

Chapter 7 — Key Learnings and Takeaways

Sustainability in South Korea

What This Chapter Is About

This chapter analyses sustainability in South Korea through the interaction of chaebol governance, speed-driven business culture, political volatility, demographic collapse, and geopolitical exposure. It explains why Korea is often seen as both highly innovative and structurally risky, and why sustainability outcomes depend less on ambition than on governance reform, social resilience, and policy consistency.

Core Takeaways

1. Speed is both Korea's advantage and its ESG risk

Top-down decision-making enables rapid execution and innovation, but can weaken internal checks, transparency, and sustainability oversight.

2. Chaebol dominance shapes sustainability outcomes

Chaebols drive scale, investment, and global competitiveness, but concentrated control undermines minority shareholder protection and complicates ESG accountability.

3. Governance reform is central to closing the "Korea Discount"

Persistent valuation discounts reflect concerns over capital allocation, board independence, and governance quality rather than operational capability.

4. Political volatility undermines long-term sustainability planning

Frequent policy resets and regulatory shifts make it difficult for companies and investors to commit credibly to long-horizon sustainability strategies.

5. Demographic collapse is a systemic sustainability risk

Low fertility, rapid ageing, and labour shortages directly affect productivity, consumption, and social stability, making demographic risk a core ESG issue.

6. Social challenges amplify economic risk

Gender inequality and youth employment challenges reduce workforce participation and long-term growth potential, reinforcing sustainability pressures.

7. Regulation is sophisticated but inconsistent

Korea's ESG and capital-market frameworks are technically advanced, yet enforcement and continuity are weakened by political cycles.

8. Sustainability opportunities remain significant

Despite structural challenges, Korea offers strong ESG-linked growth opportunities in EV batteries, hydrogen, semiconductors, AI, automation, and cultural exports.