

Research on Social Capital in Busan and Social Companies

Deoksu KANG

(Associate Professor, Department of Business Innovation, Kaetsu University)
Research Fellow, Center for Social Capital Studies, Senshu University)

Research on Social Capital in Busan and Social Companies

Deoksu KANG†

1 . Introduction

As the environment changes with the progress of globalization, South Korea is currently undergoing a multi-cultural transformation into so-called a global culture.

Several factors are believed to be contributing to these social changes. Specific factors that have accelerated this transformation into a multi-cultural society include an increase in multi-cultural families triggered by the growth in international marriages (for example, with Koreans in China and people from Southeast Asia) and a drastic rise in the number of foreign workers since the 2000s.

While efforts are being made within South Korea to look positively towards this transformation into a multi-cultural society, there has been some discrimination towards foreigners that are leading to the creation of this multi-cultural society, and some believe that conflicts and frustration within civic society have increased compared to before.

Furthermore, various social problems such as an aging society, income disparities¹, and difficulties among young people finding work have not only had an adverse impact on economic growth, but these issues have also led to rapid changes in the organizational structure of society itself.

For this reason, the national government, municipal governments, and other various organizations (including non-profit organizations) are becoming even more interested in social capital than in the past as a means of resolving the many social problems being caused by social transformation, and efforts are being made to create unique forms of social capital accordingly. Underpinning this trend is the rapid increase in participation-based communities in civic society and cyber communities² The changing conditions for these types of participation-based

† Associate Professor, Department of Business Innovation, Kaetsu University; Research Fellow, Center for Social Capital Studies, Senshu University

¹ According to the Korea National Statistical Office, based on the income standards for 2011, one in six South Koreans are in poverty. Specifically, this means that one in six South Koreans have an annual income of less than KRW 10 million (approximately JPY 800,000 when this paper was prepared). Furthermore, among one-person households and elderly people age 65 or more, one in two are in poverty (source: *Hankook Ilbo*, page 13, December 22, 2012)

² This refers to communities formed through personal computer telecommunications networks.

communities are worthy of note.

However, two different terms are used in South Korea for the concept of social capital (“*shakaiteki-shihon*” and “*shakai-shihon*”), and this has led to some confusion. For example, while “*shakai-shihon*” was used as the word for social capital in the first documents in which South Korean researchers conducted an analysis on social capital, the word “*shakaiteki-shihon*” has been used in most documents since 2008. Currently, while the word “*shakaiteki-shihon*” seems to have become the established usage in reports from government agencies, terminology and concepts relating to social capital are not being used very accurately at the corporate level³.

In this manner, while a clear concept of social capital has yet to taken root in South Korea, if there are to be efforts made for the expansion of participation-based communities throughout society, the formation of networks suitable for globalization and the diversification of information demanded of intellectual society is necessary.

In this paper, we consider the analysis results of a field survey conducted on social capital (trust, norms, and networks) that covered the residents of 16 districts in Busan, South Korea, consisting of the characteristics of social structure and reciprocal relationship within this structure that serve to improve social efficiency by encouraging cooperation between individuals and organizations. We will look at the current state of social capital in Busan, South Korea and relationships with social enterprises.

2 . Survey Overview⁴

A survey on social capital was conducted on the following topics in Busan, South Korea.

(1) Survey Contents

- ① A survey was conducted on the general public in 16 districts in the in Busan region for the purpose researching the general conditions in the area
 - ② Survey method: Visit interview survey and web survey
 - ③ Survey organization: Research Institute for Social Enterprise
 - ④ Survey period: August to December 2011
 - ⑤ Questionnaire items
 - Respondents characteristics
 - Social trust
 - Standard of living maintenance and improvement
 - Social security
 - Social manners
- 52 question items for five survey topics

³ The Japan Research Institute, Limited, "Research Report on Social Capital in Asian Countries," page 4, 2010

⁴ This survey outline is based on the final report prepared by the Research Institute for Social Enterprise. "Busan Region Social Capital Field Survey: Final Report," February 2012

Out of the items above, I conducted an analysis focused only on the items relating to social trust and social security. Displayed below are the relevant survey results and some supplementary comments.

(2) Survey items and analysis results

● Survey items relating to social trust

[2.1 Do you think that, in general, people can be trusted?]

- Analysis results: 53.3% of Busan citizens responded that they are able to trust in other people, indicating that trust levels are relatively high.
- Supplementary comments: Compared with the results of other surveys indicating that only three in ten South Koreans felt they could trust in other people, the trust index for Busan citizens can be considered to be relatively high.

[2.2 How often do you meet with relatives?]

- Analysis results: The most common response (51.2%) indicated that Busan citizens met with relatives from once a month to several times a year.
- Supplementary comments: There is an increasing trend toward nuclear families in South Korea, and opportunities for exchange are on the decline, such as family gatherings over the holidays (New Year's, Chuseok (autumn harvest festival)). In other words Korean traditional culture (bonds between the families and Jeong culture (empathy and commitment)) is beginning to disappear.

[2.3 How often do you conduct interchanges with neighbors?]

- Analysis results: 57.1% of all respondents replied that interchanges with neighbors consisted of only greetings or that they did not conduct interchanges with neighbors.
- Supplementary comments: People do not often conduct interchanges with neighbors. This is one of the major issues for South Korean society.

[2.4 How often do you meet with neighbors?]

- Analysis results: 65% of respondents answered that they almost never meet with neighbors.
- Supplementary comments: One of the factors behind the decrease in people meeting with neighbors is the changes in the living environment. With the shift towards more closed-off living environments as people live in apartments rather than general housing, opportunities to meet with neighbors are becoming rarer. This should also be considered as a serious social problem.

[2.5 Do you participate in volunteer activities?]

- Analysis results: 60.2% of respondents answered that they had participated in volunteer activities, which is over the average (only among respondents that responded to this question).
- Supplementary comments: As living standards improve, there is a trend of people placing more importance on social values and participating more frequently in volunteer activities. As part of efforts to support members of the general public that participate in volunteer activities in Busan, initiatives such as a volunteer member certification badge system are being implemented in Busan.

[2.6 What kind of volunteer activities are you currently involved in?]

- Analysis results: 19% of respondents replied that they voluntarily participated in care giving activities at facilities for disabled persons, the elderly, and orphans.
- Supplementary comments: As average income levels increase, there is a tendency towards giving more consideration to the less fortunate in society. In addition, there was a high tendency of participation in activities associated with the hobbies of respondents.

[2.7 How often do you participate in volunteer activities?]

- Analysis results (by field): Respondents participated in sports, hobby, or entertainment related activities two or more times a week and the activities of elderly or disabled persons support organizations one or more times a week.

[2.8 What are your impressions after participating in the volunteer activities?]

- Analysis results: The most common response (16.5%) was that respondents felt that they were able to contribute to the local community through participation in volunteer activities.
- Supplementary comments: People that participated in volunteer activities felt that they were good opportunities to deepen ties with their colleagues.

[2.9 Do you feel that community activities are conducted frequently in your local community?]

- Analysis results: 1.2% responded that activities were conducted extremely frequently, and 43.3% responded that activities were conducted somewhat frequently.
- Supplementary comments: Recently community activities at the community level have increased significantly. One of the reasons behind this is the considerable increase of the usage of SNS such as Facebook and Twitter. Furthermore, there has been a large increase in the number of citizens that use social networks to communicate their own opinions, knowledge, and information.

[2.10 Are you interested in politics?]

- Analysis results: Interest towards politics was 66%, higher than the average ratio.
- Supplementary comments: Following the death of President Roh Moo-hyun, interest towards politics has increased among young people.

[2.11 Has your community ever received support from overseas aid agencies or NGOs?]

- Analysis results: 99.6% answered no.

- Survey items relating to social security (disaster related)

[4.4 Have you ever experienced a major natural disaster?]

- Analysis results: Typhoons, floods (31.1%)

[4.5 Have you ever experienced a major natural disaster where you live?]

- Analysis results: Typhoons, floods (31.8%)

[4.6 In the community where you live, if a major natural disaster or incident happened, who or what organization could you rely on?]

- Analysis results: Most responded that they relied on their family (51.6%). As for evacuation

areas that were relied on, the response was high for public institutions (71.4%: schools, hospitals, etc.).

[4.7 What institution has the primary responsibility for disaster management?]

• Analysis results: Regional government (64.1%); police stations, fire stations (12.5%)

[4.8 What institution resolves problems that occur among stakeholders in your community?]

• Analysis results: Regional government institutions (59.7%: city offices, district offices, town offices)

[4.9 If there is dispute in your neighborhood, do you think your neighbors are qualified to handle these types of problems?]

• Analysis results: It depends on the situation (63.8%)

3 . Opinions Based on the Survey Results

Based on the abovementioned survey results, we will now consider the items relating particularly to social security (disaster risks) and social trust (interchanges with neighbors) more concretely from the perspective of social capital.

(1) The current state of disaster risks and the importance of social capital

Here we will focus on the current state of disaster risks in South Korea in the field of social security. In South Korea, because major natural disasters like earthquakes and tsunami do not often occur, natural disaster risks (hazard risks) are not taken seriously.

Among the OECD countries, South Korea has been pointed out as a country that does not sufficiently manage natural disaster risks (hazard risks). South Korea has a very poor reputation in this respect among both domestic and foreign institutions. For example, according to the results of a survey conducted by South Korea's National Institute for Disaster Prevention, management of the risks of rivers overflowing is insufficient.

In particular, it can be said that absolutely no consideration has been given to risk management in preparation for earthquake risks. The reason for this is a myth that has taken hold which claims that among the countries of Northeast Asia, South Korea will never be suffered from earthquake damage. As a result of this myth, proactive management systems for earthquake hazard risks are insufficient.

Among the Northeast Asian countries of Japan, South Korea, and China, it has been said that only Japan is susceptible to earthquake risks. However, large earthquakes have recently occurred in China, and South Korea cannot be considered to be free of earthquake risks. In other words, we have no way of knowing when, where, and what level of earthquakes could occur in South Korea.⁵

⁵ Deoksu Kang (2012), "The Great East Japan Earthquake as Seen by South Korea," *Risk and Management No. 43*, Japan Risk Management Society, page 73

In consideration of the abovementioned environmental changes, it is essential that prompt and thorough review of management of earthquake risk and other natural disaster risks (hazard risks) be conducted in South Korea and that the appropriate action be taken.

While major risks like earthquakes have not yet been faced in South Korea, recently natural disaster risks from typhoons and floods that occur every summer have been on the rise and high levels of damage to human life continue to increase.

Although municipal governments are preparing manuals as disaster prevention measures in response to disaster risks, information is not being sufficiently provided to the general public. Disaster response manuals require even more reconsideration.

For example, comprehensive manuals that describe individual disaster response measures in the same manner as traditional disaster-prevention measures do not function very well during disasters. It has been pointed out that when risk management is considered within normal everyday conditions, it is highly likely that the surrounding infrastructure has been assumed to be stably functioning.⁶

To ensure that manuals function properly, trust built up through regular communication among neighbors and trust between municipal governments and the public are essential. Furthermore, the creation of networks between neighbors during the course of everyday life will facilitate mutual cooperation when emergencies occur.

Accordingly, in preparation for damage from major natural disaster risks, rather than leaving risk management entirely up to the government, the general public needs to create cooperative structures based on trust between neighbors.

However, because everyday interactions and interchanges between people are on the decline as indicated by the survey, it should be clear that levels of trust are also on the decline. As a result, it is highly likely that problems could occur with sharing information on disaster risks and support networks, and that the provision of mutual aid between neighbors based on trust relationships may not be possible.

In regards to this issue, it is the view of Professor Kazuo Ueda (2011) that the issues of sharing information on disaster risks can be understood as risk communication. Risk communication becomes less effective if there is no trust between the givers and receivers of information in situations in which risk information is shared. It has been pointed out that issues such as soft controls and social capital that place importance on bonds, trust, and networks between people are relevant here.⁷

⁶ Jun Oyane (2010), "Reflections on the Concepts of Social Capital and Resilience in Sociological Disaster Research," *The Senshu Social Capital Review*, No. 1, Center for Social Capital Studies, Institute for the Development of Social Intelligence, Senshu University, page 48

⁷ Kazuo Ueda (2011), "The Role of Soft Controls and Social Capital in Disaster Risk Management," *The Senshu Social Capital Review No. 2*, Center for Social Capital Studies, Institute for the Development of Social Intelligence, Senshu University, page 42 (Soft control: Improvements in risk management and risk information sharing capabilities in response to disaster risks through the fostering of trust, bonds, networks)

Before disaster risks occur, it is necessary to build up relationships of trust through everyday interactions between neighbors, secure networking structures, and prepare structures enabling prompt mutual support on the private level when disasters do occur.

(2) Changes in interchanges with relatives and neighbors in daily life: The state of communication

For the question “2.2 How often do you meet with relatives?” described in the survey above, the most common response (51.2%) indicated that Busan citizens met with relatives from once a month to several times a year.

Similar to Japan, there is an increasing trend toward nuclear families in South Korea, and opportunities for exchange are on the decline, such as family gatherings over the holidays (New Year’s, Chuseok). In this manner, Korean traditional culture (empathy and commitment, Confucian culture) is beginning to disappear.

In South Korea, the birthrate continues to decline and the population is aging more and more, and for this reason the human interactions or interchanges based on trust relationships, which a form of traditional culture, are becoming weaker.

Recently, a culture of living in apartments (like those in Japan) has taken root, and for this reason it has become more difficult to communicate with neighbors. There is a strong trend of people not interacting as neighbors.

According to the survey, a high percentage of respondents almost hardly ever met with neighbors. One of the reasons for not many interactions with neighbors is that values have changes as people want to respect the privacy of others by not disturbing them or interfering with their lives.

This trend represents not only a simple change in South Korean traditional culture, but also means that there are higher risks than in the past of social problems arising in civic society (such as conflicts and putting one’s self interests first). As a result, the types of trust relationships of the past are no longer very common.

(3) Social contribution activities

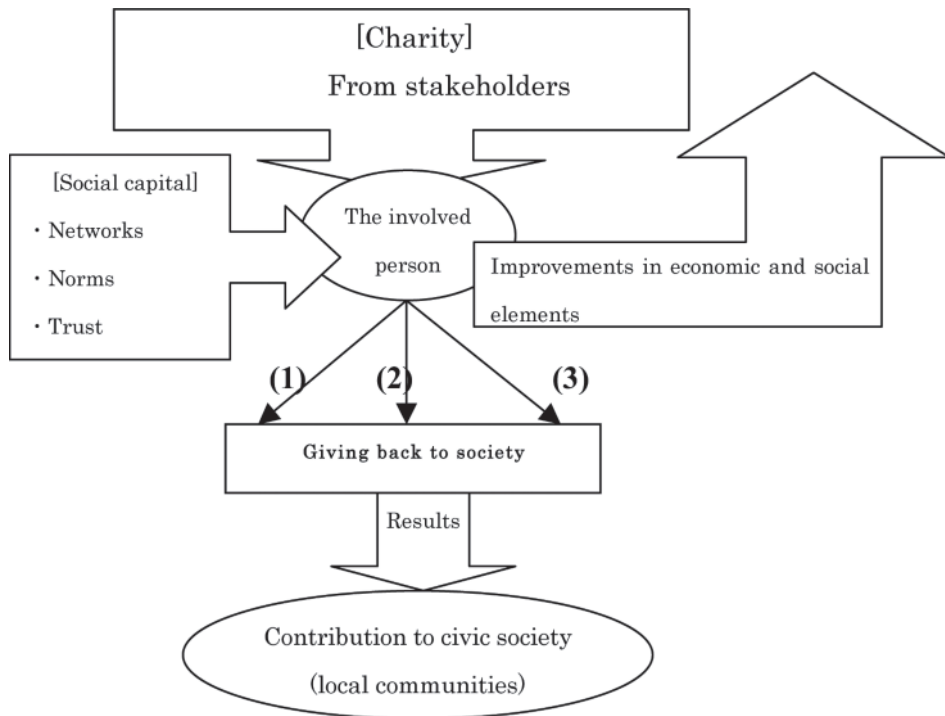
As described in the survey results above, there have been changes among the general public in the Busan region towards desires to help out the less fortunate. In other words, they are making efforts to give back to society (social contributions) through various activities of social welfare organizations. According to the survey results, participation in those volunteer activities has increased.

Chart 1 illustrates the trend of participating in social contribution activities. The number of members of the general public that actively participate in volunteer activities with clearly set objectives is on the rise. In this generation the number of volunteer participants that maintain a high level of motivation while striving to better themselves is increasing. Of course, this also includes people that participate in activities related to their own hobbies.

Within people’s lives, there is a prominent trend of contributing to society as a way to

give back in thanks for the benefits received from stakeholders (stakeholders from organizations around them) that have allowed people to live daily lives that are stable or that have improved economically and socially. The number of people who actively participate in social contribution activities in order to achieve further self-realization from the perspectives of a learning spirit and lifelong learning is on the rise.

Chart 1. Social Contribution Activity Participation Trends



[Reference] (1), (2), and (3) represent participation in a variety of social contribution activities.

Source: Prepared by author

Interest towards education is extremely high in South Korea. For example, even compared to other OECD countries, the university entrance rate is extremely high in South Korea (79.0% in 2010). As a reference point, the university entrance rate in Japan is 56.8%.⁸

In daily life, South Korea is said to have a society that puts much weight on one's

⁸ Kim Myung (2012), "Simply Having a High University Entrance Rate is not Enough," NLI Research Institute, page 1

educational background and academic clique. There is no doubt that learning performance is very high in general. Accordingly, even after university graduation, people tend to invest large amounts of time and money in their own education.

Youji Inaba (2011) stresses that “Education and social capital mutually affect each other. Education leads to the development of social capital, while social capital has an impact on education. According to research conducted in the US, the higher a level of education one has, the higher ones trust towards society as a whole and general trust is, and one’s network is also larger. By this reasoning, it can be said that education creates social capital.”⁹

Considering this perspective, it will be necessary to watch the relationship between education and social capital in South Korea in the future, which is characterized by a high level of interest towards education.

4 . Social Capital in South Korea

With the progress of globalization and further adoption of IT in recent years, economic and social disparities throughout the entire South Korean society have become more and more pronounced, and this is becoming a serious problem among the general population. In addition, within some organization there are structures that are closed-off to those with a different academic or regional background, and this has an adverse effect to stakeholders within the organization.

One of the social problems emerging in South Korea that deserves particular attention is the disparities on a regional level that becoming more widespread. The concentration of people and service on the Seoul metropolitan area that is currently ongoing is becoming more and more serious. This phenomenon consists of not only the problem of the population outflow from the provinces,¹⁰ but also the resulting aging society in the provinces and lack of a younger generation to carry on the intangible assets (traditional resources) that compose the history and culture of these provinces. For these reasons, the shared networks unique to these regions could cease to exist.

As a result, the lack of the establishment of shared networks in these regions (the provinces) causes regional disparities to become even more serious and contributes to distrust and conflicts among regions. For this very reason, in consideration of current conditions it has to be recognized that the establishment of networks based on social capital and trust is more important than ever.

While the national government and municipal governments are conducting various measures aimed at resolving the potential social issues in each region, the first step that needs to be pursued is the building of new networks that allow for the achievement of harmonious and open social structures.

⁹ Youji Inaba (2011), *Introduction Social Capital*, Chuokoron Shinsha, page 56

¹⁰ Here "the provinces" refers to areas of South Korea outside the metropolitan area centered around Seoul.

In other words, social capital needs to be looked at again as being able to fulfill an important role in the resolution of social problems. Social capital is also an important keyword for the achievement of sustainable growth and social integration. Social capital can be thought of as a major factor that contributes not only to economic growth, but also enables the development of social structures.

As South Korean society becomes more globalized and information-based, changes can be seen in the methods that information is shared within organizations. As a result, means of communication are also changing. Specifically, the structures of networks containing givers and receivers of information are beginning to change, and there are also beginning to be changes in the levels of trust towards social capital and awareness of social capital. For example, there is a strong tendency to rely on diversified social capital for methods that allow individuals and organizations to easily share new information.

This type of diversified social capital is being used as a means for seeking sustainable growth within South Korean society by generating knowledge and using this knowledge for innovation and the creation of a new economic base.

However, as described above, individualism has become more intense as a result of the increase in the number of nuclear families and disparities between income levels, and structural relationships at workplaces are also undergoing transformations. Because trust towards social capital and network structures capable of sufficiently responding to these types of changes remain immature, conflicts within organizations are becoming more intense, and the efficiency of the social structure in general is on the decline. Perhaps one of the most important things to do under these conditions is to deepen exchanges at the regional level through activities of social enterprises.

5 . Social Enterprises in South Korea

The Social Enterprise Promotion Act was established in South Korea in January 2007 and later put into force in July 2007, and since then social enterprises have conducted social contribution activities accordingly. With the revision of the Social Enterprise Promotion Act that followed in 2010, the Korea Social Enterprise Promotion Agency was established and a social enterprise fund participated in by both the government and private companies was born.¹¹

Discussions relating to these kinds of social enterprises are led by the government, and active steps are taken to create an environment that will enable the acceleration of social enterprises.

With the adoption of a certification system for social enterprises in South Korea, a policy of developing social enterprises at the government level has been adopted, which contrasts to policy in Japan. The government is providing support so that these social enterprises can take

¹¹ Cho Youngbok (2011), "The Social Enterprise Development Model in South Korea and an International Comparison," *Social Enterprise Research*, Research Institute for Social Enterprise, page 1-2

root as organizations that generate profits in civic society while fulfilling their social responsibility.

Companies that have participated as social enterprises are working to resolve various social problems (income disparities, an aging society, unemployment issues) while deepening interactive relationships and increasing levels of trust among themselves.

Social enterprises¹² can be defined as follows: “This is a business model in which the purpose is not seeking to maximize profits for the benefits of investors but seeking profits for the resolution of social issues. While these enterprises are normally operated like a traditional profit-seeking business and they must remain profitable, they do not provide dividends to shareholders. “(partially omitted).¹³

Social enterprises are comprised of mainly two types of organizations, non-profit organizations and profit organizations. NPO corporations are a representative example of a non-profit organization. Non-profit organizations are autonomous private organizations that are operated based on a social mission and are systematically prohibited from distributing the profits gained to stakeholders of the organization. On the other hand, profit-type social enterprises are companies that have been established for the purpose of resolving social issues. Social enterprises have a particular strong relationship with corporate social responsibility (CSR).¹⁴

In South Korea, social enterprises represent a new innovative form of non-profit organizations, and there is a strong tendency for these organizations to be composed of stakeholders that aim to provide better service and create employment opportunities while adopting innovative management methods or fulfilling their social responsibility.

Since the regulations were established for developing social enterprises as described above, there has been an increased awareness in South Korea that social enterprise could also be thought of as business activities that contribute to economic development through regional revitalization.

Below some examples of social enterprises are introduced that contribute to the development of the regional economy while conducting business activities that lead to improvement in living standards of stakeholders.

¹² Even before the Social Enterprise Promotion Act was established in 2007, there had already been businesses in Busan that operated in this manner. (An example of a social enterprise company is Easy Life Foundation, which was established in 2002. The various business activities conducted by the company for the benefit of the elderly were particularly well received, and in 2012 the company was selected as an outstanding employment company by the City of Busan in 2012. Its corporate vision is the achievement of a welfare society that provides the elderly with a secure life.)

¹³ Written and edited by Kenji Tokuda and Satoshi Kanbara (2011), *Community Business Introduction for Residents*, Senshu University Press, page 142

¹⁴ Kenji Tokuda and Satoshi Kanbara (2011), *Community Business Introduction for Residents*, Senshu University Press, page 163-164

[Examples of social enterprises]¹⁵

- I . Company name: Social Enterprise Chungnam (located in Jeonnam Yeonggwang Province)
 - Established: 2008
 - Main businesses: conducts business aimed at the realization of social cohesion between different classes through overall support of agricultural lifestyles and community building for preserving the environment
- II . Company name: Ansan Medical Consumer Life Cooperative (located in Gyeonggi Province)
 - Established: 2008
 - Main businesses: Provision of medical services through the participation of regional residents by opening medical institutions for regional residents and people from the low-income class, disabled persons, migrant workers, etc.
- III . Company name: Chonsoo Arirang Kimchee (Social Welfare Corporation) (located in Jeju Province)
 - Established: 2008
 - Main businesses: Providing jobs to people from the low-income class that have the desire to work through production, sales and delivery of kimchee and side dishes in cooperation with the local community in order to revitalize the region
- IV . Company name: The Happy Lunch Box Center in Pocheon (located in Gyeonggi Province)
 - Established: 2008
 - Main businesses: Providing free lunches to children in poverty, actively promoting the creation of employment and employment among the socially vulnerable class

It can be said that since 2007, the number of social enterprises has increased that conduct business directly with stakeholders (local residents) in the provinces rather than in the metropolitan area centered around Seoul. The first thing that the four companies introduced above have in common is the fact that they all conduct community-oriented business activities. Another thing they have in common is the fact that they conduct business for the purpose of creating employment rather than selling things. One thing worthy of notice is that the resolution of the employment problem is the thing that is particularly focused on by social enterprises,

Among the social enterprises that are registered nationwide, many conduct community-based business activities, particularly in fields such as education, health, social welfare, the environment, culture, child care, and nursing care.

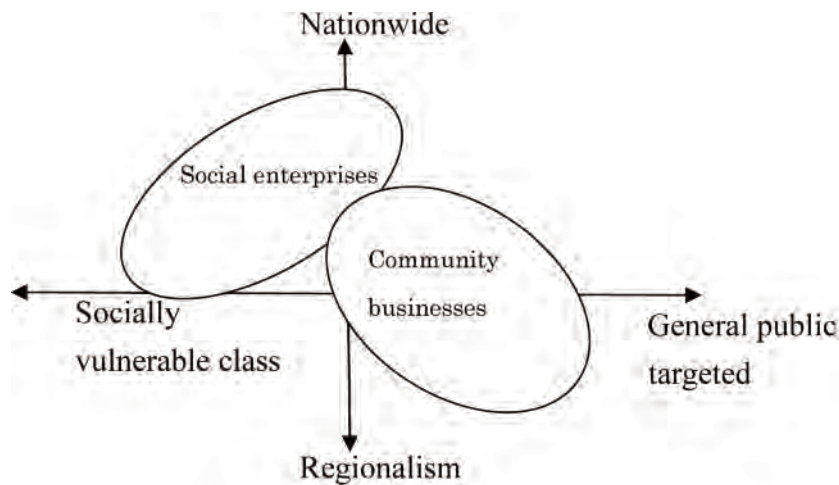
However, social enterprises need to be distinguished from community businesses. In terms of the fields that social enterprises and community businesses are involved in and the businesses they conducted, they have much in common. One commonality is the efforts that both business

¹⁵ Source: Yonkyu Park, Sukhi Choi, Youngmin Joo (2009), "Revitalizing Community Businesses and Regional Economies," Samsung Economic Research Institute (prepared based on partial extract from page 40)

types make in order to resolve regional issues. However, while social enterprises mainly focus on creating jobs for vulnerable social classes, community businesses place an emphasis on regionalism and the initiative of local residents in order to resolve regional community issues.¹⁶

A comparison of the community businesses described above and social enterprises is displayed in Chart 2. While an emphasis is placed on resolving regional issues for community businesses, social enterprises¹⁷ focus on creating employment opportunities for vulnerable social classes.

Chart 2. Comparison of the position of community businesses with social enterprises



Source: Yonkyu Park, Sukhi Choi, Youngmin Joo (2009), "Revitalizing Community Businesses and Regional Economies," Samsung Economic Research Institute (prepared based on quotes from the summary of this text)

6. Conclusion

In this paper, we have looked at the results of an interview survey and web survey on the state of social capital covering the general public in 16 districts in the in Busan region, and we have focused on the items related to social security, social trust, and social enterprises.

(1) There needs to be a reconfirmation of the importance of management of disaster risks in South Korea. To start off, the national government and municipal governments should provide

¹⁶ Source: Yonkyu Park, Sukhi Choi, Youngmin Joo (2009), "Revitalizing Community Businesses and Regional Economies," Samsung Economic Research Institute, page 39 to 40

¹⁷ According to the website of the Research Institute for Social Enterprise (located in Busan), the purpose of social enterprises is to contribute to society " by selling bread to create employment, not by employing in order to sell bread," and to create profits at the same time.

more specific and clear information to the general public on disaster risk management. Up until now, in many cases response to natural disaster risks has taken place after the fact. However, in the future a focus should be placed on establishing a comprehensive support system that will serve as the first line of prevention against these risks. In other in-advance risk management is required.

Risks, especially disaster risks, should be understood as something for which it is impossible to accurately predict the time of occurrence. Furthermore, it is necessary for risks to be carefully considered at a private level rather than leaving disaster risk management entirely up to the national government and municipal governments. For that reason, as has been pointed out in this paper, it is extremely important to conduct more interchanges with neighbors and establish community networks before such risks occur.

(2) As was introduced in this paper, learning performance is extremely high for members of South Korean society, meaning that the environment is well prepared for the instilling of the social capital sought by intellectual society. However, the levels of trust towards the public systems and standards of the national government and municipal governments are still low. This could be considered one of the weaknesses of social capital in South Korea. It cannot be denied that one of the specific factors towards the low trust in public systems is the authoritarianism that has taken root since the before 1980s.

Following this in the 1980s and even before then, democratization and liberalization began to take root, which increased opportunities for the participation of various types of communities and allowed for synergies to be generated from trust relationships within organizations, leading to the expansion of new forms of community structures.

Of course, as the role of the national government and municipal governments has been clarified now, trust-based relationships with the general public are improving. The revitalization of social enterprises as introduced in this paper has made a major contribution to these types of structural changes.

(3) As previously pointed out in this paper, because the current era is being driven by specialist knowledge capable of keeping up with the evolution of the IT industry and globalization, national government and municipal government policies to support social enterprises are particularly meaningful. Social enterprises are being actively supported by municipal governments in terms of the revitalization of regional businesses through business and university networking.

For example, if local universities and social enterprises are able to work together to develop a regional reform model, this will enable regions to achieve more autonomy through not only the creation of a new industry and new employment opportunities, but also the mutual cooperation made possible in various fields with the instilling of social capital, such as improvements to existing industries. From this perspective, the existence of the social enterprises introduced in this paper is extremely significant.

Considering that going forward sustainable regional development is not just economic growth, but something that is only made possible through the achievement of social integration,

in order for social enterprises to be used more effectively as a part of government policy, it is important for national governments and regional governments to more efficiently and systematically support social enterprises. There is no doubt that social networks for sharing information are necessary to enable social enterprises to develop society's potential innovative abilities.

[References]

1. Senshu University Center for Social Capital Studies (2010) “Repos on Social Capital Studies in Asian countries”(commissioned to The Japan Research Institute, Limited)
2. Kazuo Ueda (2011) “The Role of Soft Control and Social Capital in Disaster Risk Management”, *The Senshu Social Capital Review*, No.2, Center for Social Capital Studies, Institute for the Development of Social Intelligence, Senshu University.
3. Jun Oyane (2010) “Reflections on the Concepts of Social Capital and Resilience in Sociological Disaster Research”, *The Senshu Social Capital Review*, No.1, Center for Social Capital Studies, Institute for the Development of Social Intelligence, Senshu University.
4. Deoksu Kang (2012) “Kankoku kara mita Higashinohon daishinsai [The Great East Japan Earthquake on March 11, from Korean Perspective]”, *Social Risk and Management*, No.43, JRMS.
5. Yoji Inaba (2011), *Social capital nyumon* [A Introduction to Social capital], Chuokoron-Shinsha, INC., in Japanese
6. Kenji Tokuda and Satoshi Kanbara(2011), *Shimin no tame no komyuniti bijinesu nyumon : arata na ikigai purattofōmuzukuri*[Hand Book of Community Business towards civil society], Senshudaigakushuppanyoku, INC.
7. Myung chun Kim (2012) “Comparing education advancement rates and employment rates between Japan and Korea[Daigaku shingakuritu ha takakereba iiwakedehana]”.
(http://www.nli-research.co.jp/report/researchers_eye/2012/eye120813-2.pdf)
8. 조영복(2011) “한국의 사회적기업 육성모델과 국제비교”, *사회적기업연구*, Vol.4, No.1, 사단법인 사회적기업연구원.
9. 사단법인 사회적기업연구원 (2012) 부산 지역 사회 자본 실태 조사- 최종 보고서.
10. 박용규, 최숙희, 주영민 (2009) 커뮤니티비즈니스와, 지역경제, 활성화, 삼성경제연구소.
11. 사단법인 사회적기업연구원(RISE) HP(<http://www.rise.or.kr/>)
12. 사단법인 안심생활(easy life) HP(<http://ansim.org/>)
13. In an Article published on December 22, 2012, in *Hankookilbo*(한국일보 신문).(<http://news.hankooki.com/>)
14. 양준호 (2011) 『지역과 세상을 바꾸는 사회적 기업 -개념 · 사례 · 정책과제-』, 두남출판사.

