

Framework Act on the Social and Solidarity Economy

Ministry of the Interior and Safety (Social and Solidarity Economy System Division) 044-205-3573

CHAPTER 1. GENERAL PROVISIONS

Article 1 (Purpose)

This Act aims to establish a common legal foundation prescribing basic matters concerning the definition and scope of the social and solidarity economy, etc., so that policies for the development of the social and solidarity economy may be pursued in an integrated and efficient manner, thereby building a sustainable social and solidarity economy ecosystem and contributing to social integration and the improvement of the quality of life of the people.

Article 2 (Definitions)

The meanings of the terms used in this Act are as follows:

1. "Social and solidarity economy" means all economic activities carried out, on the basis of reciprocal cooperation and solidarity, to realize the common interests of community members and social value.
2. "Social and solidarity economy organization" means an organization falling under any of the following:
 - (a) A social and solidarity economy enterprise under subparagraph 3;
 - (b) A social and solidarity economy intermediary support organization under subparagraph 4;
 - (c) A social and solidarity economy federated organization under subparagraph 5;
 - (d) A social solidarity finance intermediary institution under Article 17;
 - (e) Any other corporation or organization prescribed by Presidential Decree whose principal purpose is to support the social and solidarity economy.
3. "Social and solidarity economy enterprise" means an organization falling under any of the following:
 - (a) A social enterprise under Article 2(1) of the Social Enterprise Promotion Act;
 - (b) A cooperative, federation of cooperatives, social cooperative, federation of social cooperatives, or federation of cooperatives of different types under Article 2 of the Framework Act on Cooperatives;
 - (c) A village enterprise under Article 2(1) of the Act on the Fostering and Support of Village Enterprises;
 - (d) A self-sufficiency enterprise under Article 18 of the National Basic Living Security Act;
 - (e) A social venture enterprise under Article 2(10) of the Special Act on the Promotion of Venture Businesses;
 - (f) A regional agricultural cooperative, regional livestock cooperative, commodity- or business-type cooperative, or the National Agricultural Cooperative Federation under Article 2 of the Agricultural Cooperatives Act, and a cooperative joint business corporation under Article 112-3 of the same Act;

provided, that this excludes business organizations under Articles 161-2 and 161-10 of the Agricultural Cooperatives Act;

(g) A district fisheries cooperative, business-type fisheries cooperative, fisheries-product-processing cooperative, or the National Federation of Fisheries Cooperatives under Article 2 of the Fisheries Cooperatives Act, and a cooperative joint business corporation under Article 113-3 of the same Act; provided, that this excludes the Federation-invested company performing economic business under Article 138(1)2(c) of the Fisheries Cooperatives Act, and Suhyup Bank performing banking business under Article 27 of the Banking Act pursuant to Article 141-9(1)5 of the same Act;

(h) A regional forestry cooperative, commodity- or business-type forestry cooperative, or the National Forestry Cooperatives Federation under Article 2 of the Forestry Cooperatives Act, and a cooperative joint business corporation under Article 86-3 of the same Act;

(i) A leaf tobacco producers' cooperative and the National Federation of Leaf Tobacco Producers' Cooperatives under Article 2 of the Leaf Tobacco Producers' Cooperatives Act;

(j) A cooperative, business cooperative, federation of cooperatives, or the Korea Federation of Small and Medium Business under Article 3 of the Small and Medium Enterprise Cooperatives Act;

(k) A credit union and the National Credit Union Federation of Korea under Article 2 of the Credit Unions Act;

(l) A community credit cooperative and the National Federation of Korean Community Credit Cooperatives under Article 2 of the Community Credit Cooperatives Act;

(m) A consumer cooperative, federation of consumer cooperatives, and national federation of consumer cooperatives under Article 2 of the Consumer Cooperatives Act;

(n) Any other corporation or organization operated in accordance with the basic principles under Article 3 and prescribed by Presidential Decree.

4. "Social and solidarity economy intermediary support organization" means an organization that promotes linkage and cooperation between central administrative agencies or local governments and social and solidarity economy organizations, and supports the strengthening of the capacities of social and solidarity economy organizations and the creation of a foundation for their sustainable growth.

5. "Social and solidarity economy federated organization" means a council, federation, or similar body voluntarily formed by social and solidarity economy organizations for the exchange of activities and cooperation on projects among social and solidarity economy organizations.

6. "Social solidarity finance" means financial activities that pursue a sustainable virtuous cycle of funds through investment, loans, guarantees, etc. in social and solidarity economy organizations and social-and-solidarity-economy-related projects, in order to improve social problems and enhance social value.

7. "Regional fund" means a fund established and operated by a local government, as prescribed by municipal ordinance, for the development of the social and solidarity economy in the region.

8. "Private fund" means a fund voluntarily established and operated by a social and solidarity economy organization for the development of the social and solidarity economy.

Article 3 (Basic Principles of Social and Solidarity Economy Organizations)

- ① A social and solidarity economy organization shall pursue, as its principal purpose, the common interests of community members and the realization of social value.
- ② A social and solidarity economy organization shall be operated autonomously and independently of the State and public institutions.
- ③ A social and solidarity economy organization shall have a democratic, transparent, and open governance structure and shall guarantee the participation of diverse stakeholders.
- ④ A social and solidarity economy organization shall endeavor to use the profits generated from its activities for the development of the organization and the local community and for the realization of social value.
- ⑤ A social and solidarity economy organization shall contribute to the restoration of local communities and the development of the local circular economy on the basis of mutual aid and cooperation.

Article 4 (Responsibilities of the State and Local Governments)

- ① The State shall establish and implement basic and comprehensive policies necessary for the development of the social and solidarity economy.
- ② A local government shall establish and implement policies for its region, taking into account the policies under paragraph ① and the characteristics of the region.
- ③ The State and local governments shall strengthen cooperation with social and solidarity economy organizations and shall endeavor to create the conditions necessary to enhance the self-reliance and cooperative spirit of such organizations, so that the sustainable development of the social and solidarity economy may be achieved.
- ④ The State and local governments shall endeavor to stably secure the financial resources necessary for the development of the social and solidarity economy.
- ⑤ The State and local governments shall make efforts in education and public relations to raise and spread public understanding of the social and solidarity economy.

Article 5 (Relationship with Other Statutes)

- ① Except as otherwise specifically provided in other statutes concerning the social and solidarity economy, this Act shall apply.
- ② Where a statute concerning the social and solidarity economy is enacted or amended, it shall conform to the purpose and basic principles of this Act.

Article 6 (Relationship with Other Plans)

The Basic Plan under Article 7 shall take precedence over plans concerning the social and solidarity economy established under other statutes and shall serve as the basis for such plans.

CHAPTER 2. BASIC PLAN FOR THE DEVELOPMENT OF THE SOCIAL AND SOLIDARITY ECONOMY, ETC.

Article 7 (Establishment and Implementation of the Basic Plan)

① The Minister of the Interior and Safety shall, in consultation with the heads of relevant central administrative agencies and after collecting the opinions of the heads of local governments, establish and implement a basic plan for the development of the social and solidarity economy (hereinafter referred to as the "Basic Plan") every five years.

② The Basic Plan shall include the following matters:

1. The current status, conditions, and outlook of the social and solidarity economy;
2. Development goals and mid- to long-term implementation directions for the social and solidarity economy;
3. Implementation tasks and methods for social and solidarity economy policies;
4. Improvement of relevant statutes and systems for the development of the social and solidarity economy;
5. The scale of financial resources necessary for the development of the social and solidarity economy and measures for raising them;
6. Measures for revitalizing social solidarity finance;
7. Analysis and evaluation of previous Basic Plans;
8. Other matters necessary for implementing social and solidarity economy policies.

③ The Basic Plan shall be subject to deliberation by the Social and Solidarity Economy Development Committee under Article 11. The same shall apply where an important matter prescribed by Presidential Decree in an established Basic Plan is changed.

④ Where the Minister of the Interior and Safety has established or changed the Basic Plan under paragraph ③, the Minister shall report it to the National Assembly without delay and notify the heads of relevant central administrative agencies and the heads of local governments thereof: Provided, That this shall not apply where a minor matter prescribed by Presidential Decree is changed.

⑤ Matters necessary for the establishment, change, and implementation, etc. of the Basic Plan, other than those prescribed in paragraphs ① through ④, shall be prescribed by Presidential Decree.

Article 8 (Establishment and Implementation of Sectoral Implementation Plans)

① The Minister of the Interior and Safety and the heads of relevant central administrative agencies shall establish and implement an annual implementation plan (hereinafter referred to as a "sectoral implementation plan") in accordance with the Basic Plan.

② The heads of relevant central administrative agencies shall submit their sectoral implementation plans for the following year and their performance results for the preceding year to the Minister of the Interior and Safety, and the Minister of the Interior and Safety shall evaluate the performance results for the preceding year.

③ Where the Minister of the Interior and Safety evaluates the performance results for the preceding year under paragraph ②, the Minister shall undergo deliberation by the Social and Solidarity Economy Development Committee under Article 11.

④ Matters necessary for the establishment and implementation of sectoral implementation plans and the evaluation of their performance results, other than those prescribed in paragraphs ① through ③, shall be prescribed by Presidential Decree.

Article 9 (Establishment and Implementation of City/Do Basic Plans and City/Do Implementation Plans, etc.)

① In order to implement social and solidarity economy policies suited to the characteristics and conditions of the relevant City/Do, the Special Metropolitan City Mayor, the Mayor of an Integrated Special City, a Metropolitan City Mayor, the Mayor of a Special Self-Governing City, a Do Governor, or the Governor of a Special Self-Governing Province (hereinafter referred to as "Mayor/Do Governor") shall, based on the Basic Plan and after collecting the opinions of the heads of the Sis/Guns/Gus (referring to the heads of autonomous Gus; the same shall apply hereinafter) under their jurisdiction, establish and implement a City/Do basic plan for the social and solidarity economy (hereinafter referred to as a "City/Do Basic Plan") for each City/Do every five years.

② A City/Do Basic Plan shall include the following matters:

1. The current status, conditions, and outlook of the social and solidarity economy by City/Do;
2. Development goals and mid- to long-term implementation directions of the social and solidarity economy by City/Do;
3. Implementation tasks and methods of social and solidarity economy policies by City/Do;
4. Improvement of relevant municipal ordinances and systems for the development of the social and solidarity economy by City/Do;
5. The scale of financial resources necessary for the development of the social and solidarity economy by City/Do and measures for raising them;
6. Measures for revitalizing social solidarity finance by City/Do;
7. Analysis and evaluation of previous City/Do Basic Plans;
8. Other matters necessary for implementing social and solidarity economy policies by City/Do.

③ Where a Mayor/Do Governor establishes a City/Do Basic Plan, the Mayor/Do Governor shall undergo deliberation by the City/Do regional committee under Article 13.

④ A Mayor/Do Governor shall establish and implement an annual implementation plan (hereinafter referred to as a "City/Do Implementation Plan") in accordance with the City/Do Basic Plan. In such cases, the Mayor/Do Governor shall undergo deliberation by the City/Do regional committee under Article 13.

⑤ A Mayor/Do Governor shall submit the City/Do Basic Plan, the City/Do Implementation Plan for the following year, and the performance results for the preceding year to the Minister of the Interior and Safety, and the Minister of the Interior and Safety shall evaluate the performance results for the preceding year.

⑥ Where the Minister of the Interior and Safety evaluates the performance results for the preceding year under paragraph ⑤, the Minister shall undergo deliberation by the Social and Solidarity Economy Development Committee under Article 11.

⑦ The head of a Si/Gun/Gu may establish and implement a social and solidarity economy plan for the Si/Gun/Gu, as prescribed by municipal ordinance, in order to implement social and solidarity economy

policies suited to the characteristics and conditions of the relevant Si/Gun/Gu.

⑧ Matters necessary for the establishment and implementation of City/Do Basic Plans and City/Do Implementation Plans and the evaluation of their performance results, other than those prescribed in paragraphs ① through ⑥, shall be prescribed by Presidential Decree.

Article 10 (Fact-Finding Surveys and Compilation of Statistics)

① In order to efficiently establish social and solidarity economy policies, including the Basic Plan, the Minister of the Interior and Safety shall conduct a survey on the current status and conditions of the social and solidarity economy every five years and publish the results.

② The Minister of the Interior and Safety shall compile, manage, and publish statistics on the social and solidarity economy by referring to the fact-finding survey under paragraph ①.

③ Where necessary for the fact-finding survey under paragraph ① and the compilation of statistics under paragraph ②, the Minister of the Interior and Safety may request the heads of relevant central administrative agencies, Mayors/Do Governors, the heads of public institutions under Article 4 of the Act on the Management of Public Institutions, social and solidarity economy organizations, etc. to submit data or provide other necessary cooperation. In such cases, a person who receives such a request shall comply with it unless there is a special reason not to do so.

CHAPTER 3. SOCIAL AND SOLIDARITY ECONOMY DEVELOPMENT COMMITTEE AND IMPLEMENTATION SYSTEM

Article 11 (Social and Solidarity Economy Development Committee)

① In order to deliberate on and coordinate major policies on the social and solidarity economy, a Social and Solidarity Economy Development Committee (hereinafter referred to as the "Committee") shall be established under the President.

② The Committee shall deliberate on and coordinate the following matters:

1. Matters concerning overall policy, including the establishment of major policies for the development of the social and solidarity economy;
2. Matters concerning the establishment and change of the Basic Plan;
3. Matters concerning the evaluation of the performance results of the preceding year's sectoral implementation plans and City/Do implementation plans;
4. Matters concerning surveys, research, and policy development regarding the social and solidarity economy;
5. Matters concerning the establishment and operation of a support system for the social and solidarity economy;
6. Matters concerning the fostering and support of social and solidarity economy organizations;
7. Matters concerning the improvement of the social solidarity finance system;

8. Matters concerning the improvement of systems related to the social and solidarity economy;
9. Agendas proposed or requested by the heads of relevant central administrative agencies or the heads of local governments, which the chairperson refers to deliberation;
10. Other matters necessary for the development of the social and solidarity economy, which the chairperson refers to deliberation.

③ The Committee shall continue to exist for five years from the date this Act enters into force.

Article 12 (Composition of the Committee and Establishment of a Secretariat, etc.)

① The Committee shall be composed of not more than 40 members, including one chairperson.

② The chairperson shall be a person appointed by the President from among the members under paragraph ③3.

③ The members shall be the following persons, and the number of members under subparagraph 3 shall constitute a majority of all members:

1. The Minister of the Interior and Safety and the heads of central administrative agencies prescribed by Presidential Decree;
2. Heads of local governments respectively recommended by councils established under Article 182(1)1 or 3 of the Local Autonomy Act;
3. Persons with extensive expert knowledge and experience concerning the social and solidarity economy, or persons commissioned by the President from among representatives of social and solidarity economy organizations.

④ The term of office of a member shall be two years, and a member may be reappointed only once: Provided, That a member under paragraph ③1 and 2 shall serve while holding the relevant office, and where a member under paragraph ③3 is commissioned in the capacity of a representative of a social and solidarity economy organization, that member's term of office shall be the period during which the member maintains the status of representative.

⑤ The chairperson shall represent the Committee, oversee its affairs, and report the Committee's major activities to the President.

⑥ For the efficient operation of and support to the Committee, one member serving as executive secretary shall be appointed, who shall be the Minister of the Interior and Safety.

⑦ In order to efficiently operate the Committee and professionally review matters subject to its deliberation, a working committee may be established under the Committee, and specialized committees for each field may be established under the working committee.

⑧ A secretariat shall be established under the Committee to handle the Committee's affairs, and where necessary, the Committee may request the dispatch or concurrent assignment of public officials belonging to relevant central administrative agencies or local governments, or of executives and employees of relevant institutions, corporations, or organizations, and may, within the budget, appoint private-sector experts in relevant fields as fixed-term public officials under Article 26-5 of the State Public Officials Act.

⑨ Where the chairperson is unable to perform their duties due to unavoidable circumstances, a member predesignated by the chairperson shall act on their behalf.

⑩ Matters necessary for the composition and operation of the Committee, the working committee, and the specialized committees for each field, and for the organization and operation of the secretariat, other than those prescribed in paragraphs ① through ⑨, shall be prescribed by Presidential Decree.

Article 13 (Regional Social and Solidarity Economy Development Committees)

① A Mayor/Do Governor shall establish a Regional Social and Solidarity Economy Development Committee (hereinafter referred to as a "City/Do Regional Committee") to deliberate on and coordinate the City/Do Basic Plan, the City/Do Implementation Plan, and major policies concerning the development of the social and solidarity economy in the City/Do: Provided, That where a committee similar in nature and function to the City/Do Regional Committee has been established in the City/Do, that committee may perform the functions of the City/Do Regional Committee as prescribed by the municipal ordinance of the relevant City/Do.

② The members of the City/Do Regional Committee shall include representatives of social and solidarity economy organizations in the relevant region.

③ A Mayor/Do Governor may submit agendas for deliberation to the City/Do Regional Committee in order to efficiently implement policies for the development of the social and solidarity economy.

④ The head of a Si/Gun/Gu may establish a Regional Social and Solidarity Economy Development Committee (hereinafter referred to as a "Si/Gun/Gu Regional Committee") to deliberate on and coordinate the social and solidarity economy plan for the Si/Gun/Gu and major policies concerning the development of the social and solidarity economy in the Si/Gun/Gu. In such cases, where a committee similar in nature and function to the Si/Gun/Gu Regional Committee has been established in the Si/Gun/Gu, that committee may perform the functions of the Si/Gun/Gu Regional Committee as prescribed by the municipal ordinance of the relevant Si/Gun/Gu.

⑤ Matters necessary for the composition and operation of the City/Do Regional Committee and the Si/Gun/Gu Regional Committee, other than those prescribed in paragraphs ① through ④, shall be prescribed by the municipal ordinance of the relevant local government.

Article 14 (Designation of Social and Solidarity Economy Policy Centers, etc.)

① The Minister of the Interior and Safety may designate a Social and Solidarity Economy Policy Center (hereinafter referred to as a "Policy Center"), as prescribed by Presidential Decree, in order to support the systematic development of social and solidarity economy policies and the improvement of related systems.

② A Policy Center shall perform the following functions:

1. Survey, research, and policy development concerning the social and solidarity economy;
2. Support for the evaluation of performance results under Articles 8 and 9;
3. Fact-finding surveys and compilation and management of statistics under Article 10;
4. Exchange and cooperation projects with domestic and foreign institutions related to the social and

solidarity economy;

5. Other projects entrusted by the Government in connection with the development of the social and solidarity economy.

③ The Minister of the Interior and Safety may, within the budget, provide financial support for all or part of the expenses necessary for an institution designated as a Policy Center to perform the functions under paragraph ②.

④ Matters necessary for the designation criteria, designation, operation, and revocation of designation of a Policy Center shall be prescribed by Presidential Decree.

Article 15 (Establishment of City/Do Support Centers, etc.)

① In order to effectively implement social and solidarity economy policies that take into account regional characteristics, a Mayor/Do Governor shall establish and operate a City/Do Social and Solidarity Economy Support Center (hereinafter referred to as a "City/Do Support Center") for each City/Do to perform the following functions:

1. Guidance on and publicity for social and solidarity economy policies;
2. Building linkage and cooperation systems with regional social and solidarity economy organizations;
3. Support projects for social and solidarity economy organizations entrusted by the State or local governments;
4. Other projects necessary for the development of the social and solidarity economy.

② A City/Do Support Center may be operated in the form of a corporation, or its operation may be entrusted to a nonprofit corporation, etc., suited to regional circumstances, and shall create the conditions necessary for the social and solidarity economy to develop with the private sector at its center.

③ The Government shall, in consultation with the Mayor/Do Governor, endeavor to build the support systems and secure the budget necessary to revitalize and strengthen the capacities of City/Do Support Centers, and may provide budget and personnel support where necessary.

④ Matters necessary for the procedures for the establishment and operation of City/Do Support Centers shall be prescribed by City/Do municipal ordinance.

CHAPTER 4. SOCIAL SOLIDARITY FINANCE

Article 16 (Improvement of the Social Solidarity Finance System)

The State shall pursue the improvement of the following systems in order to secure financial resources for the development of the social and solidarity economy and to build a foundation for social solidarity finance:

1. Support for the development of financial products suited to the characteristics of the social and solidarity economy;
2. Development of tools for measuring and evaluating the social value created by social and solidarity economy organizations, and introduction of a disclosure system, etc.;

3. Revitalization of financial support, such as investment, loans, and guarantees, for social and solidarity economy organizations;
4. Other social solidarity finance systems recognized as necessary for the development of the social and solidarity economy.

Article 17 (Designation and Operation of Social Solidarity Finance Intermediary Institutions)

- ① In order to revitalize social solidarity finance, the Minister of the Interior and Safety may designate and foster social solidarity finance intermediary institutions that perform financial intermediary functions, such as investment and loans, for social and solidarity economy organizations.
- ② A social solidarity finance intermediary institution designated under paragraph ① shall receive funds from local governments, financial institutions, etc., and perform the following functions for social and solidarity economy organizations:
 1. Entrustment of the management and operation of regional funds;
 2. Entrustment of the management and operation of private funds;
 3. Projects for raising private funds through the solicitation and receipt of donations;
 4. Support projects for the establishment, operation, start-up, and growth of social and solidarity economy organizations;
 5. Intermediary business between financial institutions and social and solidarity economy organizations.
- ③ A person seeking to be designated as a social solidarity finance intermediary institution shall meet the following requirements:
 1. Possess capital prescribed by Presidential Decree;
 2. Have a reasonable and sound business plan;
 3. Be sufficiently equipped with the professional personnel and physical facilities, such as computer systems, necessary to perform social solidarity finance intermediary functions.
- ④ The State may revoke the designation of a social solidarity finance intermediary institution designated under paragraph ① where the institution falls under any of the following:
 1. Where it was designated by fraud or other improper means;
 2. Where it loses the requirements for designation, or fails to meet the requirements for designation due to other changed circumstances;
 3. Where it is recognized, as prescribed by Presidential Decree, that there is a considerable risk of harming the stability of the social solidarity finance market or a sound trading order, or that it is difficult for the institution to carry on its social solidarity finance intermediary business.
- ⑤ Matters necessary for the requirements and procedures for designation, the criteria and procedures for revocation of designation, and the scope and operation of business, etc. of a social solidarity finance intermediary institution shall be prescribed by Presidential Decree.

Article 18 (Dedicated Institution for Social Solidarity Finance)

- ① The Minister of the Interior and Safety may designate a dedicated institution (hereinafter referred to as a "Dedicated Institution") to build a foundation for social solidarity finance and to foster and support social solidarity finance intermediary institutions.
- ② The Dedicated Institution that the Minister of the Interior and Safety may designate under paragraph ① shall be prescribed by Presidential Decree.
- ③ The State may make contributions to a Dedicated Institution to cover all or part of the expenses of the projects under each subparagraph of paragraph ⑥.
- ④ A Dedicated Institution that has received a contribution under paragraph ③ shall establish and manage a separate account for that contribution.
- ⑤ The separate account under paragraph ④ shall be operated with the following funds:
 1. Contributions from the State;
 2. Contributions from local governments;
 3. Donations from individuals, corporations, or organizations;
 4. Other revenues prescribed by Presidential Decree for raising funds for the account.
- ⑥ Funds raised under paragraph ⑤ shall be used for any of the following purposes:
 1. Financial support projects, such as investment, loans, and guarantees, for social and solidarity economy organizations;
 2. Research and development for building a social and solidarity economy capital market and revitalizing social solidarity finance;
 3. Projects for fostering social solidarity finance intermediary institutions and strengthening their capacities;
 4. Support for and investment in building a foundation for social solidarity finance, such as regional funds and private funds;
 5. Matters concerning the development of social performance evaluation indicators in the financial sector and standards for social investment;
 6. Other projects prescribed by Presidential Decree.

CHAPTER 5. FOSTERING AND SUPPORT OF SOCIAL AND SOLIDARITY ECONOMY ORGANIZATIONS, ETC.

Article 19 (Preferential Purchase by Public Institutions)

- ① The State and local governments shall provide support necessary to promote the purchase of, and expand the sales channels for, products or services produced by social and solidarity economy enterprises (hereinafter referred to as "products produced by social and solidarity economy enterprises").
- ② The head of a public institution under Article 2(2) of the Act on the Promotion of Purchase of Small and Medium Enterprise-Manufactured Products and Support for Development of Their Markets (hereinafter referred to as "head of a public institution") shall promote the preferential purchase of products produced by social and solidarity economy enterprises.

- ③ A purchase plan prepared by the head of a public institution under Article 5(1) of the Act on the Promotion of Purchase of Small and Medium Enterprise-Manufactured Products and Support for Development of Their Markets shall separately include a purchase plan for products produced by social and solidarity economy enterprises.
- ④ The purchase plan for products produced by social and solidarity economy enterprises under paragraph ③ shall include a purchase target of not less than the ratio prescribed by Presidential Decree, and the head of the public institution shall implement the relevant purchase plan.
- ⑤ Where the Minister of SMEs and Startups finds, upon reviewing the purchase plan under paragraph ④, that improvement is necessary, the Minister may recommend such improvement to the head of the relevant public institution. In such cases, the head of the relevant public institution shall reflect the recommendation in the purchase plan unless there are special circumstances.
- ⑥ The Minister of SMEs and Startups may require the head of a public institution to submit the performance results of purchases of products produced by social and solidarity economy enterprises, in order to inspect implementation of the purchase plan under paragraph ③. In such cases, the head of the public institution shall comply unless there is a special reason not to.
- ⑦ Where the Minister of SMEs and Startups finds, upon reviewing the performance results submitted under paragraph ⑥, that the purchase performance considerably falls short of the purchase target under paragraph ④, the Minister may require the head of the relevant public institution to take corrective measures. In such cases, the head of the public institution shall comply unless there is a special reason not to.
- ⑧ A local government may give preferential consideration to products produced by social and solidarity economy enterprises in the process of selecting gifts in return for hometown love donations under the Act on Hometown Love Donations.
- ⑨ With respect to matters necessary for notifying purchase plans and purchase performance results under paragraphs ③ through ⑦, Article 5(5) of the Act on the Promotion of Purchase of Small and Medium Enterprise-Manufactured Products and Support for Development of Their Markets shall apply mutatis mutandis, and matters necessary for the scope and criteria of products produced by social and solidarity economy enterprises shall be prescribed by Presidential Decree.

Article 20 (Preferential Consideration in Outsourcing Public Services)

- ① Where the State or a local government outsources part of its public service provision duties to the private sector, it shall endeavor to give preferential consideration to social and solidarity economy enterprises.
- ② Matters necessary for the criteria and procedures for preferential consideration in outsourcing public services under paragraph ① shall be prescribed by Presidential Decree within the scope prescribed by relevant statutes.
- ③ A local government may prescribe necessary matters by municipal ordinance within the scope prescribed by the Presidential Decree under paragraph ②.

Article 21 (Support for Facility Costs, etc.)

- ① The State and local governments may support or provide loans for site acquisition costs, facility costs, etc. necessary for the establishment or operation of social and solidarity economy enterprises.

② Notwithstanding the State Property Act, the Public Property and Commodity Management Act, and other relevant statutes, the State and local governments may allow a social and solidarity economy enterprise to lease or use State-owned or public property by a method prescribed by Presidential Decree, where the enterprise directly uses such property to achieve its business purposes. In such cases, the usage fee or rent may be reduced or exempted as prescribed by Presidential Decree.

Article 22 (Support for Education, Training, and Growth)

① The State and local governments may conduct education and training to foster professional personnel for social and solidarity economy intermediary support organizations and to enhance the capabilities of members of social and solidarity economy organizations.

② The State and local governments shall include support measures for the growth of social and solidarity economy enterprises in the small and medium enterprise policies implemented under Article 3 of the Framework Act on Small and Medium Enterprises, and the Minister of SMEs and Startups may provide support necessary to promote the start-up, management, technological innovation, and continued growth of social and solidarity economy enterprises.

Article 23 (Promotion of Cooperation and Solidarity Among Social and Solidarity Economy Organizations)

① The State and local governments may promote the following projects, and provide the administrative and financial support necessary therefor, in order to promote cooperation and solidarity among social and solidarity economy organizations:

1. Building networks among social and solidarity economy organizations;
2. Exchange and cooperation among social and solidarity economy organizations;
3. Joint research and development and joint brand development among social and solidarity economy organizations;
4. Formation of regional clusters for the social and solidarity economy and building sales channels.

② A social and solidarity economy organization shall endeavor to cooperate and act in solidarity with other social and solidarity economy organizations, and where it uses or participates in social solidarity finance, shall endeavor not to undermine its sound operation.

③ The State and local governments may devise administrative and financial support measures to promote voluntary organizational or management integration where two or more social and solidarity economy organizations seek to undertake such integration.

Article 24 (Social and Solidarity Economy Day, etc.)

① In order to promote understanding of the social and solidarity economy and encourage the activities of social and solidarity economy organizations, a Social and Solidarity Economy Day may be designated by Presidential Decree, and the one-week period including the Social and Solidarity Economy Day may be designated as Social and Solidarity Economy Week.

② The State may confer commendations upon persons who have made outstanding contributions to the development of the social and solidarity economy or who serve as models for others.

Article 25 (International Cooperation, etc.)

- ① The State and local governments may conduct exchange and cooperation projects with international organizations, foreign governments, and institutions for the development of the social and solidarity economy.
- ② In implementing the exchange and cooperation projects under paragraph ① and projects for the overseas expansion of social and solidarity economy organizations, the State and local governments shall promote the participation of social and solidarity economy organizations or related organizations.

CHAPTER 6. OPERATION AND DISCLOSURE OF SOCIAL AND SOLIDARITY ECONOMY ORGANIZATIONS

Article 26 (Information Subject to Disclosure by Social and Solidarity Economy Organizations, etc.)

- ① A social and solidarity economy organization of a certain scale or larger, as prescribed by Presidential Decree, shall disclose the following matters at least once a year:
 1. Its articles of incorporation and bylaws or regulations;
 2. Major management information, such as its statement of financial position and income statement;
 3. Its business performance report;
 4. The status of its executives;
 5. Other information that the social and solidarity economy organization needs to disclose, as prescribed by Presidential Decree.
- ② Matters necessary for the method, frequency, timing of information disclosure, and exemption from disclosure, etc. under paragraph ① shall be prescribed by Presidential Decree.

[Effective Date: Sep. 16, 2029] Article 26

Article 27 (Establishment and Operation of the Integrated Social and Solidarity Economy Platform)

- ① The Minister of the Interior and Safety may build and operate an electronic information system (hereinafter referred to as the "Integrated Social and Solidarity Economy Platform") to integrate and manage data and information on social and solidarity economy organizations.
- ② The Minister of the Interior and Safety may separately standardize the major matters among those disclosed by each social and solidarity economy organization under Article 26, and integrate and disclose them through the Integrated Social and Solidarity Economy Platform (hereinafter referred to as "integrated disclosure").
- ③ Where necessary for building and operating the Integrated Social and Solidarity Economy Platform and for integrated disclosure, the Minister of the Interior and Safety may request the heads of relevant central administrative agencies, the heads of local governments, and social and solidarity economy organizations to submit data or information prescribed by Presidential Decree, and may hold and use such data or information within the scope of the purpose for which it was provided. In such cases, a

person who receives a request to submit data or information shall comply with the request unless there is a special reason not to do so.

④ The Minister of the Interior and Safety may, for the efficient operation of the Integrated Social and Solidarity Economy Platform, interconnect or integrate electronic information systems related to the social and solidarity economy that are built and operated by central administrative agencies, local governments, and social and solidarity economy organizations. In such cases, the Minister shall consult in advance with the heads of relevant central administrative agencies, the heads of local governments, and the representatives of social and solidarity economy organizations.

⑤ Matters necessary for the building and operation of the Integrated Social and Solidarity Economy Platform and for integrated disclosure, other than those prescribed in paragraphs ① through ④, shall be prescribed by Presidential Decree.

[Effective Date: Sep. 16, 2029] Article 27

CHAPTER 7. SUPPLEMENTARY PROVISIONS

Article 28 (Delegation and Entrustment of Authority)

① The Minister of the Interior and Safety shall have overall control over social and solidarity economy policy, and may delegate part of the authority under this Act to a Mayor/Do Governor, as prescribed by Presidential Decree.

② The Minister of the Interior and Safety may entrust part of the affairs under this Act to a government-funded research institute or organization, as prescribed by Presidential Decree. In such cases, the Minister may contribute or provide funds for the expenses necessary for the institution or organization entrusted with such affairs to perform them.

ADDENDA <Act No. 21921, Sep. 15, 2026>

This Act shall enter into force six months after the date of its promulgation: Provided, That Articles 26 and 27 shall enter into force three years after the date of promulgation.

[Enforcement Date: Mar. 16, 2027] [Act No. 21921, Sep. 15, 2026, Enacted]

Translator's note: This is an unofficial English translation of a Korean statute, provided for reference only. The original text can be downloaded here: <https://www.law.go.kr/LSW/lsInfoP.do?lsiSeq=289577#0000>