing a guideline for the discernment of social ventures from the bottom-up

Private-led social venture discernment guidelines can be provided in two ways. First, the concept of the social venture should be clarified and guidelines for its discernment that can be used for government support and market trading should be prepared and presented. Social venture discernment criteria should be established for in a socially acceptable manner regardless of whether they are certified either as a social enterprise or social venture, so that the guideline may be used to select the type of government support and minimize ambiguity of judgment in the selection of impact investment. Rigid criteria may deter social ventures to achieve various social purposes and can delay the expansion of the social venture base. Therefore, flexible discernment criteria should be established. Concurrently, the guideline for the discernment of social ventures needs to be developed in such a way that the social venture should be broadly defined, and the criteria should be presented minimally so that it can be modified and supplemented for various purposes. As a method of preparing the guideline, it is desirable that it should involve various private stakeholders in order to enhance social cohesion (Korea Small Business Institute, 2018).

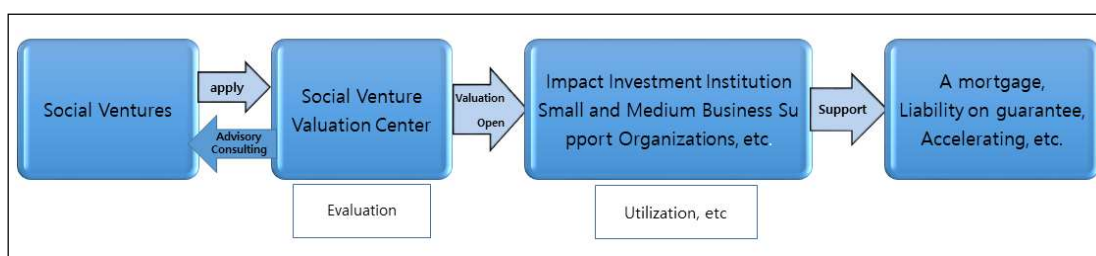
(2) Establishment and diffusion of social venture valuation system

The first step is to develop social venture evaluation model. It is important to develop an evaluation model that can comprehensively and rationally judge the social purpose of the social venture, the innovation of the business model, and the growth potential of the company. Considering various types of social venture support, it is necessary to develop and utilize two evaluation models, 'enterprise unit' and 'project unit'. In the case the former, for the enterprise unit, it can be used as the objective basis of the enterprise value in receiving the investment, loan, and guarantee of the enterprise unit on the basis of the social performance. In the case of the latter, for a project unit, it can be used as an element of qualification, such as the realization of the social purpose, commercialization, R&D when selecting project for subsidy.

Second is to establish the social venture value evaluation center. The social venture value evaluation center can serve in spreading the evaluation guideline and supporting various commercialization opportunities by issuing and providing a credible evaluation report on the level of value created by a particular social venture. In November 2018, the government established a social venture value evaluation center in the Korea Technology Finance Corporation(www.kibo.or.kr). The center provides complete services for the start-

up and growth of social ventures, such as a discovery of new social venture, financial support, and consulting. The centers also provide the discernment criteria when evaluating social venture, the evaluation materials to the private sector, and management of private advisory groups. Ultimately, the center will play a role as the start-up platform of social venture by implementing infrastructures for the social venture [Fig. 1] .

[Figure 1] Business Process of Social Venture Valuation Center



<Figure 1> Business Process of Social Venture Valuation Center

Source: Korea Small Business Institute(2018)

2) Strengthen social venture start-up

(1) Activate social venture start-up

To activate a social venture start-up, it is necessary to foster social ventures with excellent technology. To this end, it is necessary to select an operator who invests heavily (more than 50%) in social venture through Tech Incubator Program for Start-up (TIPS) program. Therefore, the selection of a social venture investment operator will be conducted after a survey of participation intentions and investment results for accelerators, etc., and preferential treatment will be given, such as granting added points for selection (Choi, 2018).

Secondly, expanding specialized R&D support for social ventures is needed. Enlarging specialized R&D support of social venture is needed to increase the possibility of technology-based social venture success. In order to strengthen R&D capabilities, it is necessary to implement joint use of the equipment and consulting technology through networking between government-funded research institutes, universities, and social ventures. Also, social economic organizations, such as social ventures, must be obligated to participate in social problem-solving technology development projects in the case of existing R&D projects, and allow social ventures an opportunity for business planning and demonstration in terms of ICT good imagination project. If new R&D projects are closely related to the realization of social values, it is necessary to promote the participation of social economy organizations such as social ventures through incentives (Choi, 2018).

Thirdly it is necessary to train the social venture pre-founder team based on technology-based solutions for local and social problems. It is critical to nurture a technology-based social venture pre-founder team that can solve the problems of the community with

innovative ideas that combine science, technology, and ICT. To this end, Public Center and educational institutions (i.e., universities, etc.) collaborate to promote common education for youth innovators and pre-founders, thereby promoting the creation of technology-based social ventures by providing team projects for the commercialization of innovative ideas.

Fourthly, strengthening step-by-step program execution to support social venture start-up and growth is needed. Social venture development programs should be designed in a step-by-step manner, including finding ideas, fostering entrepreneurship, and supporting growth. Therefore, to discover social venture start-up ideas, it is necessary to actively execute social venture idea contest among youth, university students, business start-ups, and global businesses. Toward fostering entrepreneurship, it is crucial to expand the scope of participation in the 'Youth Social Entrepreneurship Promotion Project', which provides one-stop support for the start-up process to social innovation social ventures, including start-up space, funding, and mentoring. For the sake of supporting the growth of social venture, 'Social Campus On' which provides collaboration, office space, and education to increase the sustainability of start-up should be expanded and more of such resources should be installed (Lee, et al., 2018).

Fifthly, seeking support for social venture in-company start-up is needed. 'Social venture enterprise start-up support' should be promoted so that large-sized enterprises, medium-sized enterprises, and small-sized enterprises can promote the pursuit of social purpose by an in-company start-up. Therefore, if the venture inside the company aims to pursue social purpose and creating social value, it should be preferential for selecting win-win entrepreneurship programs in the company. In the case of a social venture established and invested by a corporation, it is necessary to consider a method to recognize the second tax liability of venture capital investors as a new growth venture that is temporarily exempted.

Sixthly, the government should provide joint space for social ventures centered on a local maker's space and support collaborative projects between social ventures. Therefore, it is imperative to provide co-working space centered on the professional maker space, support collaborative projects and community activities such as local problem-solving, support prototyping and mass production of excellent ideas, and link start-up funds through a technology guarantee fund. Through these support measures, the start-up of a social venture can be initiated.

(2) Supporting social venture to enter the promising business field

The government should actively expand the entry of social venture companies by selecting promising business fields for a social venture (Korea Small Business Institute, 2018). Expanding governmental support on social ventures aiming to improve the residential environment for vulnerable groups is needed, such as with various projects' support on a social venture to improve or supply the residential environment of vulnerable

classes, such as young people and newlyweds.

In order to achieve this, the government should expand support for funding, start-up, and commercialization of a social venture pre-business team aimed at solving social problems related to the residential environment. Concurrently, the government would also establish a new support project for social venture aimed at housing welfare to enhance growth in a multifaceted way. Especially, in order to prepare for urban regeneration, the government should identify social ventures that promote various projects connected with urban renewal.

In addition, the government should actively induce social venture start-up and provide support for commercialization within the community revitalization business. In connection with the community business, we invited the idea of community problem solving to support professional consulting, R&D, design, etc. In other words, this support includes the idea of solving problems in the community, planning consulting, commercialization, R&D (IOT technology, smart grid, and so forth.) and utilization of design. The government also encourages networking activities towards collaboration between local social ventures and social economy companies.

Lastly, the government should foster social ventures in the field of arts based on creative activities, as well as provide infrastructure and opportunities for participation in various programs including culture, art, and sport. Therefore, the government should utilize public facilities for social ventures to support independence, and expand opportunities for social venture participation in operating public arts and sports programs. Social venture businesses with social service functions, such as fair travel for vulnerable groups, should be identified and cultivated when the tourism business led by the local community is selected.

3) Promoting social venture growth

(1) Fostering Financial Capital

The government should create a Fund of Funds, a 100 billion won 'Impact Investment Fund' that invests in the social ventures. It can be operated in such a way that it gives priority to losses in the Fund of Funds, induces private investment to increase private participation by giving the call option to the private investor, and provides the private investor with the right to purchase the equity investment in the fund of funds when earning occurs. To this end, the Social Value Solidarity Fund was created in January 2019. The government should extend the social enterprise preferential guarantee funds operated by the Korea Technology Finance Corporation(www.kibo.or.kr) to the 'social venture impact guarantee system' and strengthen the preferential guarantee, such as with a full guarantee.

(2) Strengthening R&D-Commercial Support to Enhance the Growth of Social Ventures

Given that various ministries support companies within the social economy in a scattered manner, the government should provide a package of linkages between the ministries and the social ventures. If a social enterprise turns into a social venture aiming for growth, the government should support R&D, commercialization, and marketing. The government should select excellent social ventures with high social performance and potential for growth, and implement policy on customized package support programs. The government should incentivize social ventures, as a beneficiary of the government impact fund and of social venture financing, that have a large effect on creating social value and growth for one year after the support, for them to be eligible to participate in the support project that the Department of Small and Medium Venture Enterprise provides, such as R&D and commercialization.

(3) Developing entry into domestic and overseas market

The government should expand the number of online and offline policy outlets to expand SMEs to social ventures. Specifically, it should provide preferential access to social venture's entering policy outlets that handle finished consumer goods, and support the expansion of private distribution networks. In addition, the government should promote online products such as public home shopping (ex. www.imstarts.or.kr) and support the distribution of DBs by using distribution support portal. Finally, the government should utilize broadcasting, media, and new media (ex. SNS) to induce consumer exposure and diffusion of superior social venture products.

Considering the level of export capability, the government should establish an 'export package service' to support the customized expansion overseas. The government should provide export support services differentiated according to the result of the Korea Trade-Investment Promotion Agency (KOTRA)'s export capability diagnosis (capacity strengthening, first-time export, export expansion). Also, the government should support the participation of export conferences and export marketing activities to expand social venture's export opportunities. It actively recruit social ventures that can participate in export conventions hosted by KOTRA, and to provide preferential treatment or subsidy for selection, and to favor social ventures when applying art collaboration to improve the design of the export product(Kim, et, al, 2017).

The government must also foster and support social ventures in charge of technological development and commercialization for solving social problems in developing countries in conjunction with the Korea International Cooperation Agency's (KOICA) 'Creative Technology Solution' (CTS). The government should encourage participation in the CTS project by sharing a pool of promising enterprises developed through the Small Business Venture Business Support Program, such as TIPS. The government should support the use of the residential space located in developing countries, such as Vietnam and Myanmar, among the export incubators of the Ministry of Small Venture Business

established overseas (Kim, et, al, 2017).

**(4) Introducing the success model of the social venture and raising positive awareness:
Build a youth social venture HUB**

To build a youth social venture hub, consider the following two options. Firstly, the government should operate a hub for creating and spreading success stories of a social venture by linking and concentrating resources of social venture support centering on Seongsu-dong in Seoul, where the social venture activation foundation was established. In addition, if investors who have invested in social venture investment in Sungsu-dong, Seongdong-gu, Seoul, apply for an investment fund management company, the government should consider a separate track audit as a new company. TIPS social venture accelerator cooperates with the accelerator that is active in Seongsu-dong when the start-up team is selected and provides various support services, such as networking with local governments and experts by specializing Seongsu-dong Social Campus On as a social venture growth center. To facilitate the rapid leap and growth of promising social ventures, the government should consider providing follow-up support that is favorable within the scope of the government policy, such as R&D and marketing

Secondly, the government needs to expand the social venture support function to the economic innovation center in the region where the willingness of a local government to support social venture is strong and to provide specialized support considering the local conditions. Also, the incubation centers, techno-parks, social economy middle organizations, etc., will cooperate with the Innovation Center to ensure that social ventures are constantly excavated. For excavated social ventures, the government should support successful start-up and commercialization of social venture businesses by establishing business models, monitoring, funding, and space for start-ups. To attract investment, the government should set up a meeting place between accelerator and impact investment fund management and strengthen after-start-up support, such as for sales, distribution, and public relations. In addition, the government should encourage the integration of social venture and support institutions in the Knowledge Industry Center, the buildings owned by local autonomous entities, or the venture promotion district in consultation with the local government.

III. Conclusion: Social Venture Institutionalization Plan

Social ventures belong to the category of social economic activities, however, they lack a direction connect with policy support measures of existing social enterprises, cooperatives and village enterprises. Two policy tasks are proposed as an institutionalization plan to foster the social venture ecosystem, while also reflecting the characteristics of social ventures.

It proposes a method to prepare a separate support policy by establishing a social venture category in the support policy for social enterprises. The social purpose orientation of social enterprises is clearly seen in social enterprise activities. In Europe, nonprofit organizations such as cooperatives have traditionally been active. As the unemployment problem was aggravated by the economic crisis, social and economic activities centered on non-profit organizations became more widespread. Social enterprise activities have also expanded along the same line, with social enterprises providing jobs and social services to vulnerable groups. In addition to these two social objectives, social enterprise activities that aim for social integration and community change by solving social problems in innovative ways are receiving new attention (Lee, 2010).

The consequences of creating jobs and providing social services for vulnerable social groups also have a significant impact on the development of the community. Nevertheless, in Europe, social enterprise activities are actively undertaken to directly change communities, such as in regards to resource recycling, organic farming, and human resource development. Based on the social enterprise promotion law, social venture-type social economy enterprises aiming to solve social problems are set up as separate categories, and support programs that are different from existing social enterprise support policies, such as mid- to long-term R&D support. It is also necessary to provide brokerage support with private impact investments.

Another approach that may be considered is to define separately the social venture business development sector in venture business development. In other words, this is a way to establish social venture items under the Special Measures Act on the Promotion of Venture Businesses. At this point, the development of social enterprises of the social venture type that have knowledge- and technology-intensive characteristics beyond the job and social service provision is an important task. The essence of the social economy is not social service, but rather social innovation. Developing an institutional plan for fostering social ventures aiming to solve social problems in a socially innovative way is an urgent task.

Secondly, there is an approach to institutionalize social venture support that differs from existing social economy enterprise support. In this case, a separate law and system for social venture support is created. Considering the reality of the social venture concept definition and the absence of independent support programs, short-term policy measures are currently unknown. After social venture activity is initiated, it can be considered as a mid- and long-term development plan.

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