

A Case Study on Social Enterprises as Social Venture in Korea

Hwang, Sunil*

Abstract

As Korea experienced a Asian foreign exchange crisis in 1997 and a world financial crisis in 2008, the social structure of Korea has undergone many changes. The problem of polarization has become more serious, and the social class has become harder to move between strata. This problem has been accompanied by a growing sense of crisis that the power of social development can be lost along with the problem of population cliffs. Behind the crisis is a reflection of the fact that the growth-oriented economic policies and welfare policies implemented in various European countries can not solve the problem. As an alternative to this, the emergence of social enterprises is attracting attention. Social enterprises have the characteristic of seeking to generate economic profit in order to achieve the purpose of the public interest to provide jobs to the underprivileged. In recent years, the importance of social ventures to expand the scope of new social enterprises in innovative ways has increased. The social venture is a venture business in that it takes risks to develop new areas, not existing business areas, but it also has the character of a social enterprise to achieve the public interest. In other words, an innovative corporate model that provides a creative and challenging solution of social problems in the venture spirit. Although the interest and importance of social enterprises and social ventures are increasing, this academic research is still lacking. The purpose of this study is to introduce and analyze cases of successful social enterprises and social ventures in order to reflect these social interests and their importance and to fill the gap of previous studies. In addition, I hope that this study will stimulate interest and research on the start - up of social venture.

Keywords: Social enterprise, Social venture, Start-up

I . INTRODUCTION

The emergence of social enterprises began with the problems of European welfare policies. The crisis of the European countries which aimed at the welfare state continued from the late 1970s to the 1990s, the economic recession and increase in the unemployment rate pointed out the necessity of the tightening budget and the institutional problem, and the social enterprise emerged as an alternative to this.

The polarization of Korea is getting worse. This phenomenon accelerated after the financial crisis in 1997, and after the economic crisis in 2008, the social strata have been fixed. This is a bigger problem. This is because the more difficult it is to move between strata, it means that the hopes of the members of society disappear.

Solving these social problems has a clear limit to overcome with the growth logic of growth in the industrialization era

(Seong et al., 2014). In addition, as seen in many European countries, government-led welfare policies are not enough.

Social enterprises and social ventures are attracting attention as an effective way to provide opportunities and jobs for creating economic benefits for the socially underprivileged. According to Choi(2016), social enterprises have been concerned with the social problems. This is because social enterprise is a company whose goal is to achieve economic profit while seeking social benefits(Mair & Marti, 2006; Dacin, et al., 2010).

Recently in Korea, social interest in social enterprises are increasing. As the scope of social economy expands and jobs are shrinking, social enterprises, which are more creative and innovative organizational forms than social organizations and cooperatives, are becoming more active also. In the background of this phenomenon, it needed an effort to solve social problems through creative and innovative ideas.

However the research about social enterprise or social venture has rarely been done in Korea. Considering the importance of

* Researcher, Yonsei Business Research Institute, navyso@yonsei.ac.kr

· 투고일: 2017-02-23 · 수정일: 2017-04-10 · 게재확정일: 2017-04-27

social enterprises and social venture, much study is needed(Choi, 2016; Wry & York, 2015). So I would like to introduce the interesting and success story of social enterprise as social venture, Norian. this company is famous for social art and culture and approved as social enterprise at the very first by government in Korea. This study would help to meet rising interest of social enterprises and satisfy the lack of existing research. In order to achieve these objectives, this paper is organized as follows. first, literature reviews are described. Next, example of success social enterprise is presented. finally main conclusions are reviewed, together with limitations of this study and suggestions for future research.

II. LITERATURE REVIEW

2.1 Definition of social enterprises

The term social enterprise was first used in the 1994 King Baudouin Foundation report in United States. In 2001, Defourny argued for the characteristics of social enterprises by emphasizing that the interests of social enterprises are not for shareholders but reinvested in community or social projects for social contribution. However, there is a broad consensus on the concept of social enterprise, but there is no universal definition of social enterprise(Spear, 2006; Alter, 2007).

In Korea, in Article 2 of the Act on the Promotion of Social Enterprise, social enterprises are defined as the company pursuing social purposes through providing social services or jobs to vulnerable groups to contribute to local communities, thereby enhancing the quality of life of local residents and business activities with producing and sales goods and services.

Also Kwak(2009) classified social enterprises into legal organizational forms. See Table 1 for more information.

<Table 1> The legal form of social enterprise¹⁾.

Large Category	Small Category	
Non-profit Group	NGO corporation, Social Corporation	
Profit Group	Intermediate corporation, cooperative association	
	Corporation incorporated company	Society-oriented enterprise
		Corporate Social Responsibility

1) Kwak(2009) modified and quoted

2) Luke & Chu(2013) modified and quoted

Based on previous research, it can be said that the social enterprise is an intermediate form between the nonprofit organization and the profit organization, which means profit generating through profitable business activities and returning profit to society for social purpose. Social enterprises can be the same for the purpose of profit pursuit with commercial enterprises, but there is a big difference in that they seek the public interest by returning the acquired profits to society .

So what is the difference between a nonprofit and a social enterprise that are pursuing the public interest? The main difference is that non-profits are aimed at achieving social mission, but social enterprises generate economic returns with the pursuit of the public interest(Young, 2000; Luke & Chu, 2013). See <Table 2> for details.

<Table 2> Difference between non-profits and social enterprises²⁾

	Non-Profit Organizations	Social enterprises
identity	Express non-profit focus	Business with a social purpose Mix of non-profit and forprofit activities(Dart, 2004)
objective	Pro-social mission (Dart, 2004)	Double bottom line involving social mission and financial sustainability((Emerson & Twersky, 1996)
operations /norms	Traditional 'charity' role(Dees, 1998)	Business-like approach involving planning, trade and revenue streams(Dees, 1998) Formal and informal trading; cash and non-cash transactions (Barraket et al., 2010)
funding and returns	Dependence on grant funds and donations Social benefits and returns	Mix of grants and self-funding operations Social return on investment, financial sustainability
domain	Part of the third sector	Part of the third sector
legitimacy	Addressing social needs through the reallocation or application of donated funds	Addressing social needs through a commercial business vehicle(Dart, 2004)

In addition, the concept of social venture began to emerge in Korea since 2006. The government officially began using the term social venture in 2009, starting with the first social venture

contest. According to the Korea Social Enterprise Promotion Agency, which is an organization that provides support for social ventures in Korea, the Social Venture refers to a corporate model that simultaneously pursues social values and economic benefits while managing companies in an adventurous way.

The difference between social enterprises and social ventures is that social enterprises need to be accredited by the government, but social ventures do not. And, social venture differs in that it operates companies in innovative and adventurous method(Moss et al., 2011). However, the biggest difference between social enterprises and social ventures is approval from the government, because it can be determined by subjective judgment as an adventurous and innovative way. Therefore, social enterprises and social ventures are not so different from each other only in terms of the purpose and method of operating a company. In the United States, the term social venture is not often used, and social ventures are included in the scope of the social enterprise we call.

In this study, social venture is defined as an organization that combines the characteristics of social enterprise and venture, and is defined as a company that solves social problems by using innovative and sustainable economic models.

2.2 Importance of social enterprises

Social enterprises have a structure that seeks social purpose such as providing job or service to socially vulnerable people and generates profit to achieve(Han et al., 2012). it does not hire people to make profits but has the characteristic of making money to hire people. This characteristic is attracting attention as an appropriate way to support the underprivileged in the present situation of the Korean society where the polarization is getting worse and the society is getting marginalized. This is because, by the start-up of a social enterprise, it is possible to increase the number of jobs created and the effect of economic growth on the profits generated through sales activities. This is very effective in that it can solve the structural problems that can not be solved by the growth logic of the industrialization era(Kim & Kang, 2014).

In this context, Cho(2007) emphasized the roles of the social enterprise in the National Economic Advisory Council. First, it can contribute to the creation of economic wealth through sustainable economic activities. Second, it meets social needs. Third, it provides an opportunity to rebuild the community. Fourth, we can provide high quality public services and innovate services. Fifth, economic and socially useful vessels, such as encouraging ethical markets, can play a central role in regional

development and innovation, and contribute to social integration.

Considering the role and necessity of such a social enterprise, this study intends to introduce and analyze case recognized as social enterprises and social venture. In order to carry out this study, we tried to find the company has a characteristic as a social enterprise and a social venture at a same time. To understand context of this case more intensely, I did various literature studies and internet media(Eisenhardt, 1989).

And I was able to find "Noridan", was recognized and approved as a social enterprise in the field of arts and culture in Korea. The information for conducting the research was mostly made of books and internet, and some interviews with performers were used for the in - depth understanding of the accuracy of the acquired information.

III. Example of successful social enterprise as social venture

3.1 Slogan : Work, Play and Learn

"Imagine whatever you want, which is going to be a musical instrument. Beat in whatever ways you like, which will be music"

Here, in the gymnasium of Hongik University, the audience was intrigued by a group of people in orange overalls entering the stage. What they were doing on the stage was even more shocking to the audience who was not familiar with the scene.

The people played some music with a set of strange-looking percussion instruments, but the rhythm and harmony was so wonderful that it made the listeners tap and nod to the music. The instruments just looked like junks and waste: plastic bottles, tires, steel pipes, automobile wheels to name a few. The performers were extraordinary, like beings from other planets, but they knew exactly how to pull out joy and excitement from the audience. They even invited some of audience to play the instruments on their own, making the performance available for everybody in there. Then, who on earth are they? They are members of Noidan, an approved social enterprise in Korea.

3.2 History of Noridan

Noridan was the only music performance company in the art and culture field among the first thirty six social enterprises approved by the Ministry of Labor in December, 2007. Just for 2007 alone, Noridan did about 200 street performances, over

1,000 short or long-term workshops, overseas performances in ten different countries, and built sound playgrounds at ten places. Noridan was born in June, 2004 as the first social job creation team of Haja Center(Haja), a Seoul municipal career development center for adolescents established by the collaboration of the city authorities and Yonsei University. Their slogan was ‘Work, Play and Learn’ They make musical instruments themselves by recycling industrial waste or junks and play them with songs and dances. This is quite different from existing nonverbal performances which focus on ‘percussion’. This is a brand-new nonverbal performance which integrates music, hand-crafting, installation, dance, plastic arts, and play all together.

3.2.1 Incubator of Noridan

Noridan started from such concept as ‘Let’s make money by doing some meaningful things for the Korean society’, which was the idea of workers and teachers in 20s to 30s at Haja Center. The center was the workplace where teenagers can experiment on various cultural activities utilizing five studios specified as music, image, web, design and civic culture. The objective of the center was ‘Find out our real desire and have it work for ourselves’. It had a system of projects for which cultural workers and teenagers made a team and tested whatever they’d like to. Based on this studio system, quite a few projects went on over the past three years, which played a role of abridge to the society.

3.2.2 Starting from a small one

In the second half of year 2003, Haja began “Big Project” in order to destroy the barriers among cultural genres and different media, and to integrate the outcomes and results accumulated by that time. The project was planned to be quite different from the existing one which was based on five different studios. Haja realized that its existing system was not viable in this information age and it could not be a model of education in the creative knowledge-based society. Also, with the system it was unlikely to meet the expectation that Haja would be a good example of teenagers’ entry into the society through cultural activities. This realization drove Haja to initiate a new project.

3.2.3 Finding external valuable resources

A case in point of the Big Project was Noridan. A team of Big Project was set up consisting of cultural workers in 20 to 30s including composers, actors, sound engineers, rappers or jazz

dancers and teenagers who were learning different art genres, media work or liberal arts. The fifteen team members were all different in terms of ages, careers, social backgrounds and interests, but they were in the same boat heading toward their ideal and vision. Thorough researches and discussions eventually allowed the team to choose the right group for benchmarking. Hubbub, an Australian nonverbal performance group based on ecology, was the group that Noridan was really looking for.

Hubbub is a very creative Australian performance group which deals with not only the education on arts and cultures, but also performing arts that integrate various genres. Three people made this group in 1995. While other similar groups such as Stomp and Blueman Group made a commercial success and developed themselves as an acrobatic company, Hubbub stuck to their goals and principles of providing the underprivileged with workshops concerning art, music, and performance. Without sufficient incomes for survival, however, the group had to solicit the funding here and there, from the government or the corporations. At the same time, the group worked on hard to make their workshops a vehicle for artistic and cultural communication.

3.2.4 Knowledge transfer and exchange

It was at Gandhi School³⁾ where Four of Noridan members happened to know about Hubbub. They saw the very interesting performance of Hubbub and its bizarre instruments for the first time. Fascinated by the performance, the members began to communicate by email with Steve Langton, a key figure of Hubbub. Through some emails, Noridan and Hubbub found out that they had something (perhaps many things) in common, then launched Hubbub-Haja Project, a three-month intensive project at Haja Center in March, 2004. The purpose and objective of Hubbub-Haja Project was to obtain the appropriate skills and know-how related to their performances and workshops. Noridan’s sole focus was to learn as much as possible from Steve and Peti Langton and to perform their own eventually. The project was conducted for three hours per day, 5 times a week, which means Noridan spent 30 hours per week on average, 240 hours per month at minimum in learning the ropes of whole things.

3.2.5 Knowledge Integration: Art, Education, and Play

Hubbub-Haja Project let the Big Project team imagine in details about the performance which puts together music, dance,

3) Gandhi School – an alternative school for adolescents which helps the students to live a life of work, to have solidarity and community spirit based on Gandhi’s philosophy of truth. This school is located in Sanchung, Kyungnam Province.

mime, play and sports at one place. Also, the team came to know the nature of workshops where all the participants can experience each element of arts and culture in an integrated way. As a result, Noridan tried to make a culture and art program that can be applied to anybody and any community who are longing for the education and activities on culture and arts. The program should respect the original purpose of arts and culture so as to fit into the circular structure of society.

In particular, the ecological methods and philosophy of culture and arts the team found out from Hubbub encourage both adults and teenagers to seek their identity and to develop their potentials. For example, waste and used goods can be great instruments. The inert body can be a part of active community performances. Those activities themselves are so interesting that we can go on doing artistic activities without further motivation or physical rewards. Then, we incorporate the proper way to deal with the nature and civilization.

3.2.6 Creation New Knowledge

Finally, Noridan was launched in June, 2004. At that time, there were only 10 members including a former actor, a college student, a singer-song writer, a rapper, a percussionist and the like. They didn't have a set of rules for what they should do and should not. They simply wanted to make a play or performance which could go beyond the restriction of time and space and which everybody could enjoy. They didn't have any reference or precedence to look up in Korea, and they were ready to go through trials and errors.

Then, eventually, 'Play group of Imagine and Recycle' came to the world which was Noridan's former. In their performances there were all mixed music, dance, mime, play, sports and imagination. In their workshops, people could share feelings and excitement, get hands-on experience on the culture and arts.

Until now, Noridan have been growing significantly, giving Korean society a new kind of interesting energy. In 2004, the group attended the Chuncheon International Mime Festival and the Woodford folk festival at Brisbane, Australia. Not only that, they met a lot of people in different places through performances and workshops. In 2005, the group invited thousands of migrant workers at the Seoul Square and gave them an opportunity to fully enjoy themselves with music and dance. In 2006, Noridan produced 'Wit & Bit⁴⁾', a work which was performed on the stage in the theatres in Seoul and Daegu for three months. In 2007, they began to go abroad in earnest such as Japan, Hong Kong and Singapore, doing workshops and

performances for the people in there. At the end of the same year, Noridan was approved by the Ministry of Labor as a social enterprise, which would open a new stage for the group. It is because of stable financial support from the government.

3.2.7 Corporate Philosophy

Noridan, an ecological music performance group and a culture company, is designing a social energy and sustainable enjoyment based on the concept of recycling, body, nature, and civilization. They want to be a community where everything is interacted regardless of genres and fields and where people can contribute to the society as well as make money by doing what they are good at. Noridan pursues a life of integration. They think art, play, work, and learning are not separate, so should be melted down into one entity. Therefore, its members are required to move around the three different areas of performances, improvised workshops, and instrument making out of junks and waste. This philosophy is well reflected on one of their slogans: Let's live as a craftsman in the morning, as a teacher during the daytime, and as an actor at night. Thus Noridan is a school, a firm and an atelier. Its members need to learn how to make adjustment among three different roles, coping with new challenges to grow a notch higher.

In addition, they want to break down conventional wisdoms and common senses about arts and life, such as 'Art is only for a few talented people', 'Actors and audience should be separated', 'Good musical instruments are made by great artisans only' or 'Performers should be slim'. This explains why they are doing things differently. For instance, Noridan performs on the street more often than not. On the street is no barrier between performers and audience, so they often invite watchers into their stage to play and dance. By doing so, they want to make a stage where everyone can be a performer. Another example is that they make their instruments by themselves.

They think anyone can make an instrument with his or her imagination. Such instruments can not only be used to play music, but also can be artistic installation to be set up at the public places like parks, schools or squares. What's more, Noridan begins its workshops with body percussion which is called 'Body Worm'. Performers and other participants beat and move their own body to realize the beauty of the different bodies. When different people make the same movement repeatedly, their bodies make different gestures, which in turn, shows the variety among attendees, and the variety is what Noridan really intend to pull out. So, it's not important at all if

4) Wit & Bit: Noridan's first stage performance, i.e., the stage version of outdoor performance. Noridan worked together with Baek, wongil, at Jump, and Choi chulgi, at Nanta. A fantasy performance mixing up play, mime, comedy, music, image, and light. Story of a blind boy who imagines and learns what the life is through sound and music.

the body is thin or not, since the real beauty and meaning comes from the differences between bodies.

3.2.8 Major activities

Noridan's business is largely divided into three parts: workshop (education), performance and arts (instrument making and installation).

Workshops: Noridan has various workshops with over three thousand people per year. Short term workshop is conducted for around three hours or so. Mid-term one is once or twice a week and 12 to 24 times of workshops in total. Long-term workshop is once a week, 48 times per year on average.

Their workshops are designed differently according to the participants who are from tens of different organizations including kindergartens, primary schools, alternative schools, civic groups, media firms, international bodies, and the military. On top of that, add the mutual learning among members, then, Noridan becomes a perfect education center.

Performance: They perform 100 to 200 times per year. Outdoor and street performances are their main activities, but they have begun to do more and more indoor performances. Most of the time, they are invited to perform at such and such places. On the other hand, they do performance in the theatre. The first work was 'Wit & Bit' which was produced in 2006 by some of Noridan workers in collaboration with a few outside artists.

The second one was 'Ping Pang Pong⁵⁾' which is like an upgraded version of 'Wit & Bit' and produced in 2007 by Noridan members alone. The works made a huge success and drew attention from media. In 2008, they are scheduled to be on the stage in London, Macau Art festival, and Osaka adolescent festival.

Instrument making and installation: Noridan makes musical instruments using any materials easily found here and there. Shape? as simple as possible. How to play? As easy as possible. So anybody can be accessible to the instruments and play them in whatever way they like. In 2006, the group sold six sets of eight different instruments. They installed the instruments in the playground which are called 'Sound Playground'. In addition, they made Sprocket whose nick name is 'Haul's moving castle' or 'moving music generator' as well

as set the stage for 'Wit & Bit'. Besides, they have been developing this and that instruments for education.

3.2.9 Sales and Revenues

Noridan made around 100 million won (\$100,000) in 2004, 200 million won in 2005, 450 million won in 2006, and 600 million won in 2007. They made their sales of year 2015 was 12.6 billion won. The money mainly comes from performance (over 50% of the revenues), workshops (30 to 40%) and instrument making and artistic installations (10 to 20%). In 2007, they also earned some money by participating in the production of 'Hutos⁶⁾' an educational TV program for kids. Now they are looking for new business models to increase revenues.

3.2.10 Organization and Human Resources management

There are five key members in Noridan who are the members of 'Pour and Empty Social Club': Hui, group leader, Dori, music director, Ting, head of workshop center, Miya, planner, Ren, performance director. They work in their own special arena as well as make strategically important decisions. There are also team leaders responsible for each three team. Original performance team handles ordinary performance, workshop and education. Performing arts team deals with the works like 'Ping Pang Pong'. Arts team's responsibility is to make instruments and rebuild them as artistic installations.

Noridan has irregular meeting of team leaders whenever they've got an issue to tackle. Through discussion among leaders the important decision is made. However, if an issue is only for a specific team, that team's leader and members make a decision on their own. If necessary, they launch a sort of task force and cooperate with outside people.

The unusual thing is that there is no hierarchy in Noridan. This is very wired thing in Korea. As Korea is a Confucian state, the hierarchical relationship is very important in the enterprise as well. This organizational culture boasts fast decision making and rapid execution, but it is not suitable for creative and new idea generation. There are only different people in charge of different jobs. They call one another by their nickname in order to narrow the gap and distance possibly caused by ages and positions. Naturally, there is no discrimination at all, although the group members have very different backgrounds. Now there are about sixty members in the group. The number has

5) 'Ping Pang Pong : Noridan Episode 5' : a music non-verbal performance, which is characterized as a surrealistic fantasy show. This is an upgraded version of Wit & Bit. Circus, carnival, physical theatre are developed with music and dances. 3 acts in total. Express the strong desire for combination of human beings and machines

6) Hutos: Korean version of Teletubbies. Subtitle: 'flying house'. Main characters are Moya, Ara, Nodo, Joa, personified figures of bear, tiger, chick, and goldbug. Started in April, 2007. 4 of Noridan members played 4 main characters in mask dolls and other members played the sprocket for the program. Aired on KBS

increased a lot after becoming one of social enterprise since a social enterprise is expected to create jobs(Before that there were about 25 members only).

Then, how to become a Noridan member? Anyone can be a member regardless of ages, genders, education and so on. The only thing needed is to show the desire and passion for totally new things. Candidates should participate in the audition called ‘Let’s Show’ and demonstrate what they are really good at. Team leaders decide who’s going to be a newcomer based on the attitude and potential. The most important thing in recruiting is not how well they do perform, but how well they will get along with Noridan. Once selected as a new member, he or she takes a training course for a month and sign a contract to be a regular full-time worker. Most of all, before signing the contract, they let all would-be employees know the firm’s payment system. In other words, would-be members are told about other members’ salaries in details. It’s somewhat awkward, but it’s a way to prevent complaints from workers about the rather low salary in advance.

3.2.11 Reborn as a social enterprise

Hui, group leader happened to know the government plans for social enterprise development while struggling to come up with the way to make Noridan more efficient as a firm and to increase the revenues. He had a meeting with people concerned with the development plan and applied to be a social enterprise, since the approval would bring a lot of benefits to Noridan. The most tangible benefit Noridan would get was the 770,000 won of subsidies per a recruit and little support for 4 major insurance premiums. Finally, Noridan got the approval.

However, being a social enterprise caused unexpected problems. In fact, Noridan is a school, a company, and a workplace. So far, it’s been more like a school rather than a corporation, so its priority is not making money. However, it should make more efforts to be a real company which makes as much profit as possible, while sticking to its objectives and principles at the beginning. It has to make its own corporate image which appeals to potential employees and investors. It should build an efficient management system and set the different rules from the existing ones. Moreover it needs to develop a new business model. But how?

3.2.12 Searching and building business model

The first and the most difficult thing is to hire the right people for Noridan. The total number of employees has increased to 60 from 25 after the approval and it will probably

increase further, since in Korean society, being a social enterprise is closely related to creating jobs. There are some rules and guidelines to follow when Noridan should recruit. However, some of those guidelines are not fit for Noridan whose nature is somewhat different from that of other social enterprises, in that they provide cultural contents. Dori is wondering if Noridan is attractive to people in 20s enough to replace the high-paying jobs. If not, Noridan’s sustainability is going to be in doubt.

There are several other problems, too. first, Noridan doesn’t have a qualified and competitive management system yet. So it has to hire people who specialize in marketing, accounting or human resources management, respectively. When a company becomes bigger in size, there can be more problems in management which will easily go beyond control. Noridan should be prepared for that. second, The turnover of Noridan employees is relatively high compared to other companies, which could be a problem in the long run. third, Members have their own responsibility but the boundary is not that clear, so they could get confused at times, which, in turn, causes some problems related to quality and contents of performance. forth, Working hours are usually from 10 am to 7 pm, but workers often work overtime, even stay up late to finish the tasks. However, too much flexibility could lead to inefficiency. There should be set up a general working process and guidelines of how much can be spent on a specific task or what kind of task must be prioritized. fifth, In principle, they don’t provide their products free of charge, but more often than not, they are misunderstood as a sort of charity. Some people are disappointed when Noridan reject their requests for free performance. So, they must build proper criteria that which request is granted and which is not.

What’s more, it’s indispensable for Noridan to make a new business model and expand the existing ones. Now, they are working on it, which hasn’t been materialized yet, though. One thing they are exploring the feasibility is to develop special features of each activity to the extent of spinning off an affiliate dealing with the specific part of their business. Each team has to come up with items with which they can make profit and accordingly provide appropriate training to employees whenever needed. For example, they would encourage the art team to be more specialized and launch a brand of installation service. Then, people would possibly think Noridan’s brand name first when they need an artistic installation. Another possibility is ‘kids education’. Through ‘Hutos’, Noridan identified a possibility and an opportunity to do differently in educating kids. Noridan already have ‘Namaste’, a special system for kids members. They have data accumulated by conducting workshops

in kindergartens. By utilizing these resources effectively, they could build on a concept like Educate kids in a different way with Noirdan to make them free and creative.

Noridan still has long way to go to be a successful company with well organized structure and stable incomes. However, what Noridan has accomplished so far is a good example of 'breaking tradition and convention' to be outstanding among others. It's really venture of the social enterprises. Many people just give up their dream and desire to earn a lot of money and complain they are not happy. Noridan provides an alternative to that kind of practice. Indeed, there is a way to make money by doing what we'd like to, which is open to everybody.

Noridan is a realized dream of improving the education on culture and arts in Korean society. It is a willingness to challenge the reality where successful performances are a sort of spectacles and just make a bigger distinction between artists and audience. Noridan wants to provide integrated education to develop creativity and sensitivity as well as make hybrid performances totally different from Nanta or Stomp. They want to be a successful example for the late comers as social venture in culture and arts industry.

Most of all, Noridan's being approved as a social enterprise has a significant implication to the society. Noridan has developed high value added products in culture and arts industry where the productivity is relatively low. In other words, they have made extraordinary products by mixing up education, arts and performances. Noridan provides jobs to artists and people in 20s and 30s and suggests an alternative to make money by doing what they want. Noridan is not like other social enterprises in that they don't provide jobs to the underprivileged such as the elderly or the disabled. This is a clear advantage to Noridan because its workers have high motivation and solidarity that could lead to the company's long-term sustainability.

V. Conclusion

Since the establishment of the Social Enterprise Promotion Act in 2006, The recognition of the interest and importance of social enterprises has formed a lot of consensus(Han et al., 2012). The social enterprise certification system began in 2007. And in the second half of 2007, 54 companies were certified. As of January 2017, 1,713 certified social enterprises are active⁷⁾.

This is the reason why the government and existing private companies are not able to support the marginalized groups as polarization is intensifying. However, there are still difficulties in

establishing and operating social enterprises and social ventures in Korea. First, social enterprises and social ventures lack the ability to be self-reliant(Cho, 2007).

Social enterprises are also very serious companies and can not be maintained if they can not establish profitable structures like commercial companies. In particular, there is often a lack of management skills and the ability to create sustainable profit structures. This results in excessive dependence on the government's financial support, and when the government's support ends, social enterprises disappear. Second, financial infrastructure. In the case of foreign corporations, there are many channels for receiving support through various foundations, whereas Korea is not. Only very limited support would be possible. This can be said to be very important in that many social enterprises have a basis for start-up only if various financial securing methods such as social enterprise venture capital are preceded(Seong et al., 2014).

In order to overcome the initial financial difficulties, the Noridan had concentrated its efforts on obtaining corporate certification. Stable financing and ongoing, continuous support are essential, as any venture enterprise has many initial financial difficulties. Until the management of the company reaches a certain level, it is necessary to secure such initial stable financial resources. And In order to generate steady profits, Noridan has formed a diverse group of executives(Lee, 2007).

Music, art and performances as well, and it has developed a number of programs through a variety of ideas accepted by the group from the organization. It has the competence to generate profits in various fields based on the program developed by the way finally.

Increasing the likelihood of social enterprise success is not limited to raising government and local government subsidies. It is important for social enterprises to grow their own capabilities as a single company like general commercial companies(Seong et al., 2014; Han et al., 2012). In the way, contributing to the job creation and providing social service to vulnerable classes through successful settlement of social enterprises is very meaningful in whole country as well. Because that can not be done by government or large corporations.

Finally, this study was conducted as a case analysis for the purpose of the research. In the next, it is necessary to conduct comparative studies between cases in various fields to in depth research. In addition, when objective and secondary data on social enterprises are accumulated, there are need to study empirically to increase the validity of the research field.

7) quoted from Korea Social Enterprise Promotion Agency <http://www.socialenterprise.or.kr/kosea/company.do>

REFERENCE

- 곽영옥(2009). *사회적 기업의 창업 성공요인과 활성화 방안에 관한 연구*, 진주산업대학교, 석사논문.
- 김금환·강영숙(2014). 사회적기업의 지역별 분포 특성 분석, *벤처창업연구*, 9(1), 141-151
- 김중휘(2007). *일하며 논다, 배운다_노리단 이야기*, 서울: 민들레성지미·황준욱·안주엽(2014), 소셜벤처 지원을 통한 사회적기업 활성화 방안, 충청남도: 한국기술교육대학교
- 이경숙(2007.7.31.). *일하며 논다, 놀며 배운다-노리단의 철학과 기쁨*, 머니투데이, <http://m.mt.co.kr/renew/view.html?no=2007073015362897870>
- 조영복(2007). *사회적기업 육성을 위한 중장기 정책방향* 부산: 사회적기업연구원.
- 최현도(2016). 사회적 기업의 정체성 형성과정에서 지역과 산업환경의 역할, *벤처창업연구*, 11(4), 117-126.
- 한승일·문종범·유왕진(2012). 사회적 기업 성공요인에 관한 연구, *한국창업학회지*, 7(4), 33-49.
- Alter, K.(2007). *Social Enterprise Typology*, Virtue Ventures LLC.
- Barraket, J., Collyer, N., & O'Connor, M.(2010). *Finding Australia's social enterprise sector*. Available at: <http://www.socialtraders.com.au/sites/www.socialtraders.com.au/files/FASES%20full%20final%20report%20July%202010.pdf>
- Cho, Y. B.(2007). *Mid- and Long-term Policy Direction for Fostering Social Enterprises*, Pusan: Research Institute for Social Enterprise.
- Choi, H. D.(2016). The Impact of Regional and Industry Environments in Shaping the Organizational Identity of the Social Enterprises, *Asia-Pacific Journal of Business Venturing and Entrepreneurship*, 11(4), 117-126
- Dacin, P. A., Dacin, M. T., & Matear, M.(2010). Social Entrepreneurship: Why We Don't Need a New Theory and How We Move Forward from Here, *Academy of Management Perspectives*, 24(3), 37-57.
- Dart, R.(2004). The Legitimacy of Social Enterprise, *Nonprofit Management & Leadership*, 14(4), 411-24.
- Dees, J. G.(1998). Enterprising Non-profits. *Harvard Business Review*, 76(January-February), 55-67
- Eisenhardt, K. M.(1989). Building Theories from Case Study Research, *Academy of Management Review*, 14(4), 532-550.
- Emerson, J., & Twersky, F.(1996). *New Social Entrepreneurs, The Success, Challenge and Lessons of Non-profit Enterprise Creation*. San Francisco: Roberts Foundation, Homeless Economic Development Fund.
- Han, S. I., Moon, J. B., & Yoo, W. J.(2012). Study of Success Factor about Social Enterprise, *The Korea Entrepreneurship Society*, 7(4), 33-49.
- Kim, J. H. (2007). *Work, Play, Learn _ Noridan Story*, Seoul: Mindulre.
- Kim, K. H., & Kang, Y. S.(2014). Analysis of Regional Distribution Characteristics of Social Enterprise, *Asia-Pacific Journal of Business Venturing and Entrepreneurship*, 9(1), 141-151.
- Kwak, Y. Y.(2009). *The Study of Element Success Factors of Activation Plan on Social Enterprises*, M.S dissertation, Jinju Commercial University.
- Lee, K. S.(2007.7.31.). *Work and Play, Play and Learn - Noridan's Background and Philosophy*, Moneytoday, <http://m.mt.co.kr/renew/view.html?no=2007073015362897870>
- Luke, B., & Chu, V.(2013). Social Enterprise versus Social entrepreneurship: An examination of the 'why' and 'how' in pursuing social change, *International Small Business Journal*. 31(7) 764-784.
- Mair, J., & Marti, I.(2006). Social Entrepreneurship Research: A Source of Explanation, Prediction, and Delight, *Journal of World Business*, 41(1), 36-44.
- Moss, T. W., Short, J. C., Payne, G. T., & Lumpkin, G. T.(2011). Dual Identities in Social Ventures: An Exploratory Study, *Entrepreneurship Theory and Practice*, 35(4), 805-830.
- Seong, J. M., Hwang, J. W., & Ahn, J. Y.(2014). *Social Enterprise Activation Plan through Social Venture Support*, South Chungcheong Province: Korea University of Technology and Education.
- Spear, R.(2006). Social Entrepreneurship: A Different Model?, *International Journal of Social Economics*, 33(1), 399-410.
- Wry, T., & York, J.(2015). *An Identity Based Approach to Social Enterprise*, Academy of Management Review, in press.
- Young, D. R.(2000). Alternative Models of Government-Nonprofit Sector Relations: Theoretical and International Perspectives. *Nonprofit and Voluntary Sector Quarterly*, 29(1), 149-172.

소셜 벤처로서 사회적 기업에 대한 사례연구

황선일*

국 문 요 약

1997년의 외환위기와 2008년 금융위기를 겪으면서 한국의 사회구조는 많은 변화를 가져왔다. 양극화의 문제가 더 심각해졌고, 사회적 계층의 고착화로서 계층간 이동이 어려워졌다. 이러한 문제는 인구절벽의 문제와 더불어 사회 발전의 동력을 잃어버릴 수 있다는 위기감이 높아지는 결과를 가져왔다. 그리고 위기감의 이면에는 기존의 성장위주의 경제정책과 유럽의 여러나라에서 실시한 복지 정책으로는 문제를 해결할 수 없다는 현실이 반영되어 있다. 이에 대한 대안으로 사회적 기업의 등장이 주목을 받고 있다. 사회적 기업은 사회소외 계층에게 일자리를 제공한다는 공익의 목적을 달성하기 위하여 경제적 수익을 만들어내는 것을 추구하는 특성을 가지고 있다. 최근들어서는 혁신적인 방법으로 새로운 사회적 기업의 영역을 넓혀가는 소셜 벤처들의 중요성이 증대하고 있다. 소셜 벤처는 기존의 사업영역이 아닌 새로운 영역을 개척하기 위해 위험을 감수한다는 측면에서 벤처기업의 성격이 있지만 공익달성이라는 사회적 기업의 성격도 동시에 가지고 있는 것이 특징이다. 즉, 창의적이고 도전적인 벤처 정신으로 사회문제의 솔루션을 제공하는 혁신적인 기업 모델인 것이다. 우리나라에서는 한국 사회적 기업 진흥원에서 소셜 벤처를 육성하기 위한 노력을 기울이고 있다. 이러한 사회적 기업, 소셜 벤처 등에 대한 관심과 중요성은 점차 증가하고 있음에도 불구하고 이러한 학문적 연구는 아직까지 부족한 편이다. 따라서 본 연구는 이러한 사회적 관심과 중요성을 반영하고, 선행연구의 부족함을 보완하기 위하여 성공적인 사회적 기업, 소셜 벤처의 사례를 소개하고 분석하는 것을 목적으로 하였다. 아울러 본 연구를 통하여 소셜 벤처의 창업에 대한 관심과 연구가 활성화되길 기대한다.

핵심주제어: 사회적 기업, 소셜 벤처, 스타트업

* 연세대학교 경영연구소 연구원, navyso@yonsei.ac.kr