# The Ondol for Hope Project

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# Summary

A New Welfare Cooperation Network Sparked Social Interest in and Support for the Marginalized, and Promoted Quantitative & Qualitative Welfare Improvement

# History

The Launch of the Civic Planning Council for the Ondol for Hope Project (November 2011)

As immediate measures were needed to protect those citizens who were actually poor but remained in welfare blind spots during the winter of 2011, a new organization called the "Civic Planning Council" was launched. The organization's members immediately held workshops to hear citizens' voices and visited district offices and local welfare institutions to set up specific action plans to promote the Ondol Project. The council also developed a website called the "Hope Ondol Community Map" for the exclusive use of the Ondol for Hope Project, in order to listen to those citizens whose opinions could not be heard through other avenues, and reflect those opinions in the city's welfare policies.

# Formation of a Network between Welfare Institutions and Private Organizations (November 2011 ~)

In the winter of 2011, a total of 122 local institutions formed a network which included local social welfare centers and 3,171 private organizations, including religious groups and voluntary service groups, for more efficient participation in the Ondol for Hope Project. Workshops and meetings were held to share the direction, goals and action plans of the Ondol Welfare Project with the members of the network.

## Increased Welfare Support for the Underprivileged in Winter (November 2012 ~)

For the first time, a consortium of 215 organizations was formed through a public contest format to promote 29 projects such as urgent living expense subsidies for single seniors, the homeless and the working poor, as well as subsidies for housing improvements and microsavings plans. The consortium has continued to grow, and as of November 2012, a total of 3,883 groups are participating in the consortium, assisting more than 290,000 people in need.

### Year-round Operation of the Ondol for Hope Project (April 2012 ~)

The Ondol Welfare Project has helped many people, even though it was originally intended to operate for just one winter. Following its remarkable success, civic organizations called for the continuation of the project year-round, and in April 2012 this was done. In the summer of 2012, 8,508 volunteers from corporations and volunteer organizations joined hands to improve the housing environment for 1,805 poor neighbors whose needs were outside the boundaries of government welfare guidelines.

### Institutional Enhancement of the Ondol Welfare Project (June 2012 ~)

An educational program for the Ondol Project was set up and has trained more than 500 people in nine courses designed primarily to enhance the service capabilities of civic organizations engaged in the project. The website for the Ondol for Hope Project has been improved to make it more convenient and efficient for users. A new course has been added by civic groups about fundraising at the local level.

# Introduction

Paired with volunteer organizations, fellow citizens, etc., working in their local communities, this project is a public-private partnership which locates and helps neighbors in distress and shares hope. Its aim is to foster a 'Local Welfare Community' that helps neighbors in need in local communities through the voluntary participation and donations of grassroots civic groups, self-motivated volunteer organizations, entrepreneurs, and fellow citizens, when immediate support is needed but beyond the reach of the support system, considering its own limited resources.

# **Background & Goals**

#### The Existence of Welfare Blind Spots Prevents Many from Receiving Institutional Support

Previously, a variety of welfare programs were implemented by the Seoul municipal government within a strict legal and institutional framework. Due to this framework, the welfare demand on the ground was not properly met, and as a result, there were more than 290,000 people who were at the subsistence level but did not meet the legal or institutional requirements for public welfare assistance.

# Private Sector Resources Not Fully Exploited due to Overemphasis of the Public Sector's Role in Delivering Benefits

Although Korea's social welfare budget accounts for 7.5% of its GDP (as of 2007), which is much lower than the 19.8% average of OECD countries, the rate of increase in Korea's social welfare budget (14.8% from 2005 to 2007) is much higher than the average OECD rate of increase (6.3% during the same period). The percentage of Seoul's social welfare

budget out of its whole budget has also increased from 16.1% in 2007 to 25.9% in 2012. This means the public sector's burden is getting heavier. As this could cause a financial crisis, it is time to think about how to utilize the private sector's resources. This is necessary because the private sector's role in social welfare has not grown sufficiently to cope with this situation. In fact, only 16.8% of Seoul citizens contribute to welfare programs through private donations, highlighting the need for the private sector to take a bigger role.

### The Deterioration of a Sense of Community and the Negative Impact on Social Integration

Seoul is a metropolis with a population of ten million. Urbanization has progressed faster here than in many other cities. The sense of community that was once highly valued, as in many other Asian societies, has deteriorated rapidly. The middle class ratio in Seoul dropped from 67.8% in 2000 to 59.4% in 2008, while the percentage of people below the poverty line increased from 10.9% to 16.6% and the Gini coefficient (income or wealth distribution) of the city rose from 0.31 to 0.35 during the same period. Such serious income inequality is now working as an obstacle to the mandate of social integration. The Ondol for Hope Project is designed to shift the paradigm of social welfare, which in the past depended too heavily on the government, to form a network of private and public cooperation, expand welfare services to those who are poor but not eligible for government subsidies, and build up 'welfare communities' on the local level.

# Implementation

## Trial Strategy

### 1. Cooperative Partnership led by the Private Sector

The Ondol Project was initiated by the city government, although the Civic Planning Council, composed of civilians representing various walks of life, has done everything else, including mapping out the purposes, strategies and processes of the project. At the district level, the network of district welfare institutions and local civic organizations has mobilized local resources. The network has responded to local situations quickly and efficiently since they are free of all institutional restraints.

### 2. Local Citizens' Participation Essential for Establishing Welfare Communities

A total of 659 citizens have been chosen to represent those standing at the forefront of social welfare. They include grocery store owners, rice store owners, merchants in traditional markets, and more. They know better than anyone who is really suffering in their neighborhoods. They identify people in need and make their situation known to resident centers, district offices or welfare facilities, for immediate relief efforts. They also connect these people to

local civic organizations that are available to help those who need immediate assistance.

## 3. All Welfare-related Divisions Unite to Set up a Task Force

The city of Seoul formed a task force, with members from 10 divisions of the municipal government such as welfare, housing, employment and healthcare. This team is divided into ten units that handle the following tasks: general control, the poor, the homeless, emergency healthcare, hope sharing, urgent repairs, IT support, communication, fraud prevention, and half-price *gosiwon* (the cheapest rooms for rent).

At the district level, a new organization called the "Hope Welfare Support Center" has been formed to take charge of everything related to the Ondol for Hope project.

### Obstacles and Solutions

# 1. Following the Paradigm Shift from Public to Public-Private Cooperation, a Shortage of Understanding, & Wariness

Public servants at both city and district levels were reluctant to accept civilians as their equal partners, while individuals from private organizations could not navigate the culture, systems and procedures in government offices. Various civic groups were wary of each other, distrustful of whether others would encroach on their own specific areas.

## 2. Planning & Implementation under the Leadership of the Private Sector

From the outset, civilians were involved in the decisions concerning the Ondol Project's scope and implementation methods as these were determined at Civic Planning Council meetings.

The council members promoted the Ondol Project in the local community, calling on private institutions to participate in the project.

#### 3. A Collaborative Project in a Consortium Format

For the Ondol Project, the Civic Planning Council initiated consortium-type collaboration among participating civic organizations, to share mutual experiences and build up confidence more efficiently. So far, the organization

has posted four public consortium contests for 82 projects, with 459 organizations participating in those projects, in both leading and support roles.

## 4. Dissemination of Success Stories of the Ondol Welfare Project

The strategy of the city of Seoul for the Ondol Project in terms of dissemination was to attempt to continuously discover small success stories. Successful cooperation between the public and private sectors, moving stories about poor people receiving help and activists' feelings about sharing have been posted on the website. Stories were sought through contests, and moving stories have also been published, helping them to quickly spread around the city.

## 5. Various Publicity Efforts Result in Increased Support

The city of Seoul has launched a variety of publicity campaigns concerning the Ondol Project under the persuasive slogan, "Let us not allow anyone under Seoul's sky to go to bed hungry or sleep on a cold floor in winter." Citizens have responded to the campaigns with donations of cash, goods, skills and services.

#### Resources

# 1. Financial Resources: Cash & Goods from the Private Sector, Basic Operating Expenses from the Public Sector

Major civic groups like Community Chest and the Seoul Council on Social Welfare, which play a major role in developing civic resources in the private sector, have agreed on the division of the financial burden between the public and private sectors, and each has done its part. The city has supported them institutionally, thus increasing their ability to raise donations.

# 2. Human Resources: Participation of Diverse Groups such as NGOs, Expert Groups, Local Activists & Civil Servants

The city of Seoul set up the Hope Welfare Support Division, consisting of 18 people in 4 teams within the Welfare and Health Bureau, in order to support the Ondol Project and help establish the public and private sector collaborative network. The Hope Welfare Support Centers are established in 25 district offices, and a total of 333 civil servants handle Ondol Project-related matters in their respective districts.

At the local level, 659 'Sharing Neighbors' identify people in need and connect them to welfare organizations. 3,883 civic groups, including religious organizations and volunteer groups, are participating in the Ondol Project as well. 'Sharing Neighbors' are ordinary people who care about their neighbors and volunteer to take the responsibility to seek out people in the greatest need within their neighborhoods and arrange help for them.

# 3. Technical Resources: Establishment of a One-Stop Public-Private Collaborative Welfare Service Delivery System

Improvements are being made so that a person in need (or his/her neighbor) can request welfare service from a district office, a dong (the smallest administrative unit) office or a welfare institution. Work is underway to enable welfare benefits to be delivered from local institutions.

Equality in support provision and standardization in service application procedures are uniform, due to a manual prepared by the Civic Planning Council.

Through the Ondol Welfare Project website and Twitter, all necessary information is relayed to the relevant institutions immediately. Support measures are posted in real time.

# **RESULTS & EVALUATION**

291,325 Alienated Citizens now live more secure lives under the New Social Safety Net.

The municipal government provides support to 291,325 people below the poverty line, including 96,739 whom the city has recently identified as extremely poor. The city provides subsidies for their basic needs and heating and housing costs. As a concrete result of this project, in 2012, there was no homeless person who froze to death for the first time in the city's history.

#### Donation Culture Promoted, with KRW 32 billion from Business & the General Public

The city of Seoul has launched a large-scale 'sharing' campaign and to date KRW 32 billion worth of cash and goods has been collected from enterprises and the general public. In addition, for the first time in the history of the Seoul city government, there are 11,437 cases of skills or services being donated in a variety of fields covering everything from medicine to boiler repairs. These donations have been distributed to those who are marginalized by the public welfare channels, with the distribution work being handled by a total of 122 private organizations.

#### Mobilization of Modern IT Techniques to Improve Welfare Services

To take advantage of Korea's world-class IT infrastructure, the city of Seoul has developed a website exclusively for the welfare initiative (<a href="http://ondol.welfare.seoul.kr">http://ondol.welfare.seoul.kr</a>) to promote effective collaboration between citizens, welfare institutions and public offices. The website has so far resulted in a total of 10,655 donations or discoveries of community members in need.

## 264 Cases Needing Institutional Improvement Identified

While the city has been promoting its Ondol Welfare Project, it has also identified 264 cases in 12 categories that do not meet the legal or institutional requirements for welfare benefits, but in which the people involved badly need welfare services. To correct this, the Seoul Municipal Government opened the Seoul Welfare Legal Counseling Center in July 2012, which is now working on the fundamental improvements contained in the National Basic Living Security Act. The center also offers free legal counseling services. For the past four months, from July to November 2012, the center has provided free legal counseling services in 1,137 instances.

#### Shift of Welfare Focus from Laws & Institutions to the Actual Needs of Citizens

The Ondol Hope Project surpasses legal and institutional boundaries and actively tries to meet the demands of the disadvantaged in society. Those in the blind spots have been identified and supported through the project. Qualitatively, welfare recipients are much more satisfied with the services they receive. Based on the successful results of the Ondol Project, the city of Seoul has reestablished its welfare standards. Along with the implementation of these new standards, the social safety net of Seoul continues to expand.

#### Customized Bottom-up Welfare Projects Suited to Local Characteristics

Previously, the country's welfare policies were planned and implemented by the government. The city of Seoul was no exception. This resulted in local characteristics and residents' unique needs being neglected. The Ondol Hope Project has proven that the top-down method of welfare administration can be changed to a better, more open system. The city of Seoul will continue to listen to its citizens through a variety of mechanisms such as workshops and idea expositions (held to hear citizens' voices and collect their input for major municipal policies), and through its websites, which will continue to be upgraded to promote more active participation by the public.

#### Welfare Improvements Felt by the Public, and Media Attention

Civic groups and local activists have actively participated in the Ondol Project, and the private sector has donated large amounts of money and goods, all of which was largely due to the attention the mass media paid to the project. The positive cooperation between

the public and private sectors has continued to impress the public, who in turn reacted with keen interest and supportive measures. Citizens have supported the project so enthusiastically because the benefactors were genuinely poor neighbors who had long been neglected by the public sector. In addition, the project began in winter, which was a significant factor in garnering compassion and attention as it is an even more difficult time for the disadvantaged.

## Mayoral Leadership in Welfare Administration Reform

The Ondol Welfare Project was initiated by the mayor. He advocated that the poor who were marooned outside the government welfare network should not be abandoned to hunger and cold in winter, and has participated in the discussions of the Civic Planning Council and listened to the citizens' earnest voices at various meetings and workshops, and on occasion has even visited the poor, listening closely to their stories. He has expanded the budget and the organization for the Ondol Project and has promoted reforms in the city's welfare administration system, and promises to continue to do so in the future.

# **TRANSFERABILITY**

#### A Model of Public-Private Sector Cooperation for Developing Nations

The key to the Ondol for Hope Project is the collaboration of the public and private sectors in identifying and supporting those who are poor but have not had the protection of the official welfare programs. The project can be a model for any country that lacks a mature public welfare system or has room for improvement in mobilizing the private sector's resources to help people in immediate need. Already, a number of civil servants from developing countries who have learned of the city's advanced administration system have also heard about the Ondol Project and responded positively. The city will continue to disseminate information about the project to other countries whenever the opportunity arises.

#### New Directions for Korea's Welfare Delivery System

Korea is still suffering from a significant gap in the quality of welfare services between the capital city and the remaining parts of the country. Other cities and provinces have benchmarked the Ondol Project, particularly in the areas of public and private sector cooperation and the effective mobilization of private resources for welfare services. On November 20, 2012, the Ondol Welfare Program was awarded the grand prize in the 1<sup>st</sup> Regional Government Welfare Grand Prix, hosted by Hankyoreh, one of the major dailies in Korea. Other metropolitan governments in Korea are now beginning to copy the city's Wagon for Hope program.

#### Community Recovery through the Ondol for Hope Project

With the rapid urbanization of Seoul, the functions of its local communities have weakened. The Ondol Welfare Project has planted a seed of hope for the recovery of communities within Seoul. In Seoul, and some other regions of the country, the Village Creation Project, centered on welfare programs, is quickly spreading. This shows that the Ondol Project can transcend the welfare level and spread to the entire municipal administration of Seoul.