Social economy as organizations for substantive economy in South Korea

-Is Social Economy in South Korea playing roles of Substantive Economy?-

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[Abstract]

The purpose of this study is to examine the alternative character of social economy organizations in South Korea. Theoretical background is the Polanyi᾽s substantive economy especially focusing on three economic principles-exchange, redistribution, reciprocity. We define the substantive organization as the organization to mix all three principles. That is because we assume that the more economic principles closely related to social relationships are used, the higher the possibility for easing various social problems caused by neo-liberalism.

Firstly, we review hybrid patterns of three economic principles. The quasi group mixing two principles is the largest group, the pure group solely using one principle is the second largest, and substantive group hybridizing all three principles is the smallest. This result may mean early stage of transition to the substantive economy. In terms of normative organizational status, social enterprises are uniformly distributed. This has two implications. Firstly, social enterprise is the closest to the substantive economy in accordance with theory. Secondly, requirements in the social enterprise's certification system include hybrid characters. Secondly, we try to identify new latent groups by putting all social economy organizations into one basket. By the latent profile analysis, three groups are identified. All three groups shows unbalanced resource mobilization depending on main resources. These are exchange-focused group, redistribution-focused group, and reciprocity-focused group. There is no balanced group.

This result connotes following important implications. Firstly, normative organizational status seems meaningless in terms of substantive economy. This may mean fragmented supporting may be inefficient. Secondly, the approach of social economy eco system is useful. Thirdly, some of social economy organizations is in the process of isomorphism. Lastly, the organizations with the balanced ratio of resources need to increase for diversity.

Introduction

In the last decades, social economy in South Korea has quantitatively grown while drawing attention as the complementary or substitution to market failure or government failure. With the quantitative growth of social economy, debate on whether social economy is complementary or substitution has been heated as well. Complementary approach regards social economy as the effort to ease adverse effects by neo-liberalism. It is solution-focused and maintains status quo. Instead, substitution approach aims at the new type of economy beyond market capitalism. The problems we face now are embedded in the existing institutionalized economy. So, we believe essential alternative is the reconfiguration of economy, i.e. new exchange principle. Eventually, substitution approach fulfill social economy's potential in accordance with it.

All most of the substitution approach is based on Polanyi's theory. That's because socialism and communism lost their influence as the alternative to capitalism. In this situation, Polanyi's theory can provide theoretical background to the alternative. Thus, we try to examine the potential of social economy organization in South Korea as the alternative with Polanyi's theory. For this, we need to review Polanyi's theoretical background.

According to Polanyi, economy is classified as the two types. One is the formal economy and the other is substantive economy(Kim, 2014: 294; Lim, 2014). Formal economy is based on the main stream liberal economy but substantive economy is the

alternative by Polanyi(Lim, 2014: 4-5; Seoul Social Economy Center, 2015: 11). Human beings are atomized individuals with infinite desire pursuing maximization of utility or profit. Under the resource constraint, He or she maximize benefit and minimize cost as the rational economic agent(Kim, 2014: 294; Lim, 2014: 4-5). Formal economy adopts instrumental rationality and utilitarianism in view of market-oriented humankind(Seoul Social Economy Center, 2015: 11). In substantive economy, human beings are in the society and seek for diverse needs. He or she is a social agent to cooperate for meeting universal needs in the community under the scarcity restricted by culture or society. In other word, it aims at freedom in society and solidarity for community in view of society-oriented humankind(Kim, 2014: 294; Seoul Social Economy Center, 2015: 11). In conclusion, formal economy derives from formal logic to maximize cost-benefit but substantive economy is based on realistic and substantive logic in the real society(Polanyi, 2009: 629).

Polanyi argued that in the formal economy, society is embedded in the market so that freedom and ideal of human get lost. He thought of restoration of real society as the alternative when market is re-embedded in society as the function(Polanyi, 2009: 633). Formal economy is the institution thriving during short period after market economy began in the 19th century whereas substantive economy is the universal institution throughout human history. In the substantive economy, human is mutually dependent and mixes not only exchange but also redistribution, reciprocity, and house holding. In the non-market such as distribution, reciprocity, and house holding, labor, land, and currency is not commercialized. As the result, security of life and solidarity of community are secured and economy is embedded in society(Seoul Social Economy Center, 2015: 8).

If the substantive economy is really alternative, then what is the characteristic of substantive economy organization? To answer this question, we need to review social economy researches based on Polanyi's theory. Through this, we examine measurability of substantive economy organization and draw analytic framework. Social economy researches based on Polanyi's theory are diverse such as social solidarity economy and plural economy, hybrid organization, and social enterprise in

the background of new institutional economics. First of all, we try to understand social solidarity economy. Social solidarity economy that adopts real economy operating principles is the social economy movement in the theoretical background of Polanyi's substantive economy. It employs the strategy to reconfigure the economy based on Polanyi's new view point for the economy. Laville focuses on plural economy mixing different exchange principles among Polanyi's theory. According to him, social solidarity economy starts from the idea; market is the important factor in economy but not only one(Eom & Kwon, 2014: 364-365). In other word, the economy does not work with only exchange principle. Instead, it works with redistribution and reciprocity which is non-monetary and horizontal relation(Eom et al., 2011; Eom & Kwon, 2014: 363). By integrating the principles negligent in the market economy, social solidarity economy tries to reinforce democracy, employment, social integration, and solidarity.

Of course, only this approach does not employ Polanyi's theory. Organizational theory of new institutional economics tries to integrate Polanyi's theory into the welfare triangle in the fields such as plural economy, hybrid organization, and social enterprise. Plural economy approach understands the concept of Polanyi's substantive economy as mixed economy to hybridize exchange, redistribution, and reciprocity(Polanyi, 1997; Laville and Nyssens, 2001: 324). Defourny(2001) also regards substantive economy as the plurality of economy and Laville and Nyssens (2001) argue plural economy in the modern economy consists of market economy, non-market economy, and non-monetary economy.
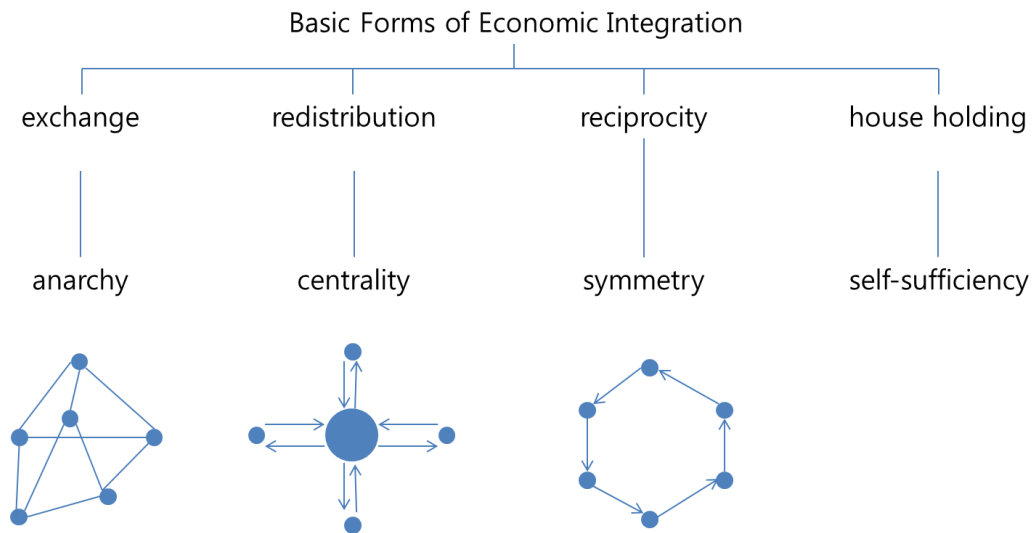
<Figure 1> Social economy as substantive economy organization in welfare triangle
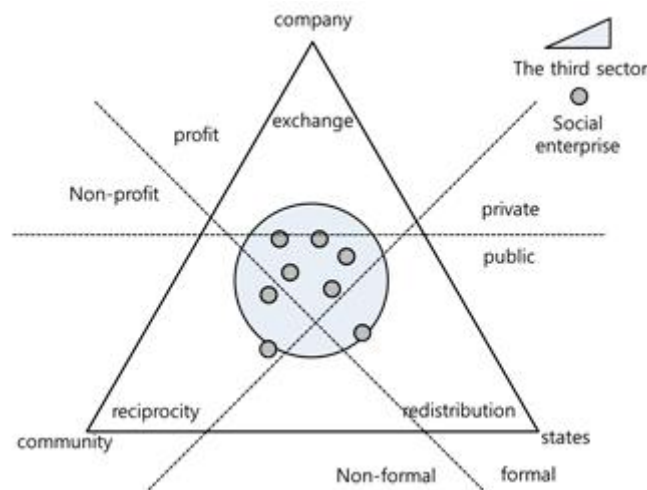
source: Nyssens & Defourny, 2012: 11 《The EMES approach of social enterprise in a comparative perspective》

    <Figure 1> is the welfare triangle. There are three exchange principles-exchange, redistribution, reciprocity inside and three economy agents-company, states, community- outside. Polanyi's idea of re-embedment for great transformation can be understand as the extension of intermediate area in the welfare triangle(Kim, 2011: 33). He thought states and market are components of society. From his perspective, if the three economy agents hybridize three economic principles, then society can be rediscovered as the substantive. This is the same as hybridity of exchange, redistribution, and reciprocity that are main principles by three economic agents. There are many researches with this view-hybrid organization. By following Polanyi (1944) and his 'substantive approach' to the economy, Defourny and Nyssens(2006: 10-11) argue that social enterprises combine the economic principles of market, redistribution and reciprocity and hybridize these three types of economic exchange. Lee(2015) suggests the characteristic of social economy is to hybridize exchange in the market, redistribution by states, and reciprocity among community by focusing on reciprocity. In summary, any research pays attention to the hybridity of economic principles.

<Figure 2> Supporting structure for basic forms of economic integration

Basic Forms of Economic Integration

| exchange | redistribution | reciprocity | house holding |

| anarchy | centrality | symmetry | self-sufficiency |

These basic forms of economic integration are the principle to lead production, distribution, and consumption for meeting material needs. <Figure 2> shows symmetry, centrality, and anarchy to support each principle. The structure to enable these principles means social relationship. Types of social relationship depend on the types of exchange principles widely used in a society. Exchange principle is an exchange of equivalents among atomized economic agents through currency as anarchic market economy. Because exchange is done by free private contracts, economic agents are not dependent on a society. Although it has high efficiency, exploitation of relationship can occur due to lack of social solidarity. Redistribution and reciprocity are embedded in a society. Members in a community have good relationship among each other. Redistribution works under centrality. Centrality means that exchange is managed and represented by some agents, e.g. welfare states. Production and distribution of goods and service are delegated to central agent. This modern form is welfare states(Laville & Nyssens, 2001: 324). Therefore, it requires strong responsibility of members. Reciprocity premises symmetry which is social hierarchy. Reciprocity works well under social capital and reinforce social solidarity. In conclusion, institutionalized types of social organizing is composed of basic forms

of economic integration and it's supporting structure(Lim, 2014: 4-5). Nowadays, exchange principle is only used in capitalist market economy. Importance of redistribution and reciprocity is weakened. Roughly speaking, formal economy utilizes only one principle but substantive economy hybridize three principles.

Kim(2014) suggests two reasons for the importance of recognizing social economy as the substantive economy. One is that the reason why social economy attracts attention is due to the need for alternative to the capitalism. The other is that social economy can be intervened and controlled by the state or the market. That's because social economy is not independent from them. Moreover, he argues focusing on formal status(legal or normative) of social economy organizations may overlook substantive economy as the alternative. As the result, it's not easy to evaluate the alternative role of social economy. We agree with his points.

The aim of this study is to examine the characteristics of social economy organizations in South Korea as the alternative to the market in the background of Polanyi's substantive economy theory. We define social economy organizations as social enterprises, social cooperatives, community business, and self-sufficient company. But this definition has two limits. First, it does not fully reflect the reality of South Korea where wide varieties of social economy concepts are used. Secondly, It may miss other organizations's role as the substantive economy. However, we admit this limit and propose follow-up research for following reasons. In relation with the first limit, the definition of social economy is wide enough to be one independent research topic so that it's not possible to discuss it in this study. Also, our interest is in social economy. Excluding other organizations may be not out of logic.

The order of this study is like followings. We explain unit of analysis and sampling in the sample and procedures of method part and make operational definition and introduce way of analysis in the measure at the same part. In the result part, we review

characteristics of social economy organization in South Korea as the substantive economy in two dimensions. We draw conclusion, mention limit of research, and propose follow-up study in the discussion part.

METHODS

SAMPLE AND PROCEDURES

In this study, the target social economy organizations are social enterprise, social cooperatives[1], community business, and self-sufficient enterprises. We designed our study sample to only represent Seoul·Gyeonggi metropolitan area of South Korea due to research resource limit. We used quota-sampling method because some information for sampling frame is not available. The Survey Sample Quota sampling is appropriate when the aims and objectives of the research do not require a probability sample or when sampling frame is unavailable(Maisel & Persell, 1996). The number of social economy organizations in this study was determined in proportion to the number of existing social economy organizations in each area. As the result, the geographic and types of organizations distribution of the sample was similar to the Seoul·Gyeonggi metropolitan area distribution of organizations.

The survey was conducted from Nov. 2016 to Mar. 2017 with self-reporting questionnaire. The final sample comprised 202 social economy organizations. <Table 1> is the cross tabulation showing the number of social economy organizations by region and types of organizations.

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[1] 'Social' cooperatives is regarded as non-profit organization by law. It focuses more on social and public activity rather than general cooperatives.

<Table 1> social economy organizations surveyed

	Social enterprise	Social cooperatives	Community business	Self-Sufficient Enterprises
Seoul	35	20	15	32
Gyeonggi	31	19	25	25

MEASURES

We try to examine characteristics of social economy organizations as the substantive economy in two dimensions. One is to explore exchange principles in three basic forms of economic integration, i.e. exchange, redistribution, reciprocity. Measuring exchange principles is the challenging task in quantitative survey research, which is more applicable to qualitative research. Therefore, our measurement is exploratory. The other is to measure resources in relation with three basic forms of economic integration, i.e. exchange-based resource, redistribution-based resource, reciprocity-based resource. We focus on resources social economy organizations mobilize in practice.

<Table 2> Basic forms of economic integration

exchange[2]	redistribution	reciprocity
Sale by special distribution channel Sale by direct management shop Sale by competitive bid or consignment contract of government	Sale by preferential purchasing of government Sale by private contract of government	Sale by individual network Sale by community network or association sale among social economy enterprises Sale by social economy fair or event

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[2] Here, exchange does not mean all kinds of exchanges including redistribution and reciprocity. Exchange is only confined to the market exchange.

Criteria of measuring exchange principles is whether sales of social economy organizations is based on market competition or not(refer to <Table 2>). 'exchange' is in market competition such as sales by special distribution channel and direct management shop. Moreover, sale by competitive bid or consignment contract is signed through market competition in a broad sense. 'redistribution' is non-market exchange with the central or local government. Both sale by preferential purchasing system and private contract are out of market competition. 'reciprocity' is based on social capital or solidarity rather than market competition. Sale by individual network or community network or association is utilizing social capital(network is one of key components of social capital). Sale among social economy enterprises is not based on market competition but solidarity or cooperation. Sale by social economy fair is regarded as a collective sales promotion in solidarity.

<Table 3> Basic forms of economic integration based resources

exchange based resource	sales	private market sales
		public market sales
redistribution based resource	types of government support	sales through preferential purchasing system or consignment contract
		payroll support
		expert payroll support
		business development expense support
		social insurance fee support
		office, warehouse free lease
		other support
reciprocity based resource	individual	volunteer
		donation
	companies	volunteer
		donation
	community	volunteer though intermediate support organization or community organization
		sales to social economy
		sales though intermediate support organization or community organization
		donation

Criteria of measuring basic forms of economic integration based resources are exchange, redistribution, and reciprocity. Firstly, how can we measure exchange-based resource? 'Sales' is the widely used variable in the research field of social economy and social enterprises(Ahn & Park, 2011; Cho et. al., 2012; Choi & Nam, 2015; Chung & Kim, 2010; Gardin, 2006; Kim, 2015; Zhang & Fung, 2006) as the proxy variable for market resource(refer to <Table 3>). Although 'operating profit' or 'current net income' are also used as the variable for economic performance, they are not good at resource mobilization. That's because they include cost. We focus on resource from the market not profit so 'sales' is the better variable. Sales consist of private market sales and public market sales.

Secondly, how can we measure redistribution-based resource? In other researches(Gardin, 2006), direct subsidy, indirect subsidy, and tax exemption are used in total without careful categorization in detail. Redistribution based resource comes from government so it should be measured based on the real policy. Government support for social economy in the field is largely based on social enterprise promotion policy. We adopt classification of it as shown in <Table 3>.

Thirdly, how can we measure reciprocity-based resource? It is closely related to social capital. In other word, reciprocity works in trust, norm, and network which are key components of social capital. Donation is monetary reciprocity based resource widely used in many researches(Evers, 2001; Haugh, 2005; Kim, 2004; Laville & Nyssens, 2001; Lee & Kim, 2013; Spear & Bide, 2005). Volunteer is non-monetary reciprocity based resource. It has high positive correlation with social capital. Therefore, volunteer can be regarded as the very important reciprocity based resource for social economy and social enterprise(Gardin, 2006; Kerlin, 2006; Kim, 2009; Laville & Nyssens, 2001). Moreover, reciprocity-oriented sales(sales to social economy and sales through intermediate support organization or community organization) are included as well.

How to analyze? First of all, we describe patterns of exchange principles to examine substantive economy organization in exploratory way. There are three exchange principles in total. Therefore, seven patterns are drawn - three in the pattern with one principle, three in the pattern with two principles and one in the pattern with three principles($_3C_1+_3C_2+_3C_3=7$). Previously, we defined the substantive economy organization as the organization mixing three principles. Following this definition, we named the pattern with one principle as the pure group, the pattern with two principles as the quasi group and the pattern with three principles as the substantive group. However, we do not argue the substantive group is only one potential organization of social economy. We admit that even organization in the pure group with reciprocity can fulfill the potential of social economy.

Secondly, in order to characteristic of substantive economy organization, we identify new latent groups by putting all social economy organization into one basket. The characteristic we focus on is the ratio of three basic forms of economic integration based resources. These three types of ratio are used for identifying new latent groups. For this, we take two steps. In the first step, we need to standardize variables. Unit of measure of all variables are different. Monetary and non-monetary variables are mixed. For analysis, it needs to be standardized. Z-score method is the most widely used way which makes average 0 and standard deviation 1(Nam & Kim, 2013: 681). Because sales variables include negative number(deficit), real value can be distorted in the process of summation. To solve this problem, we added two[3] into each z value. The ratios of each resource are measured by following formula.

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[3] 2 is the positive number that is larger than all negative number of z value.

$$x_i = \frac{z_i}{\sum_{i=1}^{3} z_i} \qquad \sum_{i=1}^{3} x_i = 1 \ \ or \ 100\%$$

i=1: exchange-based resource

i=2: redistribution-based resource

i=3: reciprocity-based resource

In the next step, we conduct latent profile analysis by using three ratios. Latent profile analysis aims at identifying latent groups. Traditionally, cluster analysis is widely used for heterogeneity of population. However, cluster analysis has two limits. One is that it depends on researcher's subjective judgment. The other is that difference of groups can not statistically be tested. Latent profile analysis has clear statistical standard and yield the result with high accuracy of grouping(Kim et al., 2013). Indexes for model fit in Latent profile analysis are diverse. When the value of BIC(Bayesian Information Criterion), adjusted BIC(sample-size adjusted BIC), AIC(Akaike's Information Criterion) are smaller, the model fit is good. In case that the value of Entropy is closer to 1, the model fit is good. Generally, more than 0.8 is accepted(Wang, 2012). Lo-Mendell-Rubin Likelihood Ratio Test(LMRT) confirms statistical significance between the model with k group and the model k-1 group(Asparouhov & Muthen, 2012; Muthén & Muthén, 2012; Park, 2017). We estimate latent profile model by Mplus 7.0 program. And then, we identify latent groups of social economy organizations by comparing all indexes for model fit.

Results

Before reviewing the results, there is one point to be discussed. Social economy organizations in South Korea can have multi organizational status. This is because normative status and legal status are mixed in the definition of social economy organizations. Social enterprise, community business, and self-sufficient company are normative status but social cooperatives are legal status. This multi status issue is the important research issue but we cannot deal with it. Due to the limit of space, we

suggest this as follow up study. We recorded multi status. Refer to the appendix for the details.

<Table 4> Basic forms of economic integration hybrid pattern types

	Hybrid pattern	total	social enterprise	cooperatives	community business	self-sufficient company
pure group 60 (30.9%)	exchange	32 (16.5%)	13 (6.7%)	7 (3.6%)	5 (2.6%)	7 (3.6%)
	redistribution	8 (4.1%)	4 (2.1%)	1 (0.5%)	0 (0.0%)	3 (1.5%)
	reciprocity	20 (10.3%)	6 (3.1%)	8 (4.1%)	2 (1.0%)	4 (2.1%)
	subtotal	60 (30.9%)	23 (11.9%)	16 (8.2%)	7 (3.6%)	14 (7.2%)
quasi group 84 (43.3%)	exchange + redistribution	13 (6.7%)	5 (2.6%)	3 (1.5%)	1 (0.5%)	4 (2.1%)
	exchange + reciprocity	61 (31.4%)	8 (4.1%)	9 (4.6%)	24 (12.4%)	20 (10.3%)
	Redistribution + reciprocity	10 (5.2%)	5 (2.6%)	0 (0.0%)	0 (0.0%)	5 (2.6%)
	subtotal	84 (43.3%)	18 (9.3%)	12 (6.1%)	25 (12.9%)	29 (15%)
substantive group	exchange + redistribution+ reciprocity	50 (25.8%)	21 (10.8%)	8 (4.1%)	7 (3.6%)	14 (7.2%)

First, we illustrate between group distributions of seven hybrid patterns. The number of organization in the pure group is 60 organizations(30.9 percent). The number of organization in the quasi group includes 84 organizations(43.3 percent), and the number of organization in the substantive group consists of 50 organizations(25.8 percent) respectively. Why is there the largest number of social economy organizations in the quasi group? There may be two assumptions. One is that some of social economy organizations in South Korea partly play a role as the substantive economy. The other is that they don't advance to the substantive economy yet. In addition, the pure group is the second largest group and the

substantive group is the smallest. By combing these results, we guess social economy in South Korea may be in the early transitional stage toward the substantive economy.

In the next, in the case of within group distribution, the only exchange type is 32(16.5%), the only redistribution type is 8(4.1%), the only reciprocity type is 20(10.3%) within the pure group. Social economy organizations with only exchange takes the lion＇s share in this group. This is reflected by South Korea＇s context-commercial companies take social enterprise authorization- and related to the fact that social enterprise which is mostly corporation are the largest. Finally, in the quasi group, the exchange + redistribution type is 13(6.7%), the exchange + reciprocity type is 61(31.4%), and the redistribution + reciprocity type is 10(5.2%).

Lastly, let＇s review within group distribution of normative organizational status. In this study, because of quota sampling, we need to examine distribution of normative status. This is because frequency cannot exactly represent the reality due to different number of sampling. In social enterprise, the pure group is 23, the quasi group is 18, the substantive group is 21. Social cooperative＇s distribution shows the pure group is 16, the quasi group is 12, the substantive group is 8. The pure group is 7, the quasi group is 25, the substantive group is in community business. Within self-sufficient company, the pure group is 14, the quasi group is 29, and the substantive group is 14.

Until now, we explored types of social economy organizations as the substantive economy with hybrid pattern of basic forms of economic integration. In the second place, we try to identify new latent groups with the criteria of basic forms of economic integration based resources. <Table 5> shows the result of model fit from the model with two groups to the model with four groups sequentially. This study includes four organizations so that four latent groups may be identified only if between groups is heterogeneous and within group homogeneous. In terms of AIC,

BIC, SSA_BIC, model with three groups are the smallest. Although entropy value of the model with four groups is the largest, LMR's test was not statistically significant. Considering all the results, we concluded the model with three groups is the better one.

<Table 5> Model fit of different models

	2	3	4
AIC	-430.545	-691.800	-683.800
BIC	-398.505	-646.944	-626.128
SSA_BIC	-430.176	-691.284	-683.136
Entropy	0.941	0.956	0.965
LMR_LRT	$p < 0.001$	$p < 0.001$	$p = 0.50$

Let's examine the characteristics of identified latent groups. <Table 6> shows the estimated value of each group. As mentioned in the method part, exchange, redistribution, reciprocity represents the ratio of them to total resources. Therefore, sum of three variables equals one or 100%. All estimated values of each variable are statistically significant. From now on, we describe with percentage rather than decimal for intuitive understanding. In the exchange-focused group, exchange-based resource is 57.3%(0.573), redistribution-based resource is 14.9%(0.149), reciprocity-based resource is 27.8%(0.278). In contrast with this, In redistribution-focused group, exchange-based resource is 26.5%(0.265), redistribution-based resource is 59.8%(0.598), reciprocity-based resource is 13.7%(0.137). Also In the reciprocity-focused group, exchange-based resource is 25.1%(0.251), redistribution-based resource is 12.8%(0.128), reciprocity-based resource is 62.1%(0.621).

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<Table 6> the estimated result of Latent Profile Analysis

Group	exchange-focused group		redistribution-focused group		reciprocity-focused group	
N(%)	N=94 (51.64%)		N=50 (27.48%)		N=38 (20.88%)	
추정치	Estimate	SE	Estimate	SE	Estimate	SE
exchange	0.573***	0.009	0.265***	0.014	0.251***	0.020
redistribution	0.149***	0.010	0.598***	0.023	0.128***	0.022
reciprocity	0.278***	0.008	0.137***	0.016	0.621***	0.028

*** $p < .001$

In all groups, the main resources are more than half and their deviation is large. From this, we can infer that three groups depend on the main resources. Exchange-focused group has 94(51.64%) organizations, redistribution-focused group has 50(27.48%) organizations, reciprocity-focused group has 38(20.88%) organizations. This distribution may be due to following reasons. Sustainability of social economy organizations mainly concentrate on financial sustainability in the market. The size of social economy organizations has grown thanks to government support but do not fully mobilize social capital yet.

<Table 7> Distribution of social economy organizations in the latent groups

Group	1 group	2 group	3 group
social enterprise	19 (20.2%)	25 (50.0%)	13 (34.2%)
Social cooperatives	20 (21.3%)	4 (8.0%)	11 (28.9%)
community business	15 (16.0%)	11 (22.0%)	11 (28.9%)
self-sufficient company	40 (42.6%)	10 (20.0%)	3 (7.9%)

In the next place, we examine distribution of social economy organizations in the three latent groups. In the exchange-focused group, self-sufficient company is close to half but other organizations shows similar distribution. Self-sufficient company aiming at work integration seeks organizational sustainability in the market. In the

redistribution-focused group, social enterprise takes more than half and community business takes a quarter. That is because there are government policies to support them. In the reciprocity-focused group, organization's distribution is similar except for self-sufficient company. Self-sufficient company may not be embedded in the community and participate in solidarity network.

Discussion

This study tries to examine alternative roles of social economy organizations in South Korea based on Polanyi's theory. To be the real alternative to neo-liberalism causing many problems, social economy needs to do their activities under the new types of economy rather than mere combination of economic goal and social goal. We verified characteristics of substantive economy organization in two dimensions.

First of all, we examined hybrid patterns to mix exchange principles. Transactions through exchange, redistribution, and reciprocity build social relationships. These types of relationships are closely related to the social problems. Hybrid patterns theoretically derived are seven patterns. There are the three in the pure group using only one principle, three in the quasi group mixing two principles, and one in the substantive group hybridizing all three principles.

The quasi group is the largest, the pure group is the second largest, and the substantive group is the smallest. It can be regard as some of social economy organizations play the role of substantive economy in South Korea. Moreover, it may mean the early stage of transition to the substantive economy. By considering small difference between pure group and substantive group, social economy organization's active efforts and public support are necessary for the growth.

Within the pure group, exchange is the largest, reciprocity is the second largest, and redistribution is the third largest. This is because commercial company tends to obtain

certification of social enterprise and social enterprise is the largest in the sampling. Marginal commercial company becomes the social enterprise to mobilize public support. In terms of the fact that reciprocity is the second largest group, some of social economy organizations focus on solidarity. The substantive economy organization mixing all three principles does not necessarily represent all potential of social economy. Social economy organization solely depending on reciprocity can be the good alternative. So it's the good signal as the alternative. In the last, redistribution is the smallest which means public organization has less incentive to be social economy organization. In the quasi group, exchange + reciprocity type is far more than other types. This result seems to the same logic with above-mentioned result. In terms of normative organizational status, social enterprises are uniformly distributed. This has two implications. Firstly, social enterprise is the closest to the substantive economy in accordance with theory. Secondly, requirements in the social enterprise's certification system include hybrid characters.

In the next place, we tried to identify latent groups with mixed ratio of each principle-based resource. Resource is the output of activities so that it's the good indicator to understand organization. Now that unit of analysis is four types of social economy organizations, four latent groups will be detected. However, only three groups are identified in the latent profile analysis. This result connotes three important implications. Firstly, normative organizational status seems meaningless in terms of substantive economy. This may mean fragmented supporting policies [4] may be inefficient. Secondly, the approach of social economy eco system is useful. Lastly, some of social economy organizations are in the process of isomorphism.

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[4] Ministry of Employment and Labor(social enterprise), Ministry of Strategy and Finance(cooperative), the Ministry of Security and Public Administration(community business), The Ministry of Health-Welfare(self-sufficient company)

Each group's characteristic is like followings. There is no balanced group. All three groups show unbalanced resource mobilization depending on main resources. These groups are named as exchange-focused group, redistribution-focused group, and reciprocity-focused group following the name of main resources. This distribution may be the combination of following reasons. In the exchange-focused group are more than half social economy organizations. This seems to reflect the South Korea's context where commercial company tends to get certification of social enterprise and too much focus on financial sustainability. Redistribution-focused group includes a quarter which means social economy has quantitatively grown thanks to public support. Reciprocity-focused group has the smallest number of organizations. It means lack of social capital mobilization.

This study's theoretic implication is that we tried the empirical study to examine social economy in the background of Polanyi's theory. It can be the building block for further study. In terms of policy implication, too much focus on financial sustainability and negative frame for public support can be alleviated. That is because substantive economy organization mobilizes diverse resources in the balanced way.

Broadly speaking, this study has two limits. The first one is about generalization of the results and the other is about accuracy of measurement. The limit about generalization of the results is due to research range and sampling method. We only analyzed social economy organizations but it's possible for other organizations to play a role as the substantive economy. Moreover, we do not cover all areas of South Korea and sampling is the quota sampling which is non-probability sampling. The limit about accuracy of measurement is like followings. The measurement of exchange principles is exploratory. Furthermore, we only focus on the resources that are output of organizations. However, to fully understand an organization, it's necessary to holistically examine input, process, and output. For example, multiple goals, democratic ownership, multiple stakeholder participation, multiple resource

mobilization. We propose follow-up researches to enhance accuracy of measurement and adopt holistic approach to organizational features.

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Appendix

<Table 8> Single and multi-status of social economy organizations

	status	frequency	%
Single status (75.38%)	social enterprise	64	31.53
	social cooperative	31	15.27
	community business	19	9.36
	self-sufficient company	39	19.21
Multi-status (24.62%)	social enterprise + social cooperative	13	6.40
	social enterprise + self-sufficient company	8	3.94
	social cooperative + self-sufficient company	5	2.46
	social cooperative + community business	20	9.85
	community business + self-sufficient company	1	0.49
	social enterprise + social cooperative + self-sufficient company	3	1.48
	total	203	100.00

<Table 9> Regrouping of social economy organizations with single and multi-status

status	Types of single and multi-status social economy organizations	frequency	%
self-sufficient company	"self-sufficient company" "social enterprise + self-sufficient company" "social cooperative + self-sufficient company" "community business + self-sufficient company" "social enterprise + social cooperative + self-sufficient company"	56	27.59
community business	"community business" "social cooperative + community business"	39	19.21
social cooperative	"social cooperative" "social enterprise + social cooperative"	44	21.67
social enterprise	"social enterprise"	64	31.53
total		203	100