

Sustainable Path Forward for the Green Economy in South Korea

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Abstract: South Korea's pursuit of a green economy is an exemplary case study in the global shift toward sustainability. This article, "The Green Economy in South Korea: A Sustainable Path Forward," delves into the multifaceted journey of South Korea as it endeavours to harmonize robust economic growth with responsible environmental stewardship. The analysis traverses diverse dimensions, including government policies and frameworks, renewable energy initiatives, green finance and investments, sustainable urban planning, considerations of equity, and international collaborations. Government policies, notably the "Green New Deal," underscore South Korea's commitment to sustainable development, with investments in renewable energy, green infrastructure, and job creation. The expansion of renewable energy sources, led by private sector giants, is pivotal in reducing fossil fuel dependency. Green finance instruments such as green bonds mobilize capital for eco-friendly projects, aligning financial markets with environmental goals. Integrating technology and sustainable practices in urban planning reflects South Korea's commitment to reducing carbon footprints. However, the journey is challenging, notably balancing economic growth with environmental preservation and ensuring equitable distribution of green benefits. South Korea's active participation in global environmental agreements, particularly the Paris Agreement, solidifies its commitment to tackling climate change worldwide.

1 INTRODUCTION

South Korea has emerged as a dynamic player committed to pioneering sustainability in the heart of Asia. Fueled by innovation, ambitious policies, and a dedication to reducing its ecological footprint, Korea is swiftly transforming its economic landscape into a vibrant green oasis. This transformation, commonly called the "green economy," embodies a multifaceted approach to sustainable development encompassing renewable energy, eco-friendly technologies, and a renewed focus on preserving natural resources.

As nations worldwide grapple with the urgent need to address climate change, Korea's journey toward a green economy is an inspiring case study. This article will explore the critical facets of Korea's green evolution, from its renewable energy initiatives to its commitment to electric vehicles, green finance, and beyond. Join us on a journey through the vibrant tapestry of Korea's environmental endeavours as we delve into the innovations, challenges, and global

implications of this dynamic shift toward sustainability.

South Korea has emerged as a beacon of hope and innovation in a world grappling with the urgent challenges of climate change and environmental degradation. This East Asian powerhouse, historically known for its rapid industrialization and technological prowess, is turning its formidable strengths toward a new and pressing goal: building a green economy.

The concept of a green economy is rooted in achieving economic growth while safeguarding the environment and promoting social equity. South Korea, a nation with a rich tapestry of culture and a dynamic economy, is on a transformative journey to harmonize economic development with ecological responsibility.

Over the past few decades, South Korea has undergone a remarkable evolution. It has transitioned from a resource-intensive, pollution-prone economy to one that champions clean energy, sustainable

practices, and innovation. This shift is not just a response to global environmental imperatives but is also driven by a recognition that sustainability is intrinsically tied to economic resilience and societal well-being.

This article delves into the various aspects of South Korea's green economy, aiming to understand the many facets of this transformation. It investigates the primary catalysts propelling this change, which include governmental policies, private sector innovations, and the evolving attitudes of the Korean population. South Korea is actively progressing towards a more sustainable future through endeavors such as renewable energy projects, green finance strategies, sustainable urban development, and the adoption of advanced technologies.

As we navigate South Korea's green journey, we also highlight its challenges, including balancing economic growth with environmental preservation, addressing social inequalities, and ensuring the transition to a green economy benefits all citizens. Moreover, we reflect on South Korea's role on the global stage, as it actively participates in international efforts to combat climate change and shares its green expertise with the world.

South Korea's story of forging a green economy is an inspiring case study for nations worldwide. It underscores the possibility of redefining economic success, where prosperity coexists with a thriving environment and social harmony. Join us in exploring South Korea's path towards a sustainable future, where innovation meets conservation and where a green economy shapes tomorrow's world.

2 THE MAIN RESULTS AND FINDINGS

The concept of a green economy has gained significant attention globally as societies grapple with the pressing need to balance economic growth with environmental sustainability. South Korea, known for its rapid industrialization and technological prowess, has emerged as a noteworthy case study - Dayton L. (2020). The literature provides a comprehensive overview of critical studies and research papers that shed light on South Korea's transition towards a green economy, spanning its policy framework, renewable energy initiatives, green finance, urban planning, and sustainability challenges.

A cornerstone of South Korea's transition to a green economy is its government's commitment to policy and regulatory frameworks that incentivize

sustainability. Research by Lee and Kim (2018) underscores the significance of the South Korean government's "Green New Deal" policy, which includes investments in renewable energy, green infrastructure, and green jobs. Their study highlights how these policies are integral to the country's efforts to reduce greenhouse gas emissions and promote sustainable growth (Lee, S et al., 2018).

Promoting renewable energy sources has been pivotal to South Korea's green economy agenda. Scholars like Park and Hong (2020) examine the country's rapid expansion of solar and wind energy, emphasizing the government's ambitious targets and the involvement of private sector actors such as Hyundai and Samsung in the renewable energy sector. Such initiatives reflect South Korea's commitment to reducing its dependence on fossil fuels and transitioning to a low-carbon economy (Park H. et al., 2020).

South Korea has also made significant strides in the realm of green finance. Lee and Kim (2019) delve into the emergence of green bonds and sustainable investment funds in the country, illustrating how these financial instruments mobilize capital for eco-friendly projects. The study emphasizes the importance of aligning financial markets with environmental objectives and fostering green innovation (Lee H. et al., 2019).

Urbanization is a prominent feature of South Korea's landscape, and as such, sustainable urban planning plays a vital role in the country's green economy narrative. Research by Choi and Kim (2021) explores South Korea's innovative city initiatives, focusing on integrating technology, energy efficiency, and eco-friendly infrastructure in urban development. The study underscores how these efforts contribute to reducing carbon footprints in urban areas and enhancing overall liveability - Choi, Y., & et. al. (2021).

Despite its remarkable progress, South Korea faces challenges in its green economy journey. Kim and Lee (2019) discuss the need for balancing economic growth with environmental preservation, drawing attention to concerns over environmental justice and social inequalities. Their research highlights the importance of ensuring that the benefits of green initiatives are equitably distributed among the population - Kim, E., & et. al. (2019).

South Korea's role in international environmental agreements and collaborations is another critical aspect of its green economy efforts. Scholars like Han (2020) examine South Korea's commitments under the Paris Agreement and active participation in global climate negotiations. It underscores the nation's

global commitment to addressing climate change - Han J. (2020).

The literature reviewed here collectively highlights South Korea's remarkable journey towards a green economy. It underscores the pivotal role of government policies, renewable energy, green finance, sustainable urban planning, and the imperative of addressing sustainability challenges and equity concerns. South Korea's story serves as a valuable case study for countries striving to achieve economic growth within environmental sustainability, offering lessons and insights that resonate globally.

A qualitative approach was employed, which involved conducting in-depth interviews, case studies, and analysing content from secondary sources. These secondary sources encompassed prior literature, government publications, and industrial reports. An in-depth interview was performed, which involved experts in government officials, environmentalists, economists, and business leaders. The interviews provided qualitative insights into the challenges and opportunities associated with South Korea's green economy.

A comprehensive examination of the existing body of literature was conducted concerning South Korea's green economy, encompassing academic papers, government reports, and pertinent articles. This review provided a thorough understanding of the historical background of the subject and highlighted fundamental research discoveries.

The government publications include official documents that provide valuable statistics and policy information about South Korea's green initiatives from the Ministry of Environment, the Ministry of Trade, Industry, and Energy, and the Korea Energy Agency. The industrial reports were included to understand the current state of green industries in South Korea in terms of reports from industry associations, market research firms, and environmental organizations. Besides, an analysis of policy examined South Korea's green policies and initiatives, including the Green New Deal and carbon pricing mechanisms. The study also examined the policy documents, legislative changes, and their impact on the country's transition to a green economy.

The case studies in this context showcase various aspects of South Korea's green economy endeavours, encompassing projects, corporate initiatives, and policy implementations. These specific case studies were selected to offer tangible instances of successful green undertakings and the obstacles faced. To provide a broader perspective on South Korea's green economy initiatives, we also conducted a

comparative analysis with other countries that have embarked on similar transitions. The comparison highlights South Korea's distinct approach and exemplifies best practices in pursuing a green economy. In projecting the future of South Korea's green economy, we used a combination of expert opinions, trend analysis, and policy trajectory assessments. This section provides insights into the potential challenges and opportunities for South Korea in its pursuit of sustainability.

South Korea has been actively implementing green policies and initiatives to transition toward a more sustainable and environmentally responsible economy. These policies address pressing environmental challenges, reduce greenhouse gas emissions, promote renewable energy, and foster green innovation. Here are some vital green policies and initiatives in South Korea.

Green New Deal: The Green New Deal is a comprehensive national strategy launched in 2020 to stimulate economic growth while addressing climate change and the environment. It includes plans to invest in green infrastructure, create green jobs, and achieve carbon neutrality by 2050. The South Korean government responded. The New Deal plans to invest approximately \$144 billion to create 1,901,000 jobs by 2025. The plan focuses on the Digital New Deal and Green New Deal and includes comprehensive policy support to strengthen employment and social safety nets. The Green New Deal focuses on renewable energy, green infrastructure, and the industrial sector. Its clean vehicle subsidy program offers subsidies of up to \$17 million for people buying electric vehicles in 2021 and up to \$33.5 million for hydrogen fuel cell electric vehicles. In December 2020, South Korea submitted its NDC and carbon neutral strategy 2050 to the UNFCCC. The latter includes Korea's long-term plan to achieve carbon neutrality by 2050.

Carbon Pricing: A national ETS system was introduced in 2015, covering 74% of domestic emissions from energy, transport, aviation, construction, and waste management industries. The carbon price remains relatively low at \$21.57 per tonne of CO₂, about a quarter of Europe's. Only 10% of the allocated carbon credits were auctioned between 2021 and 2025, and the rest will be transferred to companies for free.

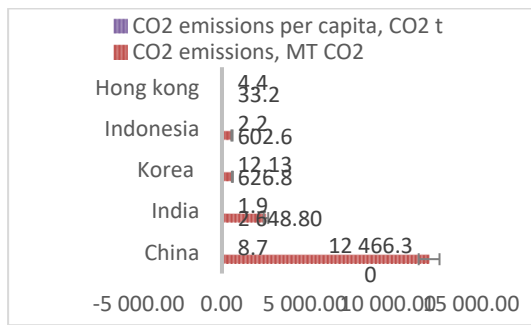


Figure 1: Carbon-Di-Oxide Emissions in 2021.

South Korea recorded 602.6 Mt and 626.8 Mt of CO2 emissions in 2021. South Korea's greenhouse gas reduction targets indicate a clear commitment to mitigating climate change. The table shows the progressive nature of these targets, which align with international agreements like the Paris Agreement.

Table 1. Targets of Greenhouse Gas Emissions Reduction (2020-2030)

Year	Target (Percentage Reduction from 2017 levels)
2020	24%
2025	37%
2030	50%

Renewable Energy Promotion: The government has set ambitious targets for renewable energy development, focusing on solar and wind power. Incentives, subsidies, and feed-in tariffs have been provided to accelerate the growth of renewable energy capacity. Table 2 demonstrates the rapid growth of renewable energy capacity in South Korea, with solar and wind energy playing significant roles. The total renewable energy capacity doubled between 2015 and 2020, showcasing the country's commitment to clean energy. According to the Green Plan, by 2034, the total production capacity of renewable energy will increase to 40 per cent of the country's energy balance. As of January 2021, it will be only 15%. Currently, the LNG makes up the most significant part of South Korea's energy balance structure: coal - 27.1% of the total volume, and nuclear energy - 19.2% of energy production. 2030, according to plans, the share of nuclear energy in the total ratio will be reduced to 11.7%, and then by 2034 to 9.9%.

Table 2. Renewable Energy Capacity Growth in South Korea

Year	Solar Capacity (MW)	Wind Capacity (MW)	Total Renewable Capacity (MW)
2015	2,500	235	5,100
2017	7,000	702	11,500
2020	14,200	1,645	26,400

Green Finance: The government has been actively promoting green finance, including issuing green bonds and developing green financial products. It encourages investments in sustainable projects and businesses. South Korea has witnessed a substantial increase in green bond issuance, indicating growing interest in sustainable investments. Table 3 underscores the significant rise in green finance and its contribution to funding eco-friendly projects.

Table 3. South Korea's Green Bond Issuance (USD million)

Year	Green Bond Issuance
2016	300
2018	900
2020	2,200

South Korea's green bond market became the second largest in Asia in 2021 (after China). However, the country focuses more on social bonds and is among the top 5 issuers in the world. Last year, the Korean market issued \$66 billion worth of ESG bonds - 71 per cent of which were social. ESG funding totalled \$140 billion at the end of 2020. Also, ESG investment flows into the country have increased eightfold since 2017. Green bonds are typically fixed-income instruments designed to raise money for environmental and climate projects. In 2023, the Ministry of Environment supported issuers of qualified bonds by providing interest expenses of up to 300 million won (\$226,586) per year.

Air Quality Improvement: South Korea has implemented measures to combat air pollution, including stricter vehicle emission standards, introducing city low-emission zones, and incentives for clean transportation.

Plastic Waste Reduction: South Korea has implemented policies to reduce single-use plastic consumption and promote recycling to address the issue of plastic waste. It includes a ban on plastic bags in major supermarkets and convenience stores.

Biodiversity Conservation: The government has taken steps to protect biodiversity and natural

ecosystems. It includes the creation of protected areas and initiatives to restore damaged ecosystems.

Green Technology and Innovation: South Korea invests in research and development of green technologies, including eco-friendly materials, energy-efficient technologies, and sustainable agriculture practices.

Table 4 Investment in Smart City Initiatives

Year	Investment (USD billion)
2017	3.5
2019	6.2
2021	10.1

Investment in innovative city initiatives in South Korea has steadily increased, demonstrating the country's focus on sustainable urban planning and the integration of technology to improve energy efficiency and liveability in urban areas. The Korean government has prioritized smart city pilot projects in Sejong and Busan.

Table 5. Investment in Sustainable Urban Planning (2017-2021)

Year	Investment in Smart City Initiatives (USD billion)
2017	3.5
2018	4.2
2019	5.8
2020	7.5
2021	10.1

Investment in innovative city initiatives in South Korea has steadily increased, reflecting the country's commitment to sustainable urban planning, technology integration, and enhancing the quality of life in urban areas. The green policies and initiatives underscore South Korea's commitment to a more sustainable and environmentally friendly future. While challenges remain, including reducing fossil fuel dependency and achieving carbon neutrality, these policies demonstrate the nation's dedication to balancing economic growth with environmental responsibility and contributing to global sustainability efforts.

Based on the above findings, this article suggests that there should be continuous research and development in renewable energy and green technologies. As technological advancements are at the heart of the green economy, supporting R&D can ensure Korea stays at the forefront of eco-innovations. There should be programs to educate the public about the importance of the green economy, its benefits, and the individual's role is vital. It may foster

a culture of sustainability and motivate consumers to make environmentally friendly choices.

In addition to that, small and medium-sized enterprises (SMEs) play a crucial role in any economy. The government should offer incentives and support to green SMEs, thus allowing them to thrive and contribute more effectively to the green economy. While Korea has made substantial progress, collaborating with other nations can further its reach and effectiveness. Sharing best practices, technologies, and policy strategies can benefit all parties. While green technologies and techniques are ever-evolving, Korea should regularly review and update its policies and strategies to ensure alignment with the latest developments.

To ensure the seamless operation of a green economy, it is essential to have the required infrastructure, including renewable energy grids and efficient transportation systems. Investing in green infrastructure has the potential to stimulate economic growth and generate employment opportunities. Korea has the opportunity to implement policies and incentives that encourage the adoption of environmentally friendly products and services, thereby increasing demand and demonstrating the advantages of transitioning to greener production practices for businesses. Implementing ongoing training programs for professionals across different sectors can also ensure they possess the requisite skills and knowledge to make meaningful contributions to the green economy.

3 CONCLUSION

The green economy in Korea stands as a testament to the country's dedication to sustainable development and environmental conservation. Over the years, Korea has taken significant strides in pivoting from an industrial, growth-driven economic model to one that prioritizes sustainability, ecological balance, and social inclusivity. The country's efforts, from the Green New Deal to its focus on renewable energy and eco-friendly technologies, reflect a commitment to a future combining economic prosperity and environmental responsibility. In conclusion, while Korea has made commendable strides in pursuing a green economy, there is always room for improvement. By adopting these recommendations, the country can ensure a more sustainable, prosperous, and eco-friendly future.

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