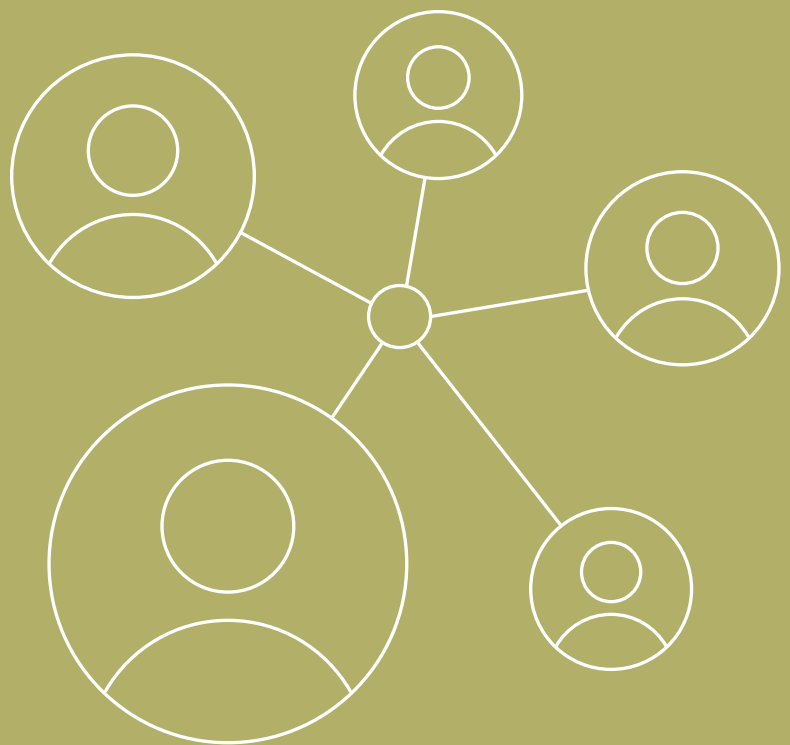


Handbook Series on Innovative Local Governance for the  
Implementation of the Sustainable Development Goals

# Social Value in Local Governments





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# Abbreviations

**ASX:** Australian Stock Exchange

**CCI:** Corporate Community Investment Council

**CHESS:** Clearing House Electronic Sub-Register System

**COVID-19:** Coronavirus Disease

**CSR:** Corporate Social Responsibility

**ESG:** Environmental, Social and Governance

**GDP:** Gross Domestic Product

**GIIN:** Global Impact Investing Network

**HKEX:** Hong Kong Exchange and Clearing

**ICT:** Information and Communications Technology

**IITF:** Social Impact Investment Task Force

**KIPA:** Korea Institute of Public Administration

**NEET:** Not in Education, Employment or Training

**NGO:** Non-Governmental Organization

**NHS:** National Health Service

**NIA:** National Information Society Agency

**OECD:** Organization for Economic Cooperation and Development

**PB:** Participatory Budgeting

**PSIA:** Product Social Impact Assessment

**SEO:** Social Economy Organizations

**SGX:** Singapore Exchange

**SMEs:** Small and Medium-sized Enterprises

**SPAS:** Social Performance Incentive Measurement System

**SSEC:** Seoul Social Economy Centre

**UK:** United Kingdom

**UN:** United Nations

**US:** United States of America

**VBA:** Value Balancing Alliance

# Glossary

**Collaborative governance:** When it is difficult to solve problems in the public domain with a single organization, two or more governments, for-profit groups and non-profit groups work together to solve problems through mutual coordination, cooperation, management and monitoring by utilizing their respective resources.

**Development administration:** the term used to denote the complex mix of agencies, management systems and processes a government establishes to achieve its development goals

**Market failure:** a state in which a market economy cannot achieve an efficient distribution of economic resources by itself without any external intervention

**Social innovation:** a new solution (product, service, model, market, process, etc.) more effective than traditional solutions that addresses social needs and derives new or developed competencies and relationships

**Social enterprise:** a company that establishes and operates a business model that can realize social value and generate profits at the same time; although it has some social purpose and non-profit nature, it is clearly a company that makes money, so it is clearly distinguished from general public interest organizations; if an entity pursues purely social purposes, it is more likely a non-profit organization than a social enterprise

**Sustainability:** a societal goal that broadly aims for humans to succeed and safely co-exist over a long period of time

# Acknowledgement

The Handbook on Social Value in Local Governments is the ultimate output of forward-looking effort carried out by the Korea Research Institute for Local Administration (KRILA), aimed at what should be done by local governments to spread social value, directly accommodating the demands of residents.

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# I. Executive Summary

Over the last few years, the world has experienced an unprecedented pandemic. At the crossroads of coexistence or co-destruction, nations learned that community-centred thinking and action was needed, breaking away from self-centred behaviour. This relates to ongoing discussions around 'social value'.

Those discussions on social value are taking place in both the public and private sectors and there are efforts underway to spread social values. However, discussions around how social value differs from existing public values and from a government's pursuit of publicity are ongoing.

This handbook furthers the discussion on the premise that social value is the main axis of the paradigm shift of local governments oriented towards traditional development administration. The handbook focuses on what should be done by local governments to spread social value, directly accommodating the demands of residents.

The handbook presents the actions local governments must take to promote social values as five means, based on a new government framework. In the constitutional area, legislation of social value and establishment of social value exchanges are the means suggested. In the area of jurisdictional and civic infrastructure, the means include cooperative governance and a shared platform. In policy strategy and policy infrastructure and implementation and service delivery, means for quantification of social value (or establishment of an evaluation system) is introduced.

The handbook also presents relevant cases for each means. Action steps and exercises needed and factors to be considered in implementing social value also are included. For in-depth consideration, refer to the cases.

Not all means for promoting social values are presented here. We have only selected and presented the things that we consider most important. Those who have to solve this problem might want to search for more resources and books. This handbook aims to serve as an entry-level guideline for those beginning their work in this arena.



## II. About This Handbook

This handbook is one in a series on Innovative Local Governance for the Implementation of the Sustainable Development Goals developed by the United Nations Project Office on Governance (UNPOG) of the Division for Public Institutions and Digital Government (DPIDG) of the United Nations Department of Economic and Social Affairs (UN DESA), in collaboration with the Korea Research Institute for Local Administration (KRILA). The series includes six handbooks that aim to support local authorities and other stakeholders in developing the necessary knowledge, skills and capacities to implement the SDGs by introducing strategies, approaches and tools and by showcasing innovative country cases and experiences.

The private sector and civil society currently are active in efforts related to social values. This handbook introduces local government's efforts to spread social values. While there have been some efforts in the public sector domain to carry out administration based on social values, confusion still exists in the field about what social values are and how to apply them to government administration. The purpose of this handbook is to provide concise guidelines to help resolve that confusion.

This handbook will address the following topics:

- The role of local government to promote social values will be discussed.
- The newest concept of social values will be examined, including how it differs from the existing concept.
- The handbook will explain what governments, especially local governments, should do to promote social values.

### **Chapter 1: Social Value Legislation**

This chapter introduces the need to legislate social values and various forms of legislation to do so. Examples are provided from countries that have legislated social values, and issues are presented that should be considered when implementing the legislative process.

### **Chapter 2: Establishment of Social Value Exchange**

This chapter explores the concept and necessity of social value exchange. The case of the UK social value exchange is presented and several actions are suggested to consider when operating a social value exchange.

### **Chapter 3: Collaborative Governance to Realize Social Values**

This chapter presents cooperative governance for realization of social values. Cooperative governance between members of society is needed for social values to have a practical effect for solving problems in a local community. Success factors for collaborative governance are presented.

### **Chapter 4: Quantification of Social Value**

This chapter explains how to measure social value and how organizations can use social innovation to maximize social value. Examples of actual social value measurement indicators are presented so that they can be referenced in the development of indicators.

## Chapter 5: Value Driven Public Servants

This chapter explains the concept and necessity of value-driven public servants. It also presents cases of institutional improvement measures to increase the number of such public officials.

Through the discussion above, the efforts that local governments should make to promote social value is examined in the frame of 'the role of the government in creating new values.' Several cases are presented so that readers can understand the meaning of the five measures based on this frame, and actions/steps and exercises are also provided for practical application. Some may say it seems premature to discuss government's role in social value when discussions on what kind of social values each community should aim for are ongoing. While the kinds of social values may vary, the cooperation between governments and societies is essential to promote them. Therefore, discussing the role of the government, especially the role of local governments, which is closely related to local residents in the transition to a social value-oriented society, is appropriate.



# III. The Role of Local Government in Strengthening Social Value

## 1. Why is the Social Value so important?

### 1.1. Sustainability Crisis

The most important reason for the emergence of social value discussion is the sustainability crisis, which many argue is the most significant problem facing the world. In the past, quantitative growth and development of the economy tended to be important. New social problems have emerged that threaten quality of life and the sustainability of society. These include low fertility, aging, worsening employment indicators and income inequality (Lim et al., 2021).

### 1.2. Limitations of Economic Growth-oriented Systems

Existing growth-oriented systems that prioritize economic value have limitations in solving the social problems noted above. Those problems are not easily resolved by an approach that raises economic indicators such as GDP (Lim et al., 2021).

### 1.3. Emergence of a New Subject to Solve Social Problems

Another reason why social value has become more prominent is the emergence of a new player to solve social problems (Dongsoo Yang, 2019; Sohyeon Lim et al., 2021). Traditionally, markets and governments have been regarded as the main actors in solving social problems. The market solves social problems by allocating resources according to the principle of price adjustment. Government addresses the issues according to its authority. The abilities of both government and the markets are limited in addressing recent, complex social problems. The market has even worsened situations, causing problems such as deepening social inequality, income disparity and low growth (Joo et al., 2019). Government issues include inefficiency in the public sector, corruption, and rigidity in the provision of public services. As such, the market and government have failed to effectively respond to the newly emerging complex social problems. Therefore, governance and third-sector organizations have emerged as new social problem-solving agents (Jang et al., 2018; Joo et al., 2019). Effective governance is being formed through cooperation among governments, markets and civil society. The third sector is formed through the combination of public service, which is the operating principle of the government, and efficiency, which is the market's (Cho et al., 2014; Cho et al., 2016). Together they aim for the same goal: creating social value (Lim et al., 2021).

### 1.4. Paradigm Shift from Development Administration

Countries are attempting to shift from power generation administration centred on efficiency and economic growth. With the government-led development administration retreating and cooperation between the private sector and civil society becoming more important, government initiatives have weakened (Lee, 2020). Efficiency, which is a core value in development administration, has become less important. The need for 'the value of a new era' has been raised, and social value has been attracting attention.

## **Cases where social value increases economic value: Eco-friendly policy of Siquijor Island, Philippines**

In 2018, the Siquijor Island Government announced an ordinance on 'Total Ban on the Use of Plastic Bags and the Total Recycling of Plastic Items'. This was possible because the government, which previously had been unable to implement eco-friendly policies due to lack of budget, received funding from an NGO. Under the ordinance, the Siquijor Island Government banned the use of plastic in food packaging. If the plastics were not separated, no garbage was collected. The effect was immediate. The waters of the Kambugahai Falls and Saladung Beach returned to their blue colour in less than a year. The number of foreign tourists also increased. Since the announcement of the ordinance in 2018, the annual tourism growth rate reached an average of 48 per cent. The ordinance also affected neighbouring countries, leading to implementation of eco-friendly policies in Indonesia, Thailand and Vietnam.

Source: <https://www.hankookilbo.com/News/Read/A2022072411550000827>



## 2. Concept of Social Value

### 2.1. Broad concept of social value

Social value has not yet been clearly defined, either theoretically or socially (Nam, 2019). It may be defined slightly differently depending on the subject matter of the discussion (Choi et al., 2021).

In defining social values, it is helpful to look at the meaning of the term 'social'. The term 'social' is an adjective derived from the term 'society' and can be defined as 'a group formed by the same group' (Kim & Choi, 2019). The same meaning of the term 'social' relates to human community life as compared to terms such as politics, economy and culture. Social values mean what the community considers important compared to the private benefit of the individual. Dictionary definitions of social value are listed in Table 1 below.

**Table 1. Dictionary definitions of social value**

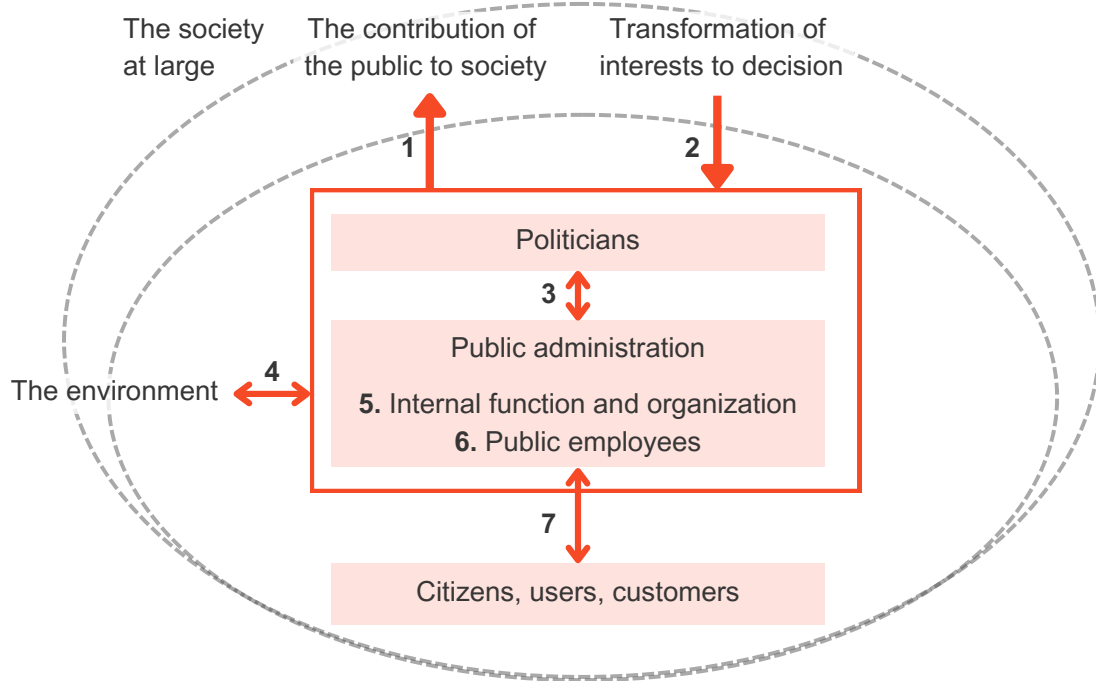
Source	Definition
The Oxford Dictionary	A concept that is compared with environmental and economic values, meaning social values that have value for society as a whole
Law Dictionary	Concepts that include social capital and civil well-being and the ability to make decisions to affect themselves
Business Dictionary	A subjective aspect of not only social capital but also citizen welfare; a more inclusive concept that includes, for example, the ability to participate in decisions that affect them; in the UK Social Value Act (2012), social value is defined as 'the economic, social and environmental well-being of a region (society)'.

Source: NIA (2017)

### 2.2. Social value as public value

From a broad perspective, in the existing public domain, social value is not much different from the concept of public value. Public values are discussed when governments intervene in market failures and when various actors, including citizens, collectively agree on rights. Public value is secured when trust in the government is increased, and society accepts actions as 'worth it'. Public value also means an alternative to market failure and includes the attributes of a sustainable community or democratic governance (Choi et al., 2021). Social value, which is one of public values, has such attributes as they are. The Korea Institute of Public Administration conducted a network analysis in 2018 of two research keywords to confirm the academic difference between social and public values. In the analysis, the social value domain formed a cluster network centred on 'sustainable growth' and 'inclusive growth'. The public value domain formed a cluster network centred on 'administrative management innovation' and 'cooperative governance'. The two areas are similar and share many factors in common.

**Figure 1. Structure of the Public Value Universe**



Source: Beck Jørgensen, Bozeman (2007: 359)

### 2.3. Social value as procedural value

While some people consider social value as a 'purpose', some view it as a value pursued in the 'process' to achieve a purposeful value. The process by which social values are defined is more important than the definition itself. Social values may vary depending on the characteristics of the community and may change over time. In other words, the social value may be variable according to time or place. Scholars with this point of view argue that it is more important to consider the methodology of how to realize the concept of social value than to focus on the definition itself. According to Simon (1978: 9), the methodology can be called 'substantive values' and the concept 'procedural values' (Lim et al., 2021).

**Table 2. Research and Analysis Frame of Social Value Social Value**

Classification of Values	Essential Component	Keywords
<b>Substantial values</b>	Well-being	well-being, quality of life, happiness
	Labour	(labour) safety, working conditions, working environment, (quality) jobs, full-time (conversion)
	Social integration	Social integration, the socially disadvantaged, women, the disabled
	Community	Community (Restoration), Community (Activation)
	Sustainability	Sustainability, Environment (Health)

<b>Procedural values</b>	Ethical management	Ethics (management), social responsibility, social contribution
	Participation	(People/Citizens/Residents) Participation, Communication
	Cooperation	cooperation, win-win, consultation, public-private
	Democratic decision-making	Democratic decision-making, opinion gathering

Source: Beck Jørgensen, Bozeman (2007: 359) Source: Lim et al. (2021: 134)

## 2.4. Social value for resolution of social problems

The concept of social value has a strong practical character. In view of the historical flow of social value discussion, it is a concept that has emerged as a new paradigm to overcome the limits of corporate social responsibility (CSR) or social enterprise to solve social problems (Choi et al., 2021). In today's capitalism, if it is possible to convert into monetary value in the market, even life, human rights, sex, health, or even the environment can be traded, which results in a serious moral hazard. These problems require a new social principle that goes beyond the existing market concepts of publicity. Social value can be considered a concept that has emerged to overcome these social problems. Social problems can be defined differently depending on one's point of view. Horton and Leslie (1955) define 'social problem' as 'a phenomenon that people consider undesirable and wish to be changed rightly'. Frank (1949) described it as 'a wrong state in which many people wish to be corrected or eliminated'. (Moon, 2018). The Social Impact Investment Task Force (SIITF) pointed out eight things as representative social problems: aging, disability, children and families, criminal justice, unemployment, health, housing, and education. Global Impact Investing Network (GIIN) identified ten elements: agriculture, energy, environment, financial services, microfinance, water and sanitation, information communication technology (ICT), health, housing, and education (Moon, 2018). Yoon et al. (2017) constituted 12 types of social problem areas as presented in Table 3 below and suggested social values corresponding to each.

**Table 3. Components of social value**

Components	Meaning
<b>Human rights</b>	<ul style="list-style-type: none"> <li>• Maintain and protect basic human dignity, such as the right to pursue happiness, the right to equality, the basic right to information, the freedom of work and the guarantee of living life               <ul style="list-style-type: none"> <li>◦ Equality: Prohibit discrimination based on gender, religion, social status, disability, age, appearance, employment type, educational background, marital status, pregnancy/birth, family situation, ideological/political opinion, invalid criminal record, sexual orientation, medical history, etc.</li> <li>◦ Fundamental Right to Information: Disclosure and sharing of necessary and sufficient information</li> <li>◦ Occupational freedom: Correction of robbery by economically powerful people</li> <li>◦ Stable residential life: Limit excessive increase in house prices, concentration of housing ownership and excessive housing cost burden, and resolve the shortage of public rental housing</li> </ul> </li> </ul>

<p><b>Safety</b></p>	<ul style="list-style-type: none"> <li>• Protect the public from disasters <ul style="list-style-type: none"> <li>◦ Protect the safety of people in ways that cannot be solved by the logic of the market</li> <li>◦ Prevent damage that may occur without reasons attributable to the public</li> <li>◦ Guarantee equal level of right to safety regardless of class, age or economic condition</li> </ul> </li> </ul>
<p><b>Health welfare</b></p>	<ul style="list-style-type: none"> <li>• Guarantee a healthy life <ul style="list-style-type: none"> <li>◦ Provide appropriate health and medical services to enable a healthy life</li> <li>◦ Improve poor residential environment, food and drug safety; expand access to medical care, relief of medical expenses</li> <li>◦ Maintain basic living from social risks such as poverty, disease, disability, old age, unemployment, and childbirth (social security and social services provided)</li> </ul> </li> </ul>
<p><b>Labour</b></p>	<ul style="list-style-type: none"> <li>• Right to work <ul style="list-style-type: none"> <li>◦ Promote employment of workers through social and economic methods</li> <li>◦ Job creation and transition to stable jobs</li> <li>◦ Expand the target of unemployment benefits and the level of benefits- Improve working conditions: joint determination of working conditions according to their free will, workers and employers on equal footing, increase in the minimum wage, job security, and realization of equal pay for work of equal value</li> <li>◦ Improve union organization rate and agreement application rate</li> </ul> </li> </ul>
<p><b>Job</b></p>	<ul style="list-style-type: none"> <li>• Create quality jobs <ul style="list-style-type: none"> <li>◦ Create private jobs</li> <li>◦ Expand public services through public sector jobs</li> <li>◦ Reduce working hours, converting non-regular and indirectly employed workers to regular workers</li> <li>◦ Raise the minimum wage</li> <li>◦ Reduce the wage gap according to company size, employment type and educational background</li> <li>◦ Expand the labour director system</li> </ul> </li> </ul>
<p><b>Support for the socially disadvantaged</b></p>	<ul style="list-style-type: none"> <li>• Resolve economic and social polarization <ul style="list-style-type: none"> <li>◦ Provide economic and social opportunities for the socially disadvantaged, revitalize community and social integration through the participation of the socially disadvantaged</li> </ul> </li> <li>• Guarantee human dignity and value of the socially disadvantaged <ul style="list-style-type: none"> <li>◦ Secure adequate income through employment</li> <li>◦ Realize adequate social security if you cannot get a job</li> <li>◦ Implement measures to correct discrimination against the weak</li> </ul> </li> <li>• Women: Realize gender equality in all areas</li> <li>• Elderly, youth</li> <li>• People with no living capacity (person with a physical disability, disease, old age)</li> </ul>
<p><b>Win-win cooperation</b></p>	<ul style="list-style-type: none"> <li>• Resolve polarization and expand economic growth engines <ul style="list-style-type: none"> <li>◦ Regulations and adjustments for economic democratization (fair economy)</li> <li>◦ Cooperative profit-sharing system for small and medium-sized enterprises (SMEs) for production and profits of large corporations, etc.</li> </ul> </li> </ul>

<b>Community restoration</b>	<ul style="list-style-type: none"> <li>• Revitalize the local community through community restoration <ul style="list-style-type: none"> <li>◦ Expand resident autonomy in the decision-making process on the rights and obligations of local residents</li> <li>◦ Strengthen the role of local companies as corporate citizens</li> </ul> </li> </ul>
<b>Local economy</b>	<ul style="list-style-type: none"> <li>• Balanced development by fostering the local economy <ul style="list-style-type: none"> <li>◦ Promote decentralization and balanced development</li> <li>◦ Active investment in disadvantaged regions</li> <li>◦ Revitalization of autonomous and independent economic activities in the provinces</li> <li>◦ Profits generated from economic activities in the region are reinvested in the region</li> </ul> </li> </ul>
<b>Responsibility Ethics</b>	<ul style="list-style-type: none"> <li>• Enterprise as a social entity (corporate social responsibility) <ul style="list-style-type: none"> <li>◦ Induce social responsibility activities as a social entity</li> <li>◦ Formation of good governance</li> <li>◦ Protection of human rights</li> <li>◦ Labour</li> <li>◦ Environmental protection</li> <li>◦ Fair and transparent operation</li> <li>◦ Consumer protection</li> <li>◦ Contribution to community participation and development</li> </ul> </li> </ul>
<b>Environment</b>	<ul style="list-style-type: none"> <li>• Guarantee a pleasant living environment and sustainably preserve the environment and species <ul style="list-style-type: none"> <li>◦ Respect all living things, take responsibility for future generations, and sustainably preserve the environment and species</li> <li>◦ Reduce and prevent various types of environmental pollution such as fine dust and nuclear waste</li> <li>◦ Reduce the use of fossil fuels and increase the use of renewable energy to adapt to climate change</li> </ul> </li> </ul>
<b>Participation</b>	<ul style="list-style-type: none"> <li>• Realization of national sovereignty through democratic decision-making and citizen participation <ul style="list-style-type: none"> <li>◦ Citizens participate in community decision-making</li> <li>◦ Conditions for citizen participation</li> <li>◦ Disclosure of related information</li> <li>◦ People's initiatives such as referendum, recall, etc.</li> <li>◦ Ensure active participation of citizens in the process of government policy-making, implementation and evaluation</li> <li>◦ Introduce civil deliberation into the organization of state power organizations and the exercise of state power</li> </ul> </li> </ul>

Source: Yoon et al. (2017: 33-36)

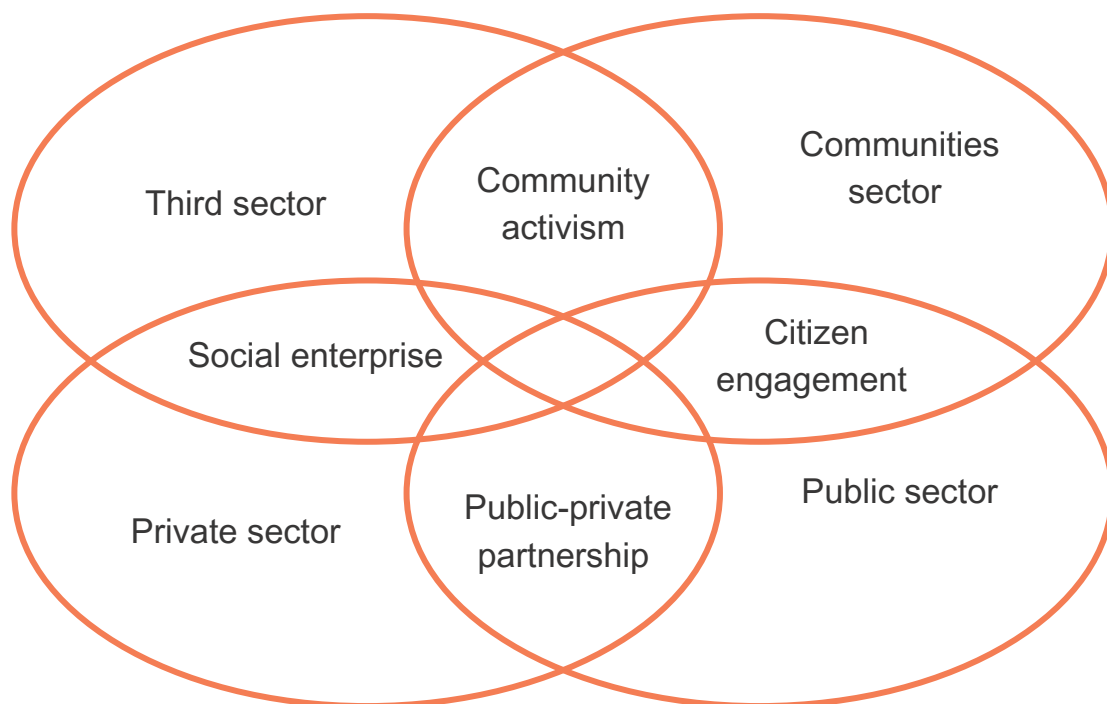
Since each society faces different situations, the major social problems to be solved may vary, which leads to different ways of realizing social values in the community. A national project approach has been implemented in Denmark, Finland, the Netherlands and Sweden. A mid-range approach has been implemented in Canada, Denmark and the United Kingdom. A micro-approach has been implemented in liberal market economy countries such as the United States and Canada (Jeong, 2017; Shin, 2021).

### 3. Multiple Drivers of Social Values

Although traditionally social value is regarded as a value pursued by the third sector, the role of the private and public sector is also worth emphasizing. As the private sector's role in social value receives more emphasis, discussions around corporate social responsibility (CSR) are rapidly increasing. In the public sector, not only the central government, but also local governments, public institutions, and local public institutions are considered agents of social value creation (Park et al., 2019; Lim et al., 2021). Absorbing social values as performance indicators in the public sector might be relatively easy since performance by public values has already been more important in the public sector.

In the pursuit of social values, cooperation among the private sector, the government sector and the third sector is important (Ablarede et al., 2006). This is because it is difficult for them to solve complex social problems on their own. Public-private partnerships can help solve complex social problems one sector alone cannot address. For example, the public and private sectors can enhance sustainability by jointly solving problems in the local community through citizen participation. Private sector support for social enterprises can help correct market failure. These social economy areas are essentially pursuing social values within the market area. Collaboration between the third sector and the local community can revitalize the local community by pursuing continuous social values (KIPA, 2018).

**Figure 2. Structure of the Public Value Universe**



Source: KIPA et al. (2018: 21)

# 4. Framework: Social Values and the Role of Local Governments

## 4.1 Re-examination of existing perspectives on the role of government

The existing role of government in promoting social value needs to be re-examined in order to materialize an administrative role for promoting social value. In the conventional view, there is a tendency to think that the role of the government is limited to service delivery, management of the economy, welfare and regulation of undesired actions by businesses and individuals. From that perspective, the government's role is to maximize the sum of the utility of individuals and firms, which is viewed as social welfare, for the targets of government intervention are individuals and firms. Such an understanding limits government's role in social value creation because social value should be discussed at a level greater than the sum of individual and corporate utility. Therefore, the concept of the government's role should be expanded to build an institutional framework for all human activity beyond policy intervention and public service provision. Kirilin (1996) created the matrix shown in Table 4 using five areas and three values to explain the role of government from an extended perspective and suggested the level of social value creation for each. The matrix shows that higher social values are created in the arenas of designing institutions than in the ones of implementation of policies and programmes.

**Table 4. Value Creation by Government**

Arenas					
Types of Value Created	Constitutional	Jurisdictional and Civic Infrastructure	Policy Strategy and Policy Infrastructure	Program Implementation and Service Delivery	Organizational Level/ Managerial
Place value	very high	very high	very high	high	little
Complex system value	high	very high	very high	high	modest
Goods and service value	modest	high	high	high	modest

Source: Kirilin (1996:177) Exhibit 1

## 4.2. The role of local governments in realizing social values

Local governments receive demands from the central government to improve the efficiency of public services and reduce budgets, and at the same time, are asked by residents to solve community problems. They can strive to enhance social values in the process of solving local community problems. Table 5 below presents the role of local government in realizing social values, applying the concepts presented by Kirilin (1996) as shown in Table 4 above.

As Table 5 shows, in the constitutional area, legislation of social value and establishment of social value exchange are needed. In the jurisdictional and civic infrastructure arena, cooperative governance and a shared platform are tools to support realizing social values. In the policy strategy and policy infrastructure and policy implementation and service delivery arena, tools include quantification of social value (or establishment of an evaluation system). Value-driven public servants are needed to realize social values in the organizational level/managerial arena.

**Table 5. The role of the local government in realizing social values**

Arenas	Constitutional	Jurisdictional and Civic Infrastructure	Policy Strategy and Policy Infrastructure	Program Implementation and Service Delivery	Organizational Level/ Managerial
Tools	Social value legislation, Social value exchange	Collaborative governance, Shared platform	Quantification of social value		Value driven public servants

Source: Kang, Y.J. (2021)



# Thematic Chapters

# Chapter 1: Social Value Legislation

## Expected Learning Outcomes

- Readers understand the need for social value legislation and the various methods of law making
- Readers can implement the legislative process

## Approaches

Local governments can carry out policies to enhance the social value of communities. Such policies may be based on existing laws or new laws may need to be enacted.

The question of whether social values should be legislated may be controversial. If a law on social values is enacted, it may overlap with values already contained in the Constitution such as human dignity and value, job creation, safety, social integration, labour, welfare, win-win cooperation, local economy, environment, democratic decision-making, and realization of community interests. That can cause potential controversy in the legislative system and raise questions about the real benefits of institutionalizing social values through the enactment of a new law. The Constitution is the highest fundamental norm that guarantees the basic rights of the people. It may be necessary to enact separate laws for its concrete realization. Laws have been enacted containing values such as welfare, equality, environment, win-win, and fairness, but there may be doubts as to whether their enactment is sufficient. The level of enhancement of social values needs to be increased through specific laws.

## Strategies

What form should social value legislation take? There is a way to prepare individual laws related to social values. For example, in the European Union, 'Buying Social: A guide to taking account of social considerations in public procurement 2010' was established to provide a guide to solving social problems taking into consideration social values (Moon, 2018). The social values that are important include decent jobs, labour rights, social integration, ethical trade and corporate social responsibility. Another example is the UK the Public Services (Social Value) Act of 2012, which deals with labour, environment, welfare and ethical coexistence (Moon, 2018). The official title of the bill is 'An Act to require public authorities to have regard to economic, social and environmental well-being in connection with public services contracts; and for connected purposes'. The Act requires that economic, social and environmental impacts be considered in administrative agency procurement processes and that issues related to social value be discussed with organizations in the contracting process. This law deals with labour, environment, welfare, and ethical coexistence (Moon, 2018). It applies to public institutions, government departments, local governments, National Health Service (NHS) foundations, organizations providing transportation, fire prevention and safety services as well as procurement and entrusting of public institutions in relation to services such as public health, housing, transportation and waste collection. According to the Act, public institutions must consider social, economic, and environmental benefits before implementing the contracting process, and must discuss issues related to social value with related organizations.

Table 6 summarizes the toolkit developed in Coventry, England, in compliance with the Social Value Act in 2015 to achieve social values in public procurement. The toolkit presents examples and indicators of social value to be considered or expected in the procurement and contracting of Coventry City, and questions to be considered during the bidding stage.

**Table 6. Considering social values in the procurement process according to Coventry Toolkit**

Dimensions	Process	Steps	Contents
Procurement planning	Contract requirements	<ul style="list-style-type: none"> <li>Analysis of social value needs</li> <li>Choose a method</li> <li>Stakeholder Advisory</li> <li>Market research</li> <li>Business feasibility review</li> </ul>	<ul style="list-style-type: none"> <li>Consideration of social values and outcomes to be achieved through procurement contracts as well as subjects to seek advice, including SMEs and social economy organizations</li> </ul>
Procurement planning and procurement	Procurement Approval	<ul style="list-style-type: none"> <li>Approval process according to contract amount (e.g. £50,000-100,000 /million £ or more)</li> <li>Approval of the committee (e.g. in the case of a contract value of £1 million or more)</li> <li>Consideration of subsidy payment</li> </ul>	<ul style="list-style-type: none"> <li>Proof that environmental, economic, and social benefits are considered in procurement and that social values are considered before and after successful bid</li> <li>Participation of expert groups</li> <li>Application of social value outcomes, indicators and questions to the procurement process</li> </ul>
Procurement	Bid	<p>(Official gazette of the European Union)</p> <ul style="list-style-type: none"> <li>Advance tender notice</li> <li>Bid Notice</li> <li>Announcement of successful bid (Bid documents)</li> <li>Pre-qualification screening</li> <li>Bid request form</li> </ul>	<ul style="list-style-type: none"> <li>Include the grading method for social value proposals to maximize social value and performance indicators for implementation in the bidding document</li> <li>Ask bidders to prove how to implement social values</li> <li>In the case of a Framework Agreement, establish social values in the agreement</li> <li>Indicate social value measurement standards in the Official Gazette of the European Union</li> </ul>
Successful Bid	Successful Bid	<ul style="list-style-type: none"> <li>Report on winning bids</li> <li>Performance report</li> <li>Performance monitoring</li> <li>Contract management</li> </ul>	<ul style="list-style-type: none"> <li>Mention social value in reports related to contract management</li> <li>Report the realization of social values at regular performance monitoring and contract management meetings</li> <li>Present opinions related to social values and introduce the best practices</li> </ul>

Source: Bae (2016)

There are other cases where basic laws on social values were enacted. In the Republic of Korea, the 'Basic Act on the Realization of Social Values in Public Institutions' was partially amended by Rep. Park Gwang-on in 2017 based on the 'Basic Act on Social Values' proposed by National Assemblyman Moon Jae-in in 2014. Representative Yoo Seung-min proposed the 'Basic Social Economy Act' in 2016, and Representative Suh Hyung-soo tabled a bill, the 'Special Act on Promotion of Purchase and Market Support for Social Economy Enterprise Products' in 2016. Those Acts were an attempt to create an institutional basis for social values in Korean legislation (Moon, 2018).

## Innovative Cases

### Case 1: An Inspiring Footstep for Local Governments

Countries started recognizing social value and developing policy tools such as legislations and guidelines to increase it. While discussions around social value legislation have more commonly focused on a national level, or even at the multi-country level such as the European Union, there have been local level efforts. For example, the City of Seoul, Republic of Korea enacted an ordinance to increase social value at a municipal government level in 2009 following the national government's Social Enterprise Promotion Act of 2007 (Jung et al, 2015). This early enactment and implementation by the Seoul city government inspired other local governments to take similar actions for social enterprises (Yoon et al, 2020).

According to the Social Enterprise Promotion Act of 2007, social enterprises certified by the national government can get tax exemption status for four years and apply for financial support based on their experience and capacity to provide social services to the socially disadvantaged (Jung et al., 2013; Park and Wilding, 2013; Shin et al., 2010). Under the municipal ordinances on fostering social enterprises of 2009, the Seoul city government selects prospective, not-yet certified social enterprises and helps them develop into certified social enterprises (Jung et al, 2015).

### Case 2: The Product of Persistent Efforts

Starting with the Social Enterprise Promotion Act of 2007, Seoul focused on strategies to help social enterprises. Policies were tested and evaluated, and public hearings were conducted with interest groups and experts in related fields. In 2014, 'Municipal ordinances on the social economy in Seoul' were adopted and guidelines were issued to increase social value in public procurement at the municipal government level. Table 7 shows the persistent efforts by Seoul city government to encourage social value building between 2009 and 2014.

**Table 7. Ordinances on Social Value Enacted by Seoul City Government**

Name	Effective Year
Municipal Ordinance on Fostering Social Enterprises	2009
Municipal Ordinance on Support for Self-Reliance Projects	2011
Municipal Ordinance on Support for Community-Building Activities	2012
Municipal Ordinance on the Creation and Administration of the Social Investment Fund	2012
Municipal Ordinance on Fostering Fair Trade	2012

Municipal Ordinance on Support for Promotion of Cooperatives	2013
Municipal Ordinance on Public Purchases and Marketing Support for the Products of Social Economy Enterprises	2014
Framework Ordinance on the Social Economy	2014
Municipal Ordinance on Public Procurement for Realization of Social Values	2014

Source: Yoon et al. (2020: 9)

Table 8 summarizes the four aspects of the Municipal Ordinance on Public Procurement for Realization of Social Values of 2014 that specifically distinguish it from previous ordinances. These include: defining related concepts and principles on social economy and social value; specifying plans, supports and requirements; establishing the process for training and research support; and emphasizing co-production and partnerships with private sector actors, upper-level government, and international participants.

**Table 8. Details of Municipal Ordinance on Public Procurement for Realization of Social Values (2014)**

Category	Details
Defining related concepts and principles on social economy and social value	<ul style="list-style-type: none"> <li>• “establishes the idea, actors, and common principles of the social economy”</li> <li>• defines the concept of social values, and the scope and principles of Social Economy Organizations (SEO) required for ‘energizing the social economy in Seoul and fostering ecosystems for its sustainability’</li> </ul>
Specifications on Plans	<ul style="list-style-type: none"> <li>• requires purchases of products and services from SEOs for public ends</li> <li>• lays the groundwork for financial support and public funds</li> <li>• requires the inspection and guidance of SEOs receiving financial support</li> <li>• requires the designation of, and support for, special social economy zones</li> <li>• requires provision of management support and facility subsidies for SEOs</li> <li>• requires the establishment of the Social Economy Master Plan every five years</li> </ul>
Establishment of the process for training and research support	<ul style="list-style-type: none"> <li>• establishes the processes for providing training and research support</li> </ul>
Emphasis on Co-production and Partnerships	<ul style="list-style-type: none"> <li>• enables the creation and operation of the Seoul Social Economy Center (SSEC) as the central intermediary support agency for the citywide social economy</li> <li>• provides support for the SEO associations; calls for increased participation from private companies</li> <li>• encourages international relations on the social economy</li> <li>• urges public campaigns and rewards for SEOs to raise the public awareness</li> </ul>

Source: Yoon et al. (2020: 8)

## Action Steps

Social value-related laws may need to be formulated for local governments to implement social value-related policies. Consider the following action steps for each policy process.

### Policy Formation

Policy Issues  
Policy Agenda  
Policy Making  
Policy Design

- Recognize the need for legislation related to social value and promote such legislation
- Make legislation related to social value an issue and engage various social actors
- Identify the relationship between existing laws and enact appropriate new laws

### Policy Implementation

Policy Enforcement

- Visit the National Assembly or local councils for legislation and actively suggest the need for legislation

### Policy Evaluation

Policy Impact  
Policy Feedback

- Actively promote the enactment of social value-related legislation

## Exercises

Consider the following exercises for each policy process to enact legislation for social values.

### Policy Formation

Policy Issues  
Policy Agenda  
Policy Making  
Policy Design

- What is the current state of social value-related laws?

- To what extent do members of society want legislation related to social values?

## Policy Implementation

### Policy Enforcement

- Is the drafting of social value legislation progressing smoothly? If not, what is the cause, and what is your strategy for resolving it?

## Policy Evaluation

### Policy Impact Policy Feedback

- What media are used to promote the enactment of social value-related legislation?

# Chapter 2: Establishment of Social Value Exchange

## Expected Learning Outcomes

- Readers understand the concept and necessity of a social value exchange
- Readers understand the types of social value exchanges through several examples provided and can devise an installation plan

## Approaches

When dealing with economic value, there is a tendency to solve resource allocation problems for the production of goods and services through the price mechanism. In the case of social value, an index corresponding to the price mechanism does not exist (Mulgan, 2010; Kang et al., 2021). How then are necessary social value resources allocated? One way is to create a credible body entrusted with social management, and have that body, for example, the government, take charge of the allocation of resources. In the United Kingdom, for example, the government operates a procurement-related social value exchange. Another way is to design a market in which social values are exchanged. In this market, various stakeholders who create social value participate, while goods, data, and investment opportunities are traded.

## Strategies

Regarding the establishment of a social value exchange, it may seem necessary to pay special attention to blockchain technology for three reasons, due to the decentralized nature of the technology. A social value exchange is a type of market representing a decentralized resource distribution system. Blockchain technology also has a decentralized nature. It eliminates the middleman and forms a peer-to-peer network to support direct transactions, allowing for cost reductions. Various business models based on blockchain are being created (Dutra, Tumasjan & Welp, 2018). Traditional exchanges are using blockchains and have advanced their use beyond the experimental stage. For example, the Australian Stock Exchange (ASX) announced in 2016 that it would convert the Clearing House Electronic Sub-Register System (CHES), part of its clearing and settlement system, to a blockchain. The Hong Kong Exchange and Clearing (HKEX) is attempting to use blockchain for cross-trading with the Shanghai Exchange or Shenzhen Exchange, and related work is in progress with Digital Asset and BNP Paribas. Singapore Exchange (SGX) also is working with financial authorities to develop a blockchain platform to trade tokenized assets. OpenBazaar (<https://openbazaar.org/>) is an open source-based decentralized e-commerce market. Its transactions are carried out peer-to-peer, and cryptographic assets, especially Bitcoin, are used as a medium of exchange.

## Innovative Cases

### Case 1: A Social Value Exchange Platform Similar to AirBnB

According to the UK Social Value Act, since 2013, companies in government procurement must bring social value where they do business. However, they are less likely to be experts to create social value. The residents are the ones who have the information and can demand what their community needs the most. Socialvalueexchange.org is a website designed to connect regional projects seeking financial support, workforce or equipment with suppliers looking for opportunities to invest their resources to fulfil their obligations under the UK Social Value Act. Local projects are listed on the site. Local governments evaluate the projects' expected social value by allotting them points. Companies bid on the opportunity to support a project, and if selected, earn the points and contribute to increased social value. Much like AirBnB, which matches travellers looking for a place to stay with homeowners or vacation rentals wishing to host, socialvalueexchange.org provides a win-win platform for local communities.



## Case 2: Good Deeds Bank for Volunteers and Donors[1]

A Korean organization, the Gwanju Talent Donation Center, established the Nanum Bank system for its members. In this system, members get points when they volunteer or donate and the points get deposited in their accounts. Members can use their points to attend cultural events and to purchase books from bookstores participating in the programme.

[1] Source: [http://nanumjoy.com/bbs/board.php?bo\\_table=ability\\_donation\\_p](http://nanumjoy.com/bbs/board.php?bo_table=ability_donation_p)

### Action Steps

Consider establishing an exchange to promote social value trading. In doing so, consider the following action steps:

#### Policy Formation

Policy Issues  
Policy Agenda  
Policy Making  
Policy Design

- Design a collaborative governance model for realizing social values
- Design a platform for sharing information and data for collaborative governance to work well

#### Policy Implementation

Policy Enforcement

- Identify obstacles to the functioning of collaborative governance and develop solutions

#### Policy Evaluation

Policy Impact  
Policy Feedback

- Evaluate whether collaborative governance works well for realizing social values
- Promote the effectiveness of collaborative governance and strengthen participation

### Exercises

To establish an exchange to promote social value trading, consider the following exercises:

#### Policy Formation

Policy Issues  
Policy Agenda  
Policy Making  
Policy Design

- Is public opinion on the necessity of social value exchange sufficiently formed?

**Policy Issues  
Policy Agenda  
Policy Making  
Policy Design**

- Who are the stakeholders of social value exchange?

## **Policy Implementation**

**Policy  
Enforcement**

- Are there obstacles to social value trading? If so, what are they?

## **Policy Evaluation**

**Policy Impact  
Policy Feedback**

- Is trading through social value exchanges being conducted sufficiently and effectively?

# Chapter 3: Collaborative Governance to Realize Social Values

## Expected Learning Outcomes

- Readers learn about the concept of collaborative governance and why it is needed
- Readers understand the factors needed for the successful collaborative governance to realize social values

## Approaches

The participants for the realization of social values are diverse, as mentioned above. Since social value itself is the ultimate goal of the community's interests, several members must cooperate. Cooperative governance is essential to realizing social value, given that the participation of various community members is required.

Collaborative governance means that there is collaboration between organizations. Collaboration creates new public values that transcend existing organizational boundaries and policies through interactions between autonomous actors and organizations (Lee, 2017). Collaborative governance refers to interactions led by public institutions with the participation of non-governmental organizations or members of society. The interactions involve the direct participation of non-governmental stakeholders beyond simple opinions or consultations and are related to formally organized collective actions and seeking consensus to solve public problems. At its core, collaborative governance can be defined as a method of solving social problems through structured interactions between various organizations. It also can be a process of realizing the social or public value of a public system through the interaction of various members of society or related organizations.

## Strategies

To establish collaborative governance to promote social value, a shared platform that allows for exchanges of information and data, policies and budgets is important. Sharing and coordination are needed as a nation transforms from a hierarchical centralized state to a network state in which competition among bureaucracies occurs.

In a digital platform online, a lot of information can be shared among participants and the cost of sharing and acquiring the information is low. A digital platform allows people in different locations to gather, share information and deal with social issues that are not addressed in existing political systems.

After the Yoon Seok-yeol Administration took office in the Republic of Korea, the implementation of a digital government platform was presented as a major national task. The Anti-Corruption and Civil Rights Commission of Korea is now operating a digital platform called 'People Thinking' on which individual citizens can post their policy issues and express their opinions on policy issues posted by others. This provides a platform for the government to hear directly from the people about policy concerns and to implement changes to address them. Similar platforms are providing a means for governments to deal with agendas oriented towards social values.

## Innovative Cases

### Case: Participatory Budgeting Setting a Precedent for Followers

Over the past decade, governing arrangements have been transformed into collaborative and participatory governance where public actors, non-state stakeholders and citizens engage together in policy decision-making and management to make governments more efficient, more responsible and more democratic (Ansell and Gash 2008; Emerson, Nabatchi, and Balogh 2012).

One such arrangement is participatory budgeting, which allows ordinary citizens to participate in the government budgetary process (Hong 2015; Manes-Rossi et al. 2021). Other collaborative governance focuses on service delivery among policy processes (Kokkinakos, 2012; Bovaird, 2007). Participatory budgeting is one of the most promising means to create and increase social value since it allows participants to be involved at every stage of the policy budget process. Citizens are co-planners and co-designers of budget frameworks and can submit budget proposals, deliberate on them and be co-decision makers to vote in favour of or against each proposal. They also can be co-evaluators to give feedback on approved budgets.

Porto Alegre, Brazil has conducted participatory budgeting since 1989. In the Republic of Korea, since 2011, by law local governments have been mandated to establish participatory budgeting. Globally, it is more common that citizen involvement is limited in processes to submit proposals or vote to choose some of them (Manes-Rossi et al. 2021) and in size that only partial budget is assigned for citizen participation. Seoul city government is providing a leading case for participatory budgeting. Since 2021, 100 per cent of the city budgets are open to citizen participation at some level, including continuous projects. Citizens currently participate in budgetary planning and monitoring processes for approximately 7 per cent of the budget[2].

[2] Source: Seoul city government participatory government webpage: <https://yesan.seoul.go.kr/>)

## Action Steps

Community issues require multiple actors to work together. To establish cooperative governance to promote social value, consider the following action steps for each policy process:

### Policy Formation

Policy Issues  
Policy Agenda  
Policy Making  
Policy Design

- What types of collaborative governance models are there for realization of social values?
- What should the shared platform be to drive collaboration between the models?

### Policy Implementation

Policy Enforcement

- Is collaborative governance working well? If not, why not? And what is the solution?

### Policy Evaluation

Policy Impact  
Policy Feedback

- Is collaborative governance achieving its intended effect? Are there any unintended effects?

## Exercises

Consider the following exercises to establish cooperative governance for resolving regional problems.

### Policy Formation

Policy Issues  
Policy Agenda  
Policy Making  
Policy Design

- What types of collaborative governance models are there for realization of social values?

- What should the shared platform be to drive collaboration between the models?

### Policy Implementation

Policy  
Enforcement

- Is collaborative governance working well? If not, why not? And what is the solution?

## Policy Evaluation

Policy Impact  
Policy Feedback

- Is collaborative governance achieving its intended effect? Are there any unintended effects?



# Chapter 4: Quantification of Social Value

## Expected Learning Outcomes

- Readers understand the need to quantify social values
- Readers understand and apply the methods of quantifying social values

## Approaches

Like other government activities, policies to promote social value must have clear goals and directions and should be designed to deliver distinct, measurable outcomes. Moreover, due to its nature, it is difficult to improve unless it is measured.

Some may question whether social value can be measured, or whether it is necessary to measure it. This is because social value is a concept derived to recognize a value that existing capitalism does not measure. It needs to be measured so that activities based on social values can be activated in the market and further monetized.

A social value measurement method needs to be considered that can be used empirically so that various organizations can try social innovation. Systems and support measures need to be designed that are highly relevant to reality.

## Strategies

The UN's Sustainable Development Goals (SDGs) are action plans for sustainable development around the world by 2030. Adopted at the 70th UN General Assembly in September 2015, they consist of 17 goals and 167 targets in fields such as environment, society, economy and governance. Key indicators of social value can also be constructed using the SDGs.

Australia is an example of a country that recognized early on that national development is not limited to GDP growth. The country considered indicators that measure the quality of life beyond GDP. Table 9 summarizes those dimensions and indicators.

**Table 9. Measuring Australia's Progress: Dimensions and Indicators of Progress**

Headline Dimensions	Headline Indicators	Supplementary Indicators
Health	Life expectancy at birth	Proportion of people surviving to ages 50 and 70; Infant mortality rate; Burden of disease
Education and training	People aged 25-64 years with a vocational or higher education qualification	Education participation rate for those ages 15-19, School year 7/8 to year 12 apparent retention rate
Work	Unemployment rate	Extended labour force underutilization rate; Long-term unemployment rate; Retrenchment rate; Casual employees; People in part-time jobs; People in jobs with longer hours (50 hours a week or more); Average hours per week, full-time workers

<b>Biodiversity</b>	Extinct, endangered and vulnerable birds and mammals	No supplementary indicators
<b>Land clearance</b>	Annual area of land cleared	No supplementary indicators
<b>Land degradation</b>	Salinity, assets at risk in areas affected, or with a high potential to develop, salinity	No supplementary indicators
<b>Inland waters</b>	Water management areas, proportion where use exceeded 70% of sustainable yield	Water diversions; Murray-Darling Basin; River condition (biota) index; Net water use; River environment index
<b>Air quality</b>	Fine particle concentrations, days health standards exceeded, selected capital cities	Highest one hour averages of SO <sub>2</sub> ; selected regional centres; Days when ozone concentrations exceeded guidelines; selected capital cities; Consumption of ozone depleting substances
<b>Greenhouse gases</b>	Net greenhouse gas emissions	Total greenhouse gas emissions (including land clearance), CO <sub>2</sub> emissions, net, per capita and per \$ GDP
<b>National wealth</b>	Real national net worth per capita	Real national assets and liabilities per capita; Real net capital stock per capita; Economically demonstrated resources (minerals and energy) per capita; Real net foreign debt
<b>National income</b>	Real net national disposable income per capita	Real Gross Domestic Product per capita; Proportion of the population in work; Terms of trade
<b>Economic disadvantage and inequality</b>	Real equivalized average weekly disposable income of households in the second and third deciles of income distribution	Real equivalized average weekly disposable income of groups of higher income households; Children without an employed parent; Real equivalized weekly disposable income of households at selected income percentiles; Ratios of income of households at selected income percentiles; Share of total income received by households in low and high income groups; Gini Coefficient; Proportion of households with income below both the half mean and half median income of all households
<b>Housing</b>	No headline indicator	Households with housing affordability problems; Households with insufficient or spare bedrooms
<b>Crime</b>	Unlawful entry with intent and assault (victimization rates)	Homicide rate; Imprisonment rates
<b>Social attachment</b>	No headline indicators	Attendance at live performances; Participation in organized sports; Voluntary work; Marriage and divorce rates; Persons living alone; Waking-time spent alone; Homelessness; Suicide and drug-related death rates (indicators in the Work dimension are also relevant)

Source: Measuring Australia's Progress; MAP 2002



The city of Salford in the UK also has been making efforts to realize social values and is presenting performance measurement methods for each of its strategies. The Salford City Council formed the Salford Social Value Alliance with other infrastructure organizations in 2017. It aims to achieve a 10 per cent improvement in 11 social, environmental and economic performance areas by 2021. Salford City's Social Value Toolkit sets four major goals around growth, innovation, collaboration and care, explains specific content for each and provides detailed guidelines for value realization. The city made its goals specific, measurable, achievable, relevant and timebound (commonly referred to as SMART goals). Table 10 summarizes Salford's strategies and measurement methods.

**Table 10. Implementation of Social Value in Salford City, UK**

Strategies	Contents	for the Not in Education, Employment or Training (NEET) family Examples of measurement in terms of providing jobs and training opportunities
Specific	Specific requirements to realize social values	<p>NEET youth must be given at least X employment or training opportunities and must be able to continue their work or education for at least X months.</p> <p><b>Specific examples of measurement include:</b></p> <ul style="list-style-type: none"> <li>• Jobs: full-time, apprentice, part-time</li> <li>• Education and training: At least two weeks of work experience, or a short-term education and training course for a long period of time if the focus is on a specific job for each course</li> </ul>
Measurable	Set up a plan to arrive at target values to validate results	<p>A project plan needs to be established that specifies the timeline of the project, the person in charge, etc. Each person in charge will be responsible for the plan, and the results achieved can be confirmed by submitting a report on the detailed progress for each time period.</p>
Achievable	Provide appropriate guidelines at the level of the committee (supervisory body) to increase the probability of success	<p>contributes to improving the understanding of stakeholders by providing a guide to participating companies or related organizations at the supervisory level on what type of job, how often, and how much training is required to achieve the target.</p> <p><b>For example:</b></p> <ul style="list-style-type: none"> <li>• In the NEET support project, a minimum of four young people seeking employment opportunities and a maximum of eight young people wishing to participate in training are counted. Could you please confirm that these requirements can be met at the institutional level?</li> </ul>

<p><b>Relevant</b></p>	<p>Presenting the 'foundation' of the social value question</p>	<p>Enhances the understanding of the business and the level of participation in related organizations or subcontractors.</p> <p><b>For example:</b></p> <ul style="list-style-type: none"> <li>Reducing the number of NEETs in the region is our main task. Providing new educational and employment opportunities for NEET youth at relevant institutions can greatly help reduce the number of NEETs. Please fill out and submit what activities your organization is carrying out and plan priorities for this purpose.</li> </ul>
<p><b>Timebound</b></p>	<p>Timeline setting for realization of social value</p>	<p>To avoid delays, the expected timeline for realizing practical social values should be clearly presented.</p> <ul style="list-style-type: none"> <li>Please provide a specific plan for the implementation timeline of specific activities and when the results are expected to be achieved.</li> </ul>

Source: Social Value Case Study – Gov.uk.

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/557552/princes\\_trust\\_social\\_value.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/557552/princes_trust_social_value.pdf)

## Innovative Cases

### Case: Attempts to Quantify Social Value

Numerous attempts to evaluate social value can be found in various settings. For example, the London Benchmark Group Framework was developed in 1994 by members of the Corporate Community Investment Council (CCI), an inter-company global community investment council, to measure social performance (Hamil, 1999). The Product Social Impact Assessment (PSIA) is a handbook presenting methods and examples for measuring the social impact of reliable and applicable products in various industries, published by large global companies in 2014 (Amoako-Gyampah et al, 2018). The Republic of Korea's Social Performance Incentive Measurement System (SPAS) was created in 2015 to quantify the social value created by companies and provide social progress credit through joint research with external experts and consultation (Yi and Chun, 2022).

Other efforts to measure social value include an internationally standardized social value measurement model developed by the Value Balancing Alliance (VBA), a non-profit corporation. The Organization for Economic Cooperation and Development (OECD), the World Bank, the world's four largest accounting firms and other global companies jointly participated in that project. B Lab, a non-profit organization in the United States, developed a business-friendly and less compulsive social and environmental impact assessment method through joint research with the Case Foundation and provided it to users free of charge (Marquis & Lee, 2015).

## Action Steps

Local governments should consider the following action steps to set clear and specific goals for social value promotion activities:

<p><b>Policy Formation</b></p>	
<p>Policy Issues Policy Agenda Policy Making Policy Design</p>	<ul style="list-style-type: none"> <li>Prepare measures to prepare indicators for evaluating social value creation in the private sector</li> <li>Prepare an index to evaluate the creation of social value in the administrative domain and devise a plan to link it with the existing evaluation system</li> </ul>

## Policy Implementation

### Policy Enforcement

- Identify obstacles in establishing a social value evaluation system and come up with ways to overcome them

## Policy Evaluation

### Policy Impact Policy Feedback

- Evaluate how well the social value evaluation index measures the actual social value creation effect and improve the index

## Exercises

Local governments should consider the following exercises when creating social value-related policies:

## Policy Formation

### Policy Issues Policy Agenda Policy Making Policy Design

- Are the indicators for evaluating social value creation in the private sector prepared for the characteristics of each sector?

- Are the indicators to evaluate social value creation in the administrative domain well established? How are they different from the existing public evaluation indicators?

## Policy Implementation

### Policy Enforcement

- What are the obstacles to establishing a social value evaluation system? If there are obstacles, how can they be overcome?

## Policy Evaluation

### Policy Impact Policy Feedback

- Does the social value evaluation index measure the social value creation effect well?

# Chapter 5: Value-driven Public Servants

## Expected Learning Outcomes

- Readers understand the need for value-driven public servants as an element for the successful realization of social values
- Readers can design an institutional plan for nurturing value-driven public servants

## Approaches

Whether it is a policy or an activity for the realization of social values, it is ultimately carried out by people. Government civil servants and local officials are ultimately responsible for carrying out social value policies and activities. For example, law enforcement officers have traditional roles in a community but in recent years have taken on additional responsibilities as trouble-shooters of community problems. But civil servants cannot accomplish this work to form social values in a community on their own. This role of public officials contributes to the formation of social values in the local community through mutual cooperation with residents. In other words, it can be said that public officials with social values have the will to facilitate mutual exchange with residents and the community to share concerns and solve local problems.

## Strategies

Institutional efforts are needed for public officials to pursue and realize the public interest more proactively, rather than passively responding to the provisions of administrative laws and regulations. For example, an active administration 'immunity system' may be necessary. In the Republic of Korea, the Board of Audit and Inspection prepared the 'Operation Regulations for the Active Administration Immunity System' (Ordinance No. 331 of the Board of Audit and Inspection) in 2008, laying the foundation for the government's active administration system. It states that: "Even if partial procedural defects occur while public officers work diligently and actively to promote the public interest, if certain conditions are met, the system does not request for unfavourable dispositions and does pursue mitigation of punishment." In 2019, the Active Administration Regulations (Presidential Decree No. 30016) were enacted, specifying "reinforcement of national competitiveness and improvement of the quality of life of the people" for the purpose of active administration, which is defined as "the act of actively carrying out work based on creativity and expertise for the public good".

## Innovative Cases

### Case: Agile Governance to Promote COVID-19 Vaccine Distribution

The Government of the Republic of Korea has been discussing agile governance since 2008. The concept was initially introduced to respond to the need for penalty relief for public servants who happened to break procedure while they were working to serve the public interest (Choi and Jung, 2021). Through the idea of agile governance, public employees are encouraged to actively and innovatively respond to public demands and to use their discretion more widely to pursue social value. That agility replaces apathy, delinquency and omission of duties to serve public interests.

For example, Daejeon City Government's fire department converted its rescue vehicle to a rest area for medical staff responding to COVID-19. In another example, the Jeollanam-do Government collaborated with the Korean Navy to use a warship as a moving vaccination location, visiting islanders in medically underserved areas so they did not have to wait to come to a vaccination centre. These two cases specifically related to the COVID-19 pandemic show how agile governance serves the public interest and adds social value in emerging circumstances.

## Action Steps

Local public officials should consider the following action steps to foster a value-driven mindset, to recognize social value issues and have the ability to develop policies.

### Policy Formation

Policy Issues  
Policy Agenda  
Policy Making  
Policy Design

- Create a management plan to help public officials acquire the social value system
- Review the active administrative system and think about how to introduce it

### Policy Implementation

Policy Enforcement

- Evaluate whether the behaviour of public officials has actually changed due to the introduction of a system for enhancing social values of public officials

### Policy Evaluation

Policy Impact  
Policy Feedback

- Evaluate how changes in public officials' behaviours have had an impact on solving community problems

## Exercises

Local public officials should consider the following exercises to foster a value-driven mindset, to recognize social value issues and have the ability to develop policies.

### Policy Formation

Policy Issues  
Policy Agenda  
Policy Making  
Policy Design

- What are some examples of public officials becoming active participants in solving community problems?

- Are there any administrative systems to induce active participation of public officials?

## Policy Implementation

### Policy Enforcement

- Is the management system effective for public officials to acquire the social value system? If not, what is the solution to make it effective?

## Policy Evaluation

### Policy Impact Policy Feedback

- What are some examples of public officials contributing to solving community problems?

**Conclusions:  
Summary and Policy  
Recommendations**



## **V. Conclusions: Summary and Policy Recommendations**

Social value is the basis for setting sustainable goals in an era when more than material growth goals and economic value need to be counted. Social values may vary in individual societies, but commonly they include well-being, quality of life, safety, jobs, social integration, participation and communication.

This handbook presents what local governments should do to promote social values in five ways based on a new government framework. In the constitutional area, legislation of social value and establishment of social value exchange are suggested. In the area of jurisdictional and civic infrastructure, cooperative governance and a shared platform are presented. In policy strategy and infrastructure, and implementation and service delivery, quantification of social value (or establishment of an evaluation system) is introduced.

Local governments must deal with increasingly complex and sophisticated community problems in close collaboration with residents. The information in this handbook will help local governments shift their efforts to solve problems based on social values and mutual cooperation with diverse members of society.



## VI. Annex: Reference Materials

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