



Review Article

Policy Studies on the Interconnectedness of the S and G in ESG Environments: Focusing on the Vulnerability of Korean Women to Labor

Eun Jung Ko*

Seoul National University the Institute for Social
Development and Policy Research

Abstract

Environmental, social, and corporate governance are keywords in measuring the speed of investment in businesses and their impact on society. In the past, the international community only considered financial factors, but now companies are evaluated with consideration of nonfinancial factors. This study examined the relationship between women's labor based on "E" and "G" in the ESG (Environmental, Social, and Corporate Governance) environment. Among the ESG issues that are becoming global issues, social and corporate governance are closely related to women's employment, welfare, the elimination of gender discrimination, vulnerability protection, and women's labor rate. Over the past three years since the outbreak of COVID-19, employment of vulnerable women, including women, people with disabilities, foreigners, and the elderly, has decreased, and the rate of layoffs has risen, indicating the vulnerability of women's labor in Korean society. Measures to address this should start by improving social awareness, spreading awareness of equality and human rights, considering the socially disadvantaged, developing women's competency, reorganizing legal and institutional structures, and developing corporate governance. In addition, the problem of increasing the women's labor participation rate in Korean society is intractable unless the system of women's welfare and care and the distribution of women in the workforce are strengthened. Through an analysis of K-ESG guidelines and based on an understanding of the interrelationship between the Equality Assessment Index and the Board of Directors Gender Diversity Indicator, the study would like to point out the problem of the vulnerability of women's labor in Korea. In addition, to solve the problems of the current situation, this study analyzes the relevant laws in Korea and the vulnerability of female workers in Korean society. Ultimately, it is shown that companies are moving in the direction of a linkage of ESG and development, and directions for development are suggested.

* This work was supported by the Ministry of Education of the Republic of Korea and the National Research Foundation of Korea (NRF-2023S1A5B5A16081993).

■ **Keywords** : Women's Labor, ESG, ESG Environment, Women's Labour Vulnerability, Gender Inequality

Introduction

ESG requires companies to be active actors in addressing social inequality and discrimination. The Sustainable Development Goals (SDGs) are goals of the international community announced by the United Nations from 2016 to 2030. Of the seventeen targets of the SDGs, 5 and 10 define the reduction of inequality as “Gender Equality” and “Reduced Inequalities” (United Nations, n.d.). Reducing inequality so that no one is left behind is a key part of the Sustainable Development Goals. The COVID-19 pandemic has disrupted the global economy (Akhtaruzzaman et al., 2022), and the inequality of trade between developing and developed countries has deepened the structural problems of human rights, poverty, and inequality throughout the international community in developing countries. As of 2024, the pandemic is over, but the problems in Korea's women's labor market remain a challenge.

The combination of low birth rates and aging in the Korean society has allowed the efficient use of women's human resources to increase national competitiveness and enhance their status and rights. The pursuit of gender equality has become a key factor in determining the future. Entry into an information society has resulted in considerable knowledge and complex social structures. The shift from occupations that required the physical workforce of the past to the service sphere of creating and managing knowledge has increased the availability of women in the labor force. In addition, population decline and the fourth industrial society have been instrumental in promoting the utilization of female workforce. In national policy as well, for the sake of women's representation, the introduction of female executive quotas is spreading from the public sphere to the private sphere, and countries such as the United States, Canada, Japan, Austria, and Denmark are making moves to implement

female executive quotas. Improvements in women's economic power are also related to the enhancement of their rights. The exclusion of women from the labor market or their vulnerability is in turn a signal that women's rights have degenerated or will degenerate. At this point, examining the fragility of women's work and suggesting institutional complements have important implications for creating an ESG environment, which is the norm of the international community.

ESG is a socially responsible investment principle published by the United Nations in 2006.¹⁾²⁾ The creation of an ESG environment is expected to accelerate gender balance and diversity. However, COVID-19 has revealed the patriarchal, masculine, and closed corporate culture of the Korean society. Additionally, discrimination against women in the labor market is demonstrated by their exclusion from the labor market. ESG is being actively discussed in the private sphere, including in corporations, government, and academia. However, merely fragmentary discussions and understandings of ESG appear to have proliferated. ESG is an active measure for addressing the problems associated with inequality and discrimination caused by extreme capitalism. Capitalism understands the maximization of corporate profits through rationality, justifies all means, and seeks only rational methods. After the Industrial Revolution, the prevailing assessment was that the expansion of the efficiency of the extreme fundamentalist system of free enterprise has exacerbated inequality.

Today, South Korea and the rest of the world continue to seek gender

-
- 1) A concept similar to ESG is corporate social responsibility (CSR), which can be defined as activities conducted by the stakeholders of a company to satisfy the social obligations expected and required of the company. The fact that a company voluntarily analyzes and accepts the social and environmental concerns of its stakeholders in its business area and actively applies them in its business activities is closely related to ESG, and the meanings are consistent to some extent.
 - 2) ESG is a term closely related to Corporate Governance, Sustainable Development, Corporate Citizenship, Corporate Sustainability, Corporate Responsibility, Triple Bottom Line, Business Ethics, Social Value, Creating Shared Value, Responsible Investment, etc. It seems on the whole to be used as a concept encompassing the others.

equality more sharply than ever before, and South Korea has been trying to understand the causes of gender inequality and its interactions with other forms of inequality in order to formulate policies and actions to measure progress. The research methodology is as follows: First, this study analyzes and presents factors related to female labor in society and corporate governance, then it analyzes the contents of social and corporate governance through domestic and foreign research papers, policy data, corporate data, and studies on women's working conditions. Third, this study examines the Framework Act on Gender Equality, Act on The Promotion of Economic Activities and Prevention of Career Interruption of Women, and Act on the Promotion of Creation of a Family-Friendly Social Environment. Finally, this study aims to increase the number of desirable female work positions in Korea's ESG environment.

Analysis

The rate of women's participation in economic activities continues to rise, but the quality of jobs has decreased, and discrimination against women in the labor market continues as they find themselves facing work-family selective pressures rather than work-family compatibility. In this reality, ESG is actively discussed in individual domains, such as business, government, and academia. ESG criteria are also highly relevant to a company's valuation (Bofinger et al., 2022, p. 17).

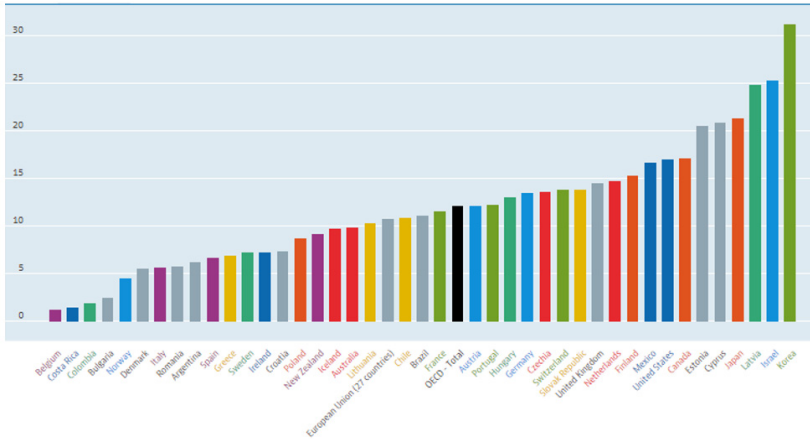
In terms of the social items in Korea's "K-ESG Guidelines," these are related to labor, diversity and gender equality, human rights, and social laws and regulations. Although corporate governance creates and evaluates performance indicators of the ratio of female members in relation to diversity and gender equality, there has been little in-depth research on the cyclical structure of S and G in relation to women in South Korea.

While ESG is a key element for achieving sustainability in corporate management, fragmentary discussions and understandings of ESG are in-

creasingly common. ESG is an active measure for addressing the problems associated with inequality and self-reliance caused by extreme capitalism. For sustainable growth, capitalism attaches significant importance to purposefulness, understands the maximization of corporate profits, justifies all means, and pursues only rational methods. Since the Industrial Revolution, many have argued that the expansion of efficiency to the extreme in companies has exacerbated inequality and discrimination not only in the lives of individuals but also in the relations between nations.

Today, South Korea and the rest of the world are striving to attain gender equality more sharply than ever before. Understanding the causes of gender inequality and its interactions with other forms of inequality allows the formulation of appropriate policies and social behaviors, while measuring progress requires knowledge of the issue and the research that supports it. Therefore, this study examines how to ensure that women are not discriminated against in an ESG environment, with a focus on policies and suggestions for alternatives. More than thirty years ago, South Korea enacted the Framework Act on Gender Equality, the first law to prohibit discrimination on the basis of gender throughout the entire employment process, including at the recruitment stage before the establishment of a working relationship. Consequently, even cases in which the gap between wages and employment rates is significantly large are recognized as discrimination, and the concept of extended discrimination has been introduced. Since the Framework Act on Gender Equality was enacted, the women's labor movement has been revitalized and social awareness has improved considerably. In Korean society, blatant and direct discrimination has gradually waned. However, Korea still ranks first in the gender wage gap among OECD(Organization for Economic Cooperation and Development) countries. This large wage gap poses several social problems.

Figure 1.
Gender Wage Gap (OECD, 2024)



As can be seen for the gender wage gap in OECD countries (2024), South Korea still witnesses gender discrimination with the most severe gender wage gap, meaning that Korean women are still in an inferior position to men in economic, social, and political situations. The type of discrimination has changed, such as an increase in the number of irregular female workers, the separation of gender jobs, and cumulative discrimination in the country, and changes in the corporate environment and society are needed to resolve these issues. Recognizing and judging discrimination is not easy. Discrimination occurs in complex, implied, secret, and extremely private spheres, with limitations that cannot be solved by policy improvements alone. Accordingly, this study points out the problems of the current labor market and proposes a way to solve them in an ESG environment in a multilayered and organic manner.

The Implications of Women’s Labor Vulnerability

The COVID-19 pandemic placed women, who were socially and economically disadvantaged, in a more vulnerable position than men (Ko, 2021, p. 49). Women are vulnerable in the labor market because the

proportion of nonregular and part-time workers is high (Ko, 2021, p. 49). The meaning of democracy in a wage labor society is based in the theory of a symbiotic relationship between economic and political justice (Glickman, 2015, p. 5). The slowdown in economic growth was caused by the prolonged COVID-19 pandemic, contraction of the labor market, and inflation. It is no exaggeration to say that with the political turmoil, the democracy of labor market wages has collapsed. The democracy of women's work must be premised on international citizenship, based on women's economic and social independence and political and cultural participation. In addition, the protection of women's labor markets must be strengthened through close interconnectedness in the multilayered spheres of society, economy, politics, and the family. Through the process of low birth, aging, the transformation of the industrial structure, and the extension of the human life cycle, the pursuit of gender equality values has become a key factor in determining the future by making efficient use of women's human resources to enhance national competitiveness and women's status and rights.

Although the labor force participation rate of Korean women has continued to rise, the quality of jobs available to them has declined. Women were forced to leave the labor market under more selective circumstances. The following problems arise because the possibility of work-family selectivity is higher than that of work-family compatibility: First, the COVID-19 crisis led to an extreme capitalist economic order in the women's markets. In addition, the COVID-19 pandemic has caused the market to collapse. The COVID-19 crisis caused unprecedented social and economic turmoil, accompanied by a sharp stock market downturn and recovery (Pavlova & de Boyrie, 2022, p. 5), making it impossible to appeal to managers and capitalists for social consideration and protection of the weak.

Second, women's economic and social positions retreated as they voluntarily or involuntarily withdrew from the labor market. COVID-19 can increase the chance of death in infants, the disabled, the elderly, the poor, and those with underlying illnesses (Ko, 2021, p. 49). It is

also a disease that arouses a fear for humanity, regardless of sex, race, nationality, ethnicity, economic situation, or social background (Ko, 2021, p. 49). However, for women and, among others, vulnerable irregular workers, a greater fear than coronavirus infection is the societal threat of “discrimination” (Ko, 2021, p. 49). Many part-time jobs in South Korea are closely related to societal economic and political issues. The problem with this view is that most part-time workers voluntarily choose jobs with limited weekly hours (Burtless, 1990, p. 20). They do not desire full-time jobs, and might suffer serious welfare losses if part-time jobs disappear (Burtless, 1990). Rather than a deterioration in job opportunities, the rise in part-time employment might reflect a healthy response on the part of employers to the demands of the new generation of workers (Burtless, 1990).

Third, the decline in economic standing slows women’s participation in society, political activity, and culture, which eventually reduces or exacerbates their reduced capacity as national and global citizens.

It can be said that the implication of women’s labor vulnerability in the COVID-19 situation is that a new paradigm of interlocking society and enterprises must be constituted as a challenge to be solved to improve the ESG environment of the international community beyond Korea.

ESG Environment and Relationship to Women’s Work (Focusing on Social and Governance)

What is ESG? Between 2012 and 2020, the value of global ESG-based assets tripled to \$40.5 trillion, accounting for nearly half of the world’s financial assets under management today (Friede et al., 2015; O’Hearn et al., 2022, p. 1). In 2021, the top 60 global companies pledged to publicly support and report on a set of common stakeholder capitalism indicators for ESG reporting (O’Hearn et al., 2022). Thus, ESG is becoming an essential element in business activities (Bofinger et al., 2022). ESG should be considered by all investors, regardless of their investment preferences, as it has become popular among organizations and socially

responsible communities (Shaikh, 2022). This is because stakeholders and fund managers believe that companies with higher ESG disclosures can achieve better operating performance, higher returns, and lower company-specific risk (Shaikh, 2022).

ESG was implemented under the leadership of the UN(United Nations) in 2015.³⁾ The European Union has already initiated disclosure requirements for ESGs. In 2014, the European Commission (EC) issued a Non-Financial Reporting Directive (NFRD) requiring large publicly traded companies to disclose ESG issues. These guidelines contain information about the Board's environment, respect for human rights, and diversity (Karpoff et al., 2002, p. 1). Moreover, in 2019, the EC issued the Sustainable Financial Disclosure Regulation (SFDR), which mandates ESG-related disclosures for investment managers and investees (Karpoff et al., 2002). Banks, insurance companies, and investment companies and funds must work toward sustainable development. In 2020, the EC published a Classification Regulation that provided an organizational framework for discussing environmental issues (Karpoff et al., 2002) and definitions of sustainability issues and terms. The EC consolidated three existing regulations into a single regulatory framework in early 2021 (Karpoff et al., 2002).

However, ESG is difficult to define. Environment, society, and governance are dynamic concepts, and because of the variability and differences between countries, cultures, and ethnic groups, it is necessary to understand these concepts using complementary values as a reference point. ESG is actively discussed at the individual level by companies, governments, and academia worldwide, though often not in comprehensive terms. According to Porter and Kramer's (2011) "Creating Shared Value: How to Reinvent Capitalism and Unleash a Wave of Innovation and Growth," the value of ESG sharing is understood in terms of a business targeting economic, social, and environmental benefits (Bhandari

3) The concept of ESG was first presented at the United Nations Global Compact under the title "Who cares wins: Connecting financial markets to a changing world" (Lim et al., 2022, p. 3).

et al., 2021, p. 3). However, this approach ignores governance and compliance (Bhandari et al., 2021). In the past, corporate growth emphasized only productivity and efficiency. The Korean economic system pursued quantitative growth without considering environmental, social, and financial soundness, or corporate governance. Business ethics, corporate social responsibility, and ESG formed an organic system from which arose a comprehensive and multilayered concept. In recent years, the concept of ESG has emerged and objective indicators have been created, but it is rather difficult to determine its scope or concept. Value investing in markets addresses not only sustainability issues, but also issues such as climate change, air and water pollution, racism, workplace diversity, structural inequality, privacy, corporate integrity, and good governance (dos Santos & Pereira, 2022, p. 672). A company's sustainability and social impact are measured using environmental, social, and governance (ESG) factors (Al Farooque et al., 2022, p. 68). As climate and social changes continue to impact global markets, sustainability considerations and sustainable finance are becoming increasingly important in financial decision-making (Al Farooque et al., 2022). Furthermore, the core investment objective of ESG is to donate assets to companies pursuing ESG goals or to influence companies to do so (Hill, 2020, p. 29). The Code of Corporate Governance requires disclosure of policies and sexual diversity. Board members' educational background, social background, age, and gender can increase board diversity. Korea has independently developed an ESG evaluation model through the efforts of the Korea Corporate Governance Institute. Although this model complies with the standards of the international community, including ISO26000, it closely reflects the environment and corporate governance structure of Korean society, and a Korean-style evaluation model was created that provides information and evaluation. ESG consists of three areas: Environmental, Social, and Governance. Among these, the social areas covered by this study evaluate corporate social responsibility activities of stakeholders who have direct or indirect interests in company management activities. Based on ISO26000⁴), the international standard for social responsibility,

ESG is designed as an evaluation model optimized for domestic conditions, reflecting various global guidelines and relevant laws and regulations. The social assessment model was designed as an evaluation model optimized for domestic conditions, reflecting various global guidelines and relevant laws and regulations. The social assessment model was designed as an evaluation model optimized for domestic conditions. Focusing on the “targets” of “partners and competitors,” “consumers,” and “communities,” it involves the core issues of each object.

Society (S) refers to the equality and diversity of human rights, protection of the socially disadvantaged, institutions, awareness-raising activities, and relationships with the local community. Corporate governance (G) includes the board of directors, transparency of corporate accounting, establishment of corporate management, promotion of employee welfare, compliance with employment laws, respect and mutual equality within the company, and the soundness of women’s labor in Korea. How can the relationship between S and G be explained? Investors value flexibility in corporate governance (Boldeanu, 2022, p. 14). It has been shown that this can penalize corporate governance mechanisms that reduce such flexibility (Boldeanu, 2022). Human resources, financial conditions, markets, political and economic issues, and cultural trends influence corporate flexibility.

Next, the thesis provide an overview of female labor in South Korea’s S&G environment.

-
- 4) In response to the demands of the international community to solve the problems of poverty and inequality caused by globalization, cope with global environmental crises caused by economic growth and development, and establish a new paradigm for sustainable survival and human prosperity, respective standards were developed in 2004 (International Organization for Standardization). With respect to social responsibility developed over five years from the 1st General Assembly in March 2005 to the 8th General Assembly in May 2010, it is an international standard developed by experts from more than 90 countries representing stakeholders in a multi-stakeholder approach (KAS Korean Standards Association: https://www.ksa.or.kr/ksa_kr/875/subview.do).

Figure 2.

The Cyclical Structure of S&G Factors in Women’s Labor



The entire world, including South Korea, has become a knowledge-informatization society. Women’s human resources must be used efficiently through the process of aging, changes in industrial structure, and extension of the human life cycle. At present, South Korea has increased its national competitiveness and improved the status of women and their rights, and the pursuit of gender equality has become a key factor in determining the future. Resolving the vulnerability of women’s labor in Korean society has become a necessity for discourse and social consensus at an axiomatic level. However, in South Korea, conflict and debate over whether to break the glass ceiling or impose reverse discrimination against men has reached historically high levels. The glass ceiling and discrimination in the labor market faced by women in South Korean society are serious conditions in the COVID-19 pandemic.⁵⁾

5) “The glass ceiling” is an expression for transparent barriers or invisible obstacles that prevent the advancement of workers from social minorities such as women, sexual minorities, people with disabilities, and the elderly. The glass ceiling also speaks of the difference in sexual relevance in terms of profit and promotion, and if the focus is on promotion, it seems that women are insufficiently represented in senior positions. Thus, our ceiling refers to the fact that women are faced with the limitations of opportunities for promotion (Sabatier, 2010, p. 2).

South Korea enacted the Framework Act on Gender Equality in 1987 to expand women's social activities. Even before 1996, women's participation in the economy was sluggish. On December 30, 1995, the government enacted the Basic Law on the Development of Women to allow provisional preferential treatment for those whose participation was significantly sluggish. The Basic Law on the Development of Women provides a legal basis for expanding the appointment of female civil servants.⁶⁾ In line with societal needs and legal trends, the target system for the recruitment of women as civil servants was first implemented in 1998. The 20% quota for female candidates was introduced in 2000 for proportional representation. The implementation of the five-year plan expanded the appointment of female managers in 2002 and instituted the Gender Equality Recruitment Goal System in 2003. In 2015, the Korean Government recognized the need for a paradigm shift in women policies. Academics, governments, and the National Assembly revised the Basic Law on the Development of Women into the Basic Law on Gender Equality, shifting the purpose of the law from the development of women to the realization of gender equality. Legislative improvements such as redefining the concept of gender equality will be achieved.⁷⁾

The overhaul of the legal system based on these social changes remains at the public level. In addition, the vulnerability of women's work and the low representation of women in corporate organizations are also cumulative results of discrimination against women in the personnel process. International organizations such as the Organization for Economic Cooperation and Development (OECD), United Nations (UN), and International Labor Organization (ILO) also consider the proportion of female managers when measuring gender equality by country.

6) Korean Law Information Center, FRAMEWORK ACT ON GENDER EQUALITY Among the reasons for enactment and revision, <https://www.law.go.kr>, Last visit on January 24, 2024.

7) Korean Law Information Center, FRAMEWORK ACT ON GENDER EQUALITY Among the reasons for enactment and revision, <https://www.law.go.kr>, Last visit on January 24, 2024.

Researchers and international organizations thus focus on women managers because they enjoy wages, discretion, authority, and status above those of ordinary positions. In South Korea, although the Basic Law on Gender Equality has been enacted, it does not protect women from labor vulnerability during the COVID-19 pandemic.

Analysis of Korean Laws Related to Women's Labor Policy

Policy Studies on the Interconnectedness of the S and G in ESG is a need to treat the laws directly or indirectly affecting women's labor in Korea—the Framework Act on Gender Equality, the Act on the Promotion of Economic Activities and Prevention of Career Interruption of Women, and the Act on the Promotion of Creation of a Family-Friendly Social Environment—individually. An overview of the specific content of each law is provided.

Korea's Framework Act on Gender Equality (Act No. 17896) resolves gender discrimination awareness and practices based on individual dignity and respect for human rights and imposes equal responsibilities and rights in all areas where women and men are ensured equal participation and treatment for practical gender equality. It aims to realize a gender-equal society.⁸⁾

The Act on The Promotion of Economic Activities and Prevention of Career Interruption of Women is outlined (Act No. 9107). The Act on the Promotion of Economic Activities and Prevention of Career Interruption of Women was enacted on December 5, 2008, and came into effect on December 6, 2008. At that time, despite the continuous increase in the participation rate of women in economic activities in Korea, it had still only reached approximately 50% in 2008, lower than in other developed countries. Women's career interruptions due to the burdens of pregnancy, childbirth, and child-rearing, leaving the labor market, and downgrading the employment situation were serious.⁹⁾ To solve

8) Framework Act on Gender Equality No. 17896 : Reasons for enactment and revision (Korean Law Information Center, Last visit on January 5, 2022).

the causes of women's difficulties in reemployment at the national level, intern employment support and career interruption women's support centers were designated and operated. Under such circumstances, the Act on the Promotion of Economic Activities and Prevention of Career Interruption of Women was enacted with the intention of contributing to women's economic independence and self-realization and the continuous development of the national economy by providing a systematic and comprehensive system to promote the economic activities of women with career interruptions.¹⁰⁾

The Act on the Promotion of Creation of Family-Friendly Social Environment is analyzed (Act No. 17438). The Act on the Promotion of Creation of Family-Friendly Social Environment was enacted on December 14, 2007, and came into effect on June 15, 2008, to promote the creation of a family friendly social environment to improve the quality of life of the people and promote national development.¹¹⁾ At the time of enactment in 2007, as the social environment changed, such as rapidly declining fertility, aging population, and increase in women's participation in economic activities, the need for a social atmosphere or institutional device to harmoniously balance family life and work life increased.

As discussed above, the legal regulations for the vulnerability and resolution of women's labor in Korea are summarized in public are visualized as follows:

-
- 9) Act on the Promotion of Economic Activities and Prevention of Career Interruption of Women No. 9101: Reasons for enactment and revision (Korean Law Information Center, Last visit on January 5, 2022).
 - 10) Act on the Promotion of Economic Activities and Prevention of Career Interruption of Women No. 9101: Reasons for enactment and revision (Korean Law Information Center, Last visit on January 5, 2022).
 - 11) The Act on the Promotion of Creation of Family-Friendly Social Environment No. 8095, , Last visit on January 5, 2022).

Figure 3.

The System of Laws and Regulations Related to Women’s Labor in Korea

law	Summary of relevant provisions
Framework Act on Gender Equality	equal participation and treatment (Article 2)
	without discrimination, prejudice, demeaning actions, and violence based on gender (Article 3(1))
	efforts to realize gender equality (Article 4(1))
	local governments are obliged to prepare legal and institutional mechanisms (Article 6)
	Korean governance and local governments are obliged to take active measures as stipulated in the relevant laws and regulations (Article 20 (1))
	equal participation of women and men in the policy-making process (Article 21 (1)).
	an obligation to take measures to create a working environment (Article 24 (1), (2))
	efforts to prevent women’s careers from being interrupted due to pregnancy, childbirth, and childrearing (Article 24(4))
	the Minister of Gender Equality and Family shall regularly investigate this issue (Article 24 (6))
	<ol style="list-style-type: none"> 1. create conditions for harmonious work-family balance (high-quality childcare services) 2. the expansion of pre- and post-natal and parental leave systems 3. the revitalization of the hiring and operation of substitute workers 4. the creation of a family-friendly social environment (Article 26)
Act on the Promotion of Economic Activities and Prevention of Career Interruption of Women	establish policies to promote the economic activity of women (Article 1)
	take into account women’s life cycle, motherhood, and characteristics of disability (Article 3 (1) and (2))
	the government is obliged to create jobs suitable for women (Article 8)
	<ol style="list-style-type: none"> 1. the current status and prospects of women with career interruptions 2. the economy of women with career interruptions Main policies for promoting activities 3. major policies for preventing career interruption of women. 4. support for women to enter occupations. (Article 9)

Figure 3. Continued

Act on the Promotion of Creation of Family-Friendly Social Environment	1. flexible working system 2. a childbirth/nurture and education support system 3. a dependent family support system 4. a worker support system 5. a family relationship promotion system 6. a family leisure culture promotion system a family-friendly social contribution system (Article 2(3) (a) through (e)) aim of establishing a family-friendly environment in society and improving the quality of life of the people (Articles 5 and 6) Through family-friendly certification carry out the certification task (Articles 9 and 14) participation of companies: training, development, and dissemination of family-friendly programs, selection of excellent family-friendly companies and awards (Article 11(1)) imposes obligations upon local governments, and also stipulates the responsibilities of business owners (Articles 13 and 14)
--	---

Overview of Women’s Labor Issues in the Global Situation

As labor market and international community issues are closely related (Litvinenko et al., 2022, p. 3), the successful implementation of the SDGs and ESG principles depends directly on the processes that occur in the global economy (Litvinenko et al., 2022). The United Nations (UN) seeks to identify and promote international community issues. The United Nations Entity for Gender Equality and the Empowerment of Women, an organization created by the United Nations General Assembly in 2010, is the body responsible for promoting gender equality and women's rights at the United Nations.¹²⁾ The documents underlying the work of the United Nations Women’s Organization include the Convention on the Elimination of All Forms of Discrimination against Women (1979)¹³⁾, the Beijing Declaration, the Code of Conduct (1995)¹⁴⁾, and

12) unwomen, <https://www.unwomen.org/en/about-us/about-un-women>, Last visit on January 20, 2024.

13) treaties.un.org https://treaties.un.org/Pages/ViewDetails.aspx?src=IND&mtdsg_no=IV-8&chapter=4&clang=_en, Last visit on January 20, 2024.

Security Council Resolution 1325 (2000)¹⁵⁾. In addition, the fifth goal of the Sustainable Development Goals (SDGs), published in 2015, is “Achieving Gender Equality and Empowering All Women and Girls,” which is also the basis for the work of the UN Women’s Organization. The Strategic Plan for the next four years aims to achieve the SDG by 2030 and has ordered drastic measures and funding to be expanded to ensure that women are not excluded from the process of overcoming COVID-19. In its strategic plan, the UN Women’s Organization identified the current situation as the worst economic recession since World War II, pointing to the reality that despite the economic hardships faced by women worldwide, such as higher unemployment rates for women than men and unpaid work (such as care and housework), gender equality is not considered in COVID-19 response policies in most countries.¹⁶⁾ It also set the four major areas of focus of the UN Women’s Organization on the areas of activity in which it is engaged: i) governance and participation in the public sector; ii) strengthening economic power; iii) violence against women; and iv) peace, security, humanitarian assistance, and the reduction of disaster risks, and a direction to identify the root causes of inequality and drive institutional change.¹⁷⁾

Discussion and Conclusion

The Sustainable Development Goals (SDGs) are goals of the international community announced by the United Nations from 2016 to 2030. The SDGs define “gender equality” and the “reduction of

14) Unwomen, https://www.unwomen.org/sites/default/files/Headquarters/Attachments/Sections/CSW/PFA_E_Final_WEB, Last visit on January 20, 2024.

15) eSubscription to United Nations Documents, <https://undocs.org/en/S/RES/1325%282000%29>, Last visit on January 5, 2022.

16) eSubscription to United Nations Documents, <https://undocs.org/en/S/RES/1325%282000%29>, Last visit on January 5, 2022.

17) eSubscription to United Nations Documents, <https://undocs.org/en/S/RES/1325%282000%29>, Last visit on January 5, 2022.

inequality.” ESG is a socially responsible investment principle announced by the United Nations in 2006, whose implementation was expected to accelerate gender balance and diversity. However, this has been hampered by COVID-19 and the post- COVID-19 situation. Governance, that is, governance and society, is a structure that exerts a close influence on this process and affects its outcomes.

As described above, a gender-equal society can be defined as one having equality and diversity in human rights, the protection of socially disadvantaged people, institutional and awareness-raising activities, and relationships with local communities. Corporate governance should address the vulnerability of women’s labor by establishing a socially representative board of directors, transparency in corporate accounting, soundness of corporate management, promotion of employee welfare, compliance with employment laws, and respect and mutual equality within the company.

ESG is an issue and a commitment of the international community whose principles South Korea should follow and abide by. In particular, there are distinct issues of women’s labor in the ESG areas of S and G. First, ESG promotes diversity in corporate governance. Second, women are discriminated against in the corporate environment. Third, it is necessary to prevent the disruption of women’s human resource development due to pregnancy, childbirth, and child-rearing and to support women’s human resource development together with the state, individuals, companies, and society. However, these three issues must be resolved. This thesis examines and analyzes the Framework Act on Gender Equality, the Act on the Promotion of Economic Activities and Prevention of Career Interruption of Women, and the Act on the Promotion of Creation of a Family-Friendly Social Environment.

As shown in Figure 3, all laws already provide support and contain provisions for an educational system and the protection of women’s human rights, improvement of labor quality, and non-discrimination. These are positive aspects of the Korean legal system. As shown in Figure 2, the cyclical structure of S&G factors and the legal environment have

been created to address reciprocal issues in women's labor. There is no specific legal support or education related to the gender diversity of the Board of Directors (*Fiugre 3*), though the Financial Investment Services and Capital Markets Act¹⁸⁾ contains a "special provision on the gender composition of the board of directors." It also raises questions about whether the law works well in Korean society. First, pregnancy, childbirth, and child rearing contribute to creating an environment in which women cannot work equal to men. It is necessary for women to secure long-term employment to develop their skills. To improve women's labor, specific support in the field of public law and career development in the field of private law must be interconnected.

Governance mechanisms are strongly influenced by national culture and institutional factors, including technology and innovation. These factors enable an appropriate corporate culture (Alkaraan et al., 2022, p. 8). Governance and society exert a close mutual influence (Alkaraan et al., 2022). To lead the ESG environment and address the vulnerabilities of women's labor, it is necessary to create an environment in which women can work to improve the S&G environment.

Second, it is necessary to improve the social atmosphere. A policy to support women's jobs should create and promote an appropriate atmosphere to increase efficiency, and managers and companies, who are the main actors in management, should actively consider measures enabling women to play roles in work, the home, and public life.

Third, legal guarantees for women's pregnancy, childbirth, and child-

18) To promote the diversity of boards of directors in corporate governance, Korea established a special provision on the gender composition of the board of directors on February 4, 2020 that has aroused great controversy in Korean society regarding the establishment of a gender equality clause in the judicial sphere. Nevertheless, the Financial Investment Services and Capital Markets Act (Act No. 20137) stipulates that "No stock-listed corporation that holds not less than two trillion won in total amount of assets as at the end of the preceding business year [total amount of capital (referring to the total amount of assets less the total amount of liabilities on its statement of financial position) or capital, whichever is the greater, in the case of a corporation engaged in a financial or insurance business] shall have a board of directors made up of just one gender" (Article 165-20).

rearing should be mandatory. Improvements in social awareness and legal systems must be linked. Legal protections for women during pregnancy, childbirth, and childrearing should be strengthened. Fragmentary and declarative legal provisions are ineffective; therefore, specific and feasible legislation must be enacted.

Fourth, women's rights must be explored to confidently assert and fully employ the rights guaranteed by law. Women must make themselves the subjects of their rights. This can be achieved by raising social awareness and strengthening and expanding equity awareness education for businesses. This awareness and education of equity must be embodied, and a consensus in the social community must be achieved. It is necessary to recognize the "lack of women's competency" in the judicial field and make efforts to resolve it.

During the crisis of the global pandemic, Korean society realized the seriousness of discrimination against women in their work. Now that the pandemic has ended, there is a need to remedy structural problems and create appropriate legal arrangements for companies and society. In addition, S and G should be strengthened, and national policies to address the vulnerability of female workers are required. Thus, Korea should enact a law on the protection and revitalization of the labor force for the stability of the female workforce together with COVID-19 in order to solve the problem of protections in the women's labor market in the future (Ko, 2021, p. 61). There have been no institutional efforts to normalize women's labor in Korea, which has been in crisis due to the coronavirus crisis. Active efforts by the state are required in this regard.

At the same time, countries worldwide need to restore the women's workforce, which has been weakened by COVID-19. To address the vulnerability of women's work, society and businesses must collaborate closely to amplify the results. Simply improving social perceptions and institutions would be ineffective. South Korea enacted laws in a specific and systematic manner. In comparison with legal systems overseas, Korea has an advanced legal system, but flaws have been found in addressing the vulnerability of women's labor under COVID-19. The international

community, including South Korea, should try to encourage women's work in order to improve the perception of women's labor and minor aspects of its norms.

References

- Akhtaruzzaman, M., Boubaker, S., & Umar, Z. (2022). COVID-19 media coverage and ESG leader indices. *Finance Research Letters*, 45, 102170. <https://doi.org/10.1016/j.frl.2021.102170>
- Al Farooque, O., Dahawy, K., Shehata, N., & Soliman, M. (2022). ESG disclosure, board diversity and ownership: Did the revolution make a difference in Egypt? *Corporate Ownership & Control*, 19(2), 67-80. <https://doi.org/10.22495/cocv19i2art6>
- Alkaraan, F., Albitar, K., Hussainey, K., & Venkatesh, V. G. (2022). Corporate transformation toward Industry 4.0 and financial performance: The influence of environmental, social, and governance (ESG). *Technological Forecasting & Social Change*, 175, 121423. <https://doi.org/10.1016/j.techfore.2021.121423>
- Bhandari, K. R., Ranta, M., & Salo, J. (2021). The resource-based view, stakeholder capitalism, ESG, and sustainable competitive advantage: The firm's embeddedness into ecology, society, and governance. *Business Strategy, and the Environment*, 31(4), 1525-1537. <https://doi.org/10.1002/bse.2967>
- Bofinger, Y., Heyden, K. J., & Rock, B. (2022). Corporate social responsibility and market efficiency: Evidence from ESG and misvaluation measures. *Journal of Banking and Finance*, 134, 106322. <https://doi.org/10.1016/j.jbankfin.2021.106322>
- Boldeanu, F. T., Clemente-Almendros, J. A., Tache, I., & Seguí-Amortegui, L. A. (2022). Is ESG relevant to electricity companies during pandemics? A case study on European firms during COVID-19. *Sustainability*, 14(2), 852. <https://doi.org/10.3390/su14020852>
- Burtless, G. (1990). *A future of lousy jobs?* The Brookings Institution.
- dos Santos, M. C., & Pereira, F. H. (2022). ESG performance scoring method to support responsible investments in port operations. *Case Studies on Transport Policy*, 10(1), 664-673. <https://doi.org/10.1016/j.cstp.2022.01.027>
- Friede, G., Busch, T., & Bassen, A. (2015). ESG and financial performance: Aggregated evidence from more than 2000 empirical studies. *Journal*

of *Sustainable Finance & Investment*, 5(4), 210–233. <https://doi.org/10.1080/20430795.2015.1118917>

- Glickman, L. B. (2015). *A living wage: American workers and the making of consumer society*. Cornell University Press.
- Hill, J. (2020). *Environmental, social, and governance (ESG) investing: A balanced analysis of the theory and practice of a sustainable portfolio*. Academic Press.
- Karpoff, J. M., Litan, R., Schrand, C., & Weil, R. L. (2002). What ESG-related disclosures should the SEC mandate? *Financial Analysts Journal*, 78(2), 9–18. <https://doi.org/10.1080/0015198X.2022.2044718>
- Ko, E. J. (2021). Study on the system reinforcement plan to complement the vulnerability of women's employment due to the COVID-19 Pandemic. *Legislation*, 12, 10.23028/moleg.2021.695..002
- Lim, W. M., Ciasullo, M. V., Douglas, A., & Kumar, S. (2022). Environmental social governance (ESG) and total quality management (TQM): A multi-study meta-systematic review. *Total Quality Management & Business Excellence*. <https://doi.org/10.1080/14783363.2022.2048952>
- Litvinenko, V., Bowbrick, I., Naumov, I., & Zaitseva, Z. (2022). guidelines and requirements for professional competencies of natural resource extraction engineers: Implications for ESG principles and sustainable development goals. *Journal of Cleaner Production*, 338, 130530. <https://doi.org/10.1016/j.jclepro.2022.130530>
- O'Hearn, M., Gerber, S., Cruz, S. M., & Mozaffarian, D. (2022). The time is ripe for ESG + Nutrition: evidence-based nutrition metrics for Environmental, Social, and Governance (ESG) investing. *European Journal of Clinical Nutrition*, 76(8), 1047–1052. <https://doi.org/10.1038/s41430-022-01075-9>
- Pavlova, I., & de Boyrie, M. E. (2022). ESG ETFs and the COVID-19 stock market crash of 2020: Did clean funds fare better? *Finance Research Letters*, 44, 102051. <https://doi.org/10.1016/j.frl.2021.102051>
- Sabatier, M. (2010). Do female researchers face a glass ceiling in France? A hazard model of promotions. *Applied Economics*, 42(16), 2053–2062. <http://dx.doi.org/10.1080/00036840701765338>

- Shaikh, I. (2022). Environmental, social, and governance (ESG) practice and firm performance: an international evidence. *Journal of Business Economics and Management*, 23(1), 218–237. <https://doi.org/10.3846/jbem.2022.16202>
- Carol A. Adams, Subhash Abhayawansa, Connecting the COVID-19 pandemic, environmental, social and governance (ESG) investing and calls for ‘harmonisation’ of sustainability reporting, 2022(82), *Critical Perspectives on Accounting*, 2022.
- Daniel C. Esty, David A. Lubin, Toward a Next Generation of Corporate Sustainability Metrics, *Values at Work: Sustainable Investing and ESG Reporting*, Palgrave, 2020.
- Fadi Alkaraan, Khaldoon Albitar, Khaled Hussainey, VG Venkatesh, Corporate transformation toward Industry 4.0 and financial performance: The influence of environmental, social, and governance (ESG), *Technological Forecasting & Social Change*, 2022(75), An International Journal, 2022.
- Friede G, Busch T, Bassen A. ESG and financial performance: aggregated evidence from more than 2000 empirical studies. *J Sustain Financ Invest*. 2015; 5:210–33; Meghan O’Hearn, Suzannah Gerber, Sylara John Hill, *Environmental, Social, and Governance (ESG) Investing A Balanced Analysis of the Theory and Practice of a Sustainable Portfolio*, Academic Press, 2020.
- Richard Paul Gregory, ESG scores and the response of the S&P 1500 to monetary and fiscal policy during the Covid-19 pandemic, 78(2022), *International Review of Economics and Finance*, Elsevier, 2022.
- Florin Teodor Boldeanu, José Antonio Clemente-Almendros, Ileana Tache, Luis Alberto Seguí-Amortegui, Is ESG Relevant to Electricity Companies during Pandemics? A Case Study on European Firms during COVID-19, *Sustainability*, 14(852), MDPI, 2022.
- Gary Burtless, *A Future of Lousy Jobs?* The Brookings Institution Washington, D.C., 1990.
- Glickman, *A Living Wage: Americal Workers and the Making of consumer society*, Cornell University Press, 2015.
- Ivelina Pavlova a, Maria E. de Boyrie, ESG ETFs and the COVID-19 stock

market crash of 2020: Did clean funds fare better? 44(2022), *Finance Research Letters*, 2022.

Imlak SHAIKH, ENVIRONMENTAL, SOCIAL, AND GOVERNANCE (ESG) PRACTICE AND FIRM PERFORMANCE: AN INTERNATIONAL EVIDENCE, 23(2), *Journal of Business Economics and Management*, 2022.

Jonathan M. Karpoff, Jonathan M. Karpoff, Catherine Schrand, Roman L. Weil, What ESG-related disclosures should the SEC mandate? *Financial Analysts Journal*, 2002.

Krishna Raj Bhandari, Mikko Ranta, Jari Salo, The resource-based view, stakeholder capitalism, ESG, and sustainable competitive advantage: The firm's embeddedness into ecology, society, and governance, *Business Strategy, and the Environment*, 31(4), 2021.

Ko Eun Jung, Study on the System Reinforcement Plan to Complement the Vulnerability of Women's Employment Due to the COVID-19 Pandemic, *Legislation*, 2021(12), *Ministry of Government Legislation in Korea*, 2021.

Mareca Sabatier, Do Female Researchers Face a Glass Ceiling in France? A Hazard Model of Promotions, *Applied Economics*, Taylor&Francis (Routledge), 42(16), 2010.

Marie Cruz, Dariush Mozaffarian, the time is ripe for ESG + Nutrition: evidence-based nutrition metrics for Environmental, Social, and Governance (ESG) investing, *European Journal of Clinical Nutrition*, Nature, 2022

Murillo Caldeira dos Santos a, Fabio Henrique Pereira, ESG performance scoring method to support responsible investments in port operations, 10, *Case Studies on Transport Policy*, 2022.

Md Akhtaruzzaman, Sabri Boubaker, Zaghum Umar, COVID-19 media coverage and ESG leader indices, 2022(45), *Finance Research Letters*, 2022.

Omar Al Farooque, Khaled Dahawy, Nermeen Shehata, Mark Soliman, ESG DISCLOSURE, BOARD DIVERSITY AND OWNERSHIP: DID THE REVOLUTION MAKE A DIFFERENCE IN EGYPT? 19(2), *Corporate Ownership & Control*, 2022.

Vladimir Litvinenko, Ian Bowbrick, Igor Naumov, Zoya Zaitseva, Global guidelines and requirements for professional competencies of natural resource extraction engineers: Implications for ESG principles and sustainable development goals, *Journal of Cleaner Production*, 338(2022), Elsevier, 2022.

Weng Marc Lim, Maria Vincenza Ciasullo, Alexander Douglas & Satish Kumar, Environmental social governance (ESG) and total quality management (TQM): a multi-study meta- systematic review, *Total Quality Management & Business Excellence*, 33(2023), Routledge, 2022.

ESG and misvaluation measures, *Journal of Banking and Finance*, 134, Elsevier, 2022.

Korean Law Information Center, FRAMEWORK ACT ON GENDER EQUALITY Among the reasons for enactment and revision, <https://www.law.go.kr>.

KAS Korean Standards Association: https://www.ksa.or.kr/ksa_kr/875/subview.do.

www.un.org (<https://www.un.org/sustainabledevelopment/inequality>).

<https://www.unwomen.org/en/about-us/about-un-women>.

https://treaties.un.org/Pages/ViewDetails.aspx?src=IND&mtdsg_no=IV-8&chapter=4&clang=en.

https://www.unwomen.org/sites/default/files/Headquarters/Attachments/Sections/CSW/PFA_E_Final_WEB.

<https://undocs.org/en/S/RES/1325%282000%29>.

<https://undocs.org/en/UNW/2021/6>.

Framework Act on Gender Equality, Act No.17896.

Act on Promotion of Economic Activities of Career-Interrupted Women, Act No.12698.

Act on the Promotion of Creation of Family-Friendly Social Environment, Act No.17438.

Enforcement Decree of the Act on the Promotion of Creation of Family-Friendly Social Environment, Presidential Decree No.28211.

『Financial Investment Services and Capital Markets Act』 No.20137.

OECD Data, Gender wage gap, 2024, doi: 10.1787/7cee77aa-en, Last visit on January 20, 2024

Biographical Note

Ko Eun-jung earned a doctoral degree in corporate governance, focusing on minority shareholders' rights within the ESG (Environmental, Social, and Governance) framework. Furthermore, she has been appointed as a research professor by the National Research Foundation of Korea since 2023.

Currently, she holds the position of research assistant professor at the Institute for Social Development and Policy Research at Seoul National University. She is actively contributing to the advancement of knowledge in corporate governance and related fields
