

# Reconsidering Modern Slavery: Domination in *Gap-Eul* Relationships in Korea

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## Abstract

Slavery has long been an antithesis of free person. The Global Slavery Index (GSI) alerts that slavery is prevalent in contemporary world, as its 2016 report points out more than 45 million people are in the subhuman condition. The conception of modern slavery in GSI is effective in picking out hard cases of slavery such as human trafficking, forced labor or forced marriage. However, it is limited in understanding types of modern slavery in which people are dominated by others on an arbitrary basis. This is so because the GSI conception of modern slavery is defined in terms of exploitation that a person cannot resist due to external coercion against the person's will. Content analysis of features and patterns of domination observed in recent 501 cases of *Gap-Eul* (two parties in a contractual situation) relationship in South Korea, which is called *Gapjil* (*Gap's* abusive activities against *Eul*), suggests that *Eul* is subject to domination while not always facing external coercion. This means that modern slavery, as opposed to free person, should encompass domination which occur when persons or groups are vulnerable to the exercise of arbitrary power even without the presence of external coercion. Drawing on Lovett's neo-republican proposition that domination is constituted of three conditions – dependence, power imbalance and arbitrariness – we argue that *Eul*, in the *Gap-Eul* relationship, is to be regarded as modern slave because it is dependent, powerless and subject to *Gapjil* on an arbitrary basis. The finding of this paper suggests that rectification of *Gapjil* in Korea and modern slavery in general, fundamentally requires redressing the all three conditions of domination, not just prohibiting external coercions.

**Keywords:** modern slavery, domination, Gap-Eul relationship, Gapjil, neo-republicanism

## 1. Introduction

Slavery has long been an antithesis of free person. The Global Slavery Index (GSI) alerts that slavery is prevalent in contemporary world, as its 2016 report points out more than 45 million people are in the subhuman condition (Walk Free Foundation 2016, 2). Contemporary counter-slavery efforts – from national endeavors that introduce modern slavery act to multinational commitments to cooperation for tackling human trafficking and forced marriage– are focused on protecting vulnerable people against exploitation: a person cannot refuse or leave due to external coercion against the person’s will (Walk Free Foundation 2016, 158).<sup>1</sup> According to this term, modern slavery only encloses explicit forms such as human trafficking, forced labor, debt bondage and forced marriage. However, in considering that slavery is a terminology frequently questioned by republicans who define it as a status of domination, a significant challenge arises as to measure the prevalence of modern slavery. It may be the case that far more people should be counted as being subject to a form of modern slavery.

We focus on cases of domination that occur when persons or groups are expose to the exercise of arbitrary power due to their vulnerability in social relationship such as employer-employee, employer-intern (or apprentice), supplier-agency and many more. We analyze main features and patterns of domination in recent cases of *Gap-Eul* (two parties in a contractual situation) relationship in South Korea. The *Gap-Eul* relationship may be unique to the Korean society. However, the nature of relationship underlying such social phenomena may not. We conduct content analysis of 501 cases of *Gap-Eul* relationship, chosen by

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<sup>1</sup> The Global Slavery Index 2016 defines modern slavery as “situations of exploitation that a person cannot refuse or leave because of threats, violence, coercion, abuse of power or deception, with treatment akin to a farm animal” (Walk Free Foundation 2016, 158).

keyword search of “*Gapjil* (*Gap*’s abusive activities against *Eul*)” and “slave” on the online archive of Korean newspapers from January 2013 to May 2018. The cases commonly feature a situation in which *Eul* in the *Gap-Eul* relationship is too vulnerable to resist *Gap*’s abusive activities. This is one reason why such cases are described by Korean newspapers as slavery. Drawing on Lovett’s neo-republican proposition that domination is constituted of three conditions – dependence, power imbalance and arbitrariness – we argue that *Eul* in the *Gap-Eul* relationship is to be regarded as modern slave because it is dependent, powerless and subject to *Gapjil* on an arbitrary basis. The finding suggests that rectification of *Gapjil* in Korea and modern slavery in general, fundamentally requires redressing the three conditions of domination, not just prohibiting external coercions.

The remainder of this paper comprises four parts. Section 2 discusses previous literature on domination to give conceptual clarity to the definition of *Gap-Eul* relationship. Section 3 describes the recent social debates on *Gapjil* in Korea. Section 4 provides analysis of *Gap-Eul* relationship in Korea and how it emerges into *Gapjil*. Section 5 concludes.

## **2. *Gap-Eul* Relationship and Domination**

In recent years, the complaints of those who think that they are a slave have increased in Korean society. These complaints are expressed through the term *Gapjil*. This term is a coined word that appears to emerge in 2013. This term derives from the relationship between *Gap* and *Eul*, which means two parties to a legal contract. This is an expression to criticize that “*Gap*”, which means an actor with a relatively more power or higher status in general, abuses his power or status in its binary relationship with *Eul*. This is not limited to contractual relations but is used in a broad sense that refers to unjust exploitation or insulting treatment experienced by any person or group in social relations. *Gap* and *Eul* are not an

informal expression depicting such relationship. They were indeed formal expression that was used by the standard labor contract of the Ministry of Employment and Labor of Korea which stipulated the employer as *Gap* and the employee as *Eul*. It has been argued that the terms of the standard labor contract should be changed because the term *Gap* is used to refer to a contractor with a relatively high status, while *Eul* being another contractor with a low status. As a result, the expression “employer” and “employee” are now used alternatively.

Social dissatisfaction with the *Gap-Eul* relationship is related to the perception that anyone under a similar condition can encounter abusive activities of *Gap* – *Gapjil* – at any time. *Gapjil* is widespread perception in this sense. It may not be an exceptional case to the public eye that a company's executives exercise abusive activities against an employee or a subcontractor. It is rather a common exercise in Korea. Such abuse of power arises from a social context in which such conduct is acceptable. In other words, power abuse can occur if power disparity results in arbitrary intervention by a stronger person. So even if a person does not actually experience a tyranny of *Gap*, she can be placed under a similar condition and thus feel powerless or anxious.

Republican theorists argue that when an agent – whether individual or corporate – is exposed to arbitrary power or uncontrolled interference, domination occurs and thereby results in the loss of freedom (Lovett 2010; Pettit 2012). They argue that individuals or groups under domination can experience serious loss of freedom without actual intervention, so that attention should be paid to reducing this domination at the political and social level. Those who are under domination depend on the condition of power asymmetry and endure the arbitrary power of the other party. This leads to impairment of self-respect, which makes you think you are in a state of slavery.

In fact, the weaker party in domination is likely to be exploited. The stronger party can benefit directly from the use of its power to forcibly extract valuable social goods while the weaker party will have a reduced life plan. The weaker one cannot plan her own lives autonomously because she may receive unjust interference at any time or must suffer constant anxiety. She should keep an eye on the powerful. Such direct and indirect exploitation and anxiety weaken the self-respect of the dominated (Lovett 2010, 131-133).

In the following points, a *Gap-Eul* relationship can be explained in terms of domination. First, a *Gap-Eul* relationship occurs if the power imbalance between A and B leads to abuse. Republican theorists are more concerned with controlling other individuals or groups to use unequal resources rather than unequally distributed resources themselves. The complaint about the *Gap-Eul* relationship is also related to the elimination of the unfair interaction in social relations, rather than the equitable distribution of material resources. Second, a *Gap-Eul* relationship occurs if B depends on A. When the level of dependency and the cost of leaving the relationship are greater than the cost of living up with such domination, B may choose to stay involuntarily. Third, a *Gap-Eul* relationship occurs when B allows A to act arbitrarily. In this article, we will analyze the types of *Gap-Eul* relationships focusing on three conditions: dependency, imbalance of power and arbitrariness.<sup>2</sup>

### **3. Explosion of Social Complaint about “Gapjil” in South Korea.**

We conducted content analysis to classify types of *Gap-Eul* relationship. First, we carried out a keyword web search of media coverage on *Gap-Eul* relationship with a combination of two

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<sup>2</sup> This three conditions of domination are taken from Lovett (2010, 119-20).

keywords, *Gapjil* and slave, from 1 January 2013 to 31 May 2018. Out of 30,548 media articles that have mentioned *Gapjil*, the online database<sup>3</sup> of Korean newspapers run by the Korean Press Foundation, gave us a number of 501 when added another keyword “slave” in Korean. We read all those articles to record each and every *Gapjil* case mentioned.

As described in Figure 1, newspaper articles about *Gapjil* began appearing in 2013 and have increased more than 30 times in 2017. The most serious social problem is the issue of *Gapjil*. In fact, according to an opinion survey conducted among 1,000 people aged 19 to 59 years old nationwide in 2017, 95.1% of respondents answered that ‘*Gapjil* culture is serious’ in Korean society. More than half of the respondents (54.3%) confessed that ‘I have experienced *Gapjil*.’ (Trend Monitor 2018).

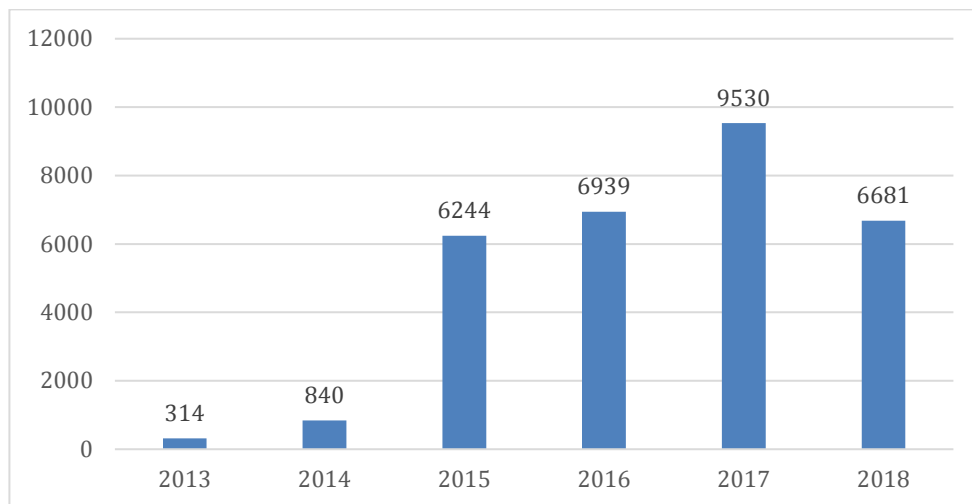


Figure 1 Number of newspaper articles mentioning *Gapjil* (figure in 2018 is up to May)

Many people who experienced *Gapjil* in Korea lamented their status as slaves. An newspaper interview with an emotional laborer reported that “If I refuse the unfair demands of the

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<sup>3</sup> [www.bigkinds.or.kr](http://www.bigkinds.or.kr)

customer, the company makes a bad evaluation of my work. So I have to do services like slavery.”<sup>4</sup> Several interns who were exploited while working as apprentices in beauty salons said, “I have worked like a slave without a break. But what remained to me was a content certification document that will have paid 23 million won (about 20,000 USD) for education and penalty fees.”<sup>5</sup> In addition, many people including distributors, franchisees, trainee-stars with long exclusive contract<sup>6</sup>, graduate students<sup>7</sup>, apartment security guards<sup>8</sup>, couriers and housekeeping solders<sup>9</sup> and others have expressed their unfair treatment as “[modern] slavery” or “[modern] slavery contract”. Among them, there are cases corresponding to the GSI category of modern slavery, for example, a case of exploiting a disabled person in a salt field or a farm.<sup>10</sup> However, this case represents only a small fraction of the entire articles on *Gapjil* (6 out of 501 articles). This suggests that the conception of slavery in Korean society, which is used to unravel complaints about *Gapjil*, entails aspects that are not entirely captured by the conception of modern slavery introduced in the GSI reports.

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<sup>4</sup> Yoo, Dae-Kun. 2013. “I Hate ‘Eul’ More.” *The Seoul Shinmun* (3 May). [in Korean] <http://www.seoul.co.kr/news/newsView.php?id=20130504026004>

<sup>5</sup> Jeong, Ji-Yong. 2015. “Intern Crying at the ‘Gapjil’ of the Beauty Salon.” *The Kukmin Daily* (4 February). [in Korean] <http://news.kmib.co.kr/article/view.asp?arcid=0009173627&code=61121111&cp=kd>

<sup>6</sup> Williamson, Lucy. 2011. “The Dark Side of South Korean Pop Music.” *BBC News* (15 June). <https://www.bbc.com/news/world-asia-pacific-13760064>

<sup>7</sup> Kim, Bo-dam, and Kyu-eun Kim. 2017. “Emperor Behind the Desk: Continual Problem of Professor’s Gapjil.” *The Yonsei Annals* (17 October). <http://annals.yonsei.ac.kr/news/articleView.html?idxno=1785>

<sup>8</sup> Choi, Jieun. 2017. “Misfortunes of South Korean Security Guard.” *Korean Expose* (28 March). <https://www.koreaexpose.com/misfortunes-south-korea-security-guards/>

<sup>9</sup> Choi, Ha-young. 2017. “Soldiers Worked like Slaves for Gen. Park, His Wife.” *The Korea Times* (8 August). [https://www.koreatimes.co.kr/www/nation/2017/12/205\\_234383.html](https://www.koreatimes.co.kr/www/nation/2017/12/205_234383.html)

<sup>10</sup> Klug, Foster. 2015. “The Islands of Abuse: Inside South Korea’s Slave Farms for the Disabled.” *Independent* (January 2). <https://www.independent.co.uk/news/world/asia/the-islands-of-abuse-inside-south-koreas-slave-farms-for-the-disabled-9954527.html>. GSI estimates that about 200,000 people live in slavery in South Korea (Walk Free Foundation 2016, 28).

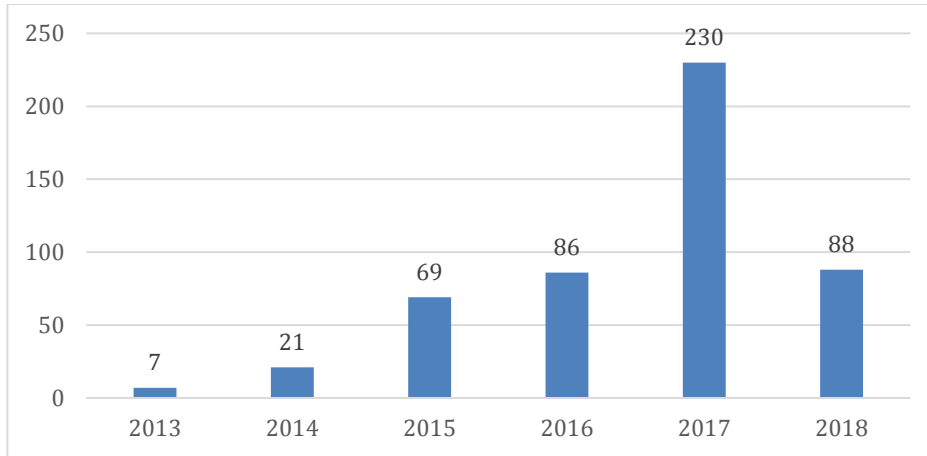


Figure 2 Number of newspaper articles mentioning both Gapjil and Slave (figure in 2018 is up to May)

#### 4. Types of Gap-Eul Relationship

Table 1 Types of Gap-Eul Relationship by three attributes of domination

Types	Cases	Three Conditions of Domination		
		Dependency	Power imbalance	Arbitrariness
Supplier vs Agency	Namyang Diary Incident (2013); Hyundai Mobis high-pressure sales (2017)	- Agency more dependent on supplier in transaction	- Supplier predominance in contract renewal; - Weak bargaining power of agency	- Agency's sales target set up coercively by supplier; - Interference with agency's management; - Imposing excessive exit cost to agency
Customer vs Emotional Laborer	In-flight violence by POSCO Executive (2013); Customer's high-handedness in department store parking lot (2014)	- Emotional laborers forced to be dependent on customer assessment due to 'unconditional' customer satisfaction policy	- Customer-oriented business management	- Lack of protection from customers' abusive behavior
Owner vs Employee	'Nut Rage' Incident (2014); Driver abuse by Monggo Foods' honorary chairman (2015), Daelim Industrial vice chairman (2016), Hyundai BNG steel CEO (2016), and Chong Kun Dang Pharm. chairman (2017)	Individual workplace subordination	Owner's (uncontained) monopoly of decision-making power	- Capricious, rule-bending command and control over employee; - Verbal and physical harassment



Employer vs Apprentice (Intern)	“Passion Pay” Scandal of Lie Sang Bong Design Studio (2014); WeMakePrice Inc. recruitment scandal (2015)	- Individual workplace subordination; - Labor exploitation tolerated due to career development	- Employer’s unilateral decision on contract conversion; - Ambiguous legal status of intern	- Underpayment; - Substituting a worker at the workplace; Engaging in work that is not related to job training
Senior staff vs junior staff	Privatization of conscripted soldiers (2017); Nurse’s suicide by bullying (2018)	- Individual workplace subordination	- Command and control in organizational hierarchy; - Lack of legal regulation	- Workplace bullying or harassment; - Abusing junior staff for private use

#### 4.1 Supplier-Agency Relationship

In January 2013, the agencies of Namyang Dairy, one of Korea’s leading dairy companies, claimed that the supplier had coercively “pushed” consumption of the product to each agency. The company allocated to the agencies unwanted number of products that have a short shelf life or are not in demand. Namyang Dairy, the supplier, denied and accused the distributors of defamation. However, in May of the same year, the situation changed as a recording file of Namyang Dairy salesperson making profanity and ranting to the agency was released on the Internet. A few days later, the transcripts and the remittances that the salesperson asked for bribes were disclosed. Namyang Dairy quickly dismissed the salesperson and published an apology to the public. However, the anger of the public exploded, and the boycott of Namyang dairy products spread.<sup>11</sup> This incident was extended to the social criticism of the *Gapjil* of big conglomerates that were prevalent in Korean society.<sup>12</sup>

This problem arises because the supplier abuses its superior position in the transaction relationship with agencies. Agency transactions mainly involve small and medium-sized

<sup>11</sup> Lee, Ki-Woo. 2016. “Namyang Dairy and the History of ‘Gapjil’.” *Seoul National University Journal* (3 May). <http://www.snujn.com/news/22185>. [in Korean]

<sup>12</sup> Song, Jung-a. 2013. “Chaebol under Fire amid South Korean Scandals.” *Financial Times* (16 July). <https://www.ft.com/content/5466d302-d4ca-11e2-b4d7-00144feab7de>.

distributors, and there is a high possibility of unfair trade practices by suppliers. In 2016, 87.9% of wholesale and retail traders have less than 5 employees (KFTC 2018). Depending on the type of business, there are various forms of agency transactions. The more industries (cars, clothing, etc.) that have a large number of distributors engaged in exclusive transactions, the more likely unfair practices occur because of stronger control over distributors.

Abuse of the supplier's superior position occurs for the following reasons. First, agencies are less informed about the transaction conditions than their suppliers, and agencies are more dependent on transactions. The company has a variety of distribution channels, such as online sales or direct delivery to large retailers, without relying on agencies. On the other hand, agencies are highly dependent on sales to specific companies even if they are not exclusive transactions.

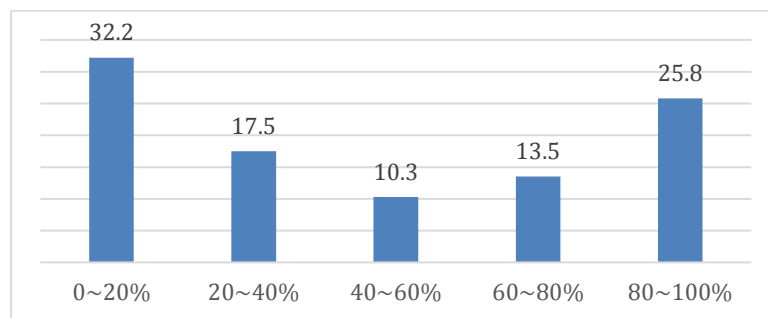


Figure 3 Agency's transaction dependence on supplier<sup>13</sup>

Second, in the course of the contract, individual agencies cannot negotiate on a par with suppliers. Most agency transactions are made by repeating short-term contracts. According to the results of the Korea Fair Trade Commission's 2017 survey, 70.4% of contracts were for

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<sup>13</sup> KFTC (2018).

one year, 6.7% for two years, and only 2.7% for more than five years (KFTC 2018). It is difficult for the agency to refuse the supplier's unfair demand for fear of termination of the contract. According to the results of the Seoul Metropolitan Government's 2015 survey, 20.1% of agencies responded that they had received a renewal refusal or threat of termination (SMG 2015). In contrast, individual distributors do not have the right to form agency groups or collective bargaining agreements, nor to request contract renewals.

Third, it is difficult for agencies in continuous transaction to report the unfair acts of suppliers due to concerns about retaliation. Even if filing a complaint, the judicial process is complicated, time-consuming and costly, and it is difficult to get rid of substantial damage. Therefore, agencies often have to endure the arbitrary intervention of suppliers. In fact, 46.2% of agencies said they had experienced unfair trading by their suppliers. The types were as follows (KFTC 2018).

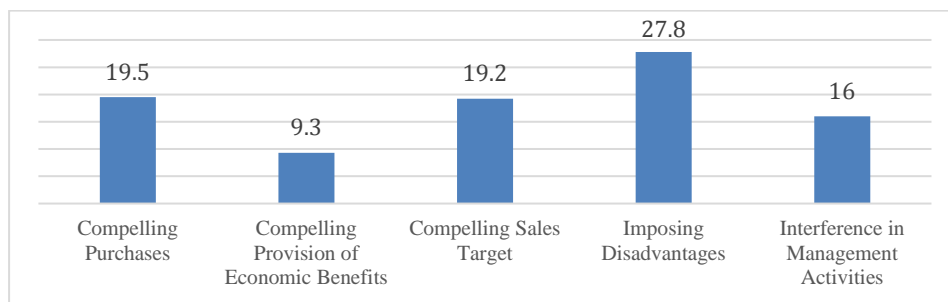


Figure 4. Experience of unfair transaction by type

This is the result after the Fair Agency Transactions Act, which was enacted in December 2015 and implemented in December 2016 in order to improve the unfair trade practices in the agency transactions after the Namyang Dairy Incident. Nevertheless, unfair trading practices have not disappeared. This is because the law does not include the means to enhance bargaining power such as the right to form an agency group.

Problems caused by the abuse of superior position in bargaining are similar in franchise business between franchiser and franchisee, and subcontract transactions between principal contractor and subcontractor. The franchise company Mr. Pizza Case, which caused controversy over the franchise's *Gapjil*, is a typical example.<sup>14</sup>

#### **4.2 Customer-Emotional Laborer Relation**

In April 2013, an executive of POSCO Energy hit a flight attendant's face with a magazine because of the poor quality of the ramen served on board. Before that, he continued to make unreasonable demands to the flight attendant, complaining and cursing. Eventually he was arrested by the FBI at Los Angeles Airport and returned to Korea because he was denied entry by US law enforcement authorities. As the incident became known through the media, public anger about *Gapjil* arose. He was criticized more for the fact that he was an executive of a large company. Because he ignored rules within the aircraft on the basis of social status and demanded special treatment.

In December 2014, in a department store underground parking lot, mother and daughter customers were angry at the attitude of the parking attendant and let him kneel and apologize to them. They said, "I spent between 6 and 7 million won, but should I be treated like this?" As these facts became known through SNS, *Gapjil* of 'VIP' customers became a social issue. Both cases played a role in communicating the difficulties of emotional laborers in the service industry. A customer who thinks he or she is in a superior position in one-off transactions, such as passengers and crew, shopper and sellers, is unfairly treating employees who provide goods

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<sup>14</sup> Park, Jae-hyuk. 2017. "Will 'Gapjil' Culture Vanish in Korea?" *The Korea Times* (2 August). [http://www.koreatimes.co.kr/www/tech/2017/08/694\\_233958.html](http://www.koreatimes.co.kr/www/tech/2017/08/694_233958.html)

and services.

Emotional labor refers to labor that manages emotions, such as suppressing actual emotions or expressing emotions different from actual emotions, to maintain appearance and expression so that consumers can feel that they are being friendly and caring (Hochschild 2003[1983], 7). Emotional labor differs from general physical labor in that it provides emotional satisfaction and emotional effort to resolve conflicts in the process of providing services through contact with customers. Due to these occupational characteristics, emotional laborers often experience violence in the workplace, such as abuse, harassment, threat, sexual harassment, and assault by clients, customers, and patients (ESEC 2014, 9-10).<sup>15</sup>

According to the results of a survey conducted by the National Human Rights Commission of Korea on 3,470 people engaged in service and sales in the retail industry in 2015, 61% of emotional laborers reported that they have experienced harassment such as bullying, assault and sexual harassment from customers for the past year. Also, 17.2% of the respondents said that they were suffering from mental distress, but 96.6% of them did not have any programs or education to solve them in the workplace (NHRCK 2015, 230).

Despite the one-time relationship, the customer has a superior position in relation to emotional laborers. This is related to a customer-oriented approach to business management as shown by the expression “customer is king”. To increase sales, companies have focused solely on resolving complaints rather than evaluating their claims and complaints about customers, especially ‘VIP’ customers. When a customer makes a complaint, the service

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<sup>15</sup> As the service industry occupies a larger share in Korea, the size of emotional workers is also increasing. It is estimated that 38 ~ 42% (5.60 ~ 7.4 million people) of the total wage workers (ESEC 2014, 11-3).

worker must be accepted and apologized unconditionally. It is the result of such a company's front-line service policy that emotional laborers are dependent on their relationship with customers or take unfair treatment by customers (Park 2016, 928).

Emotional labor needs to be examined not in the bilateral relationship between the customer and worker, but in the three-way relationship between the manager, customer and worker (Lopez 2010, 255-8). Managers indirectly and directly control the labor process of emotional workers through Customer Satisfaction (CS) education and monitoring. Managers are disadvantageous or insulting on the employee who shows a kindness that does not meet the standard through mystery shopper, CCTV, recorded consultation contents review, etc. (Min 2016, 295-6). If customer complaints to the company, the worker can be disadvantaged.<sup>16</sup> As a result, the disparity of power arises in the relationship between emotional laborers and customers.<sup>17</sup>

The company has a responsibility to protect employees from customers. However, by dismissing these responsibility, workers are left to violence at any time in the workplace. This causes emotional laborers to experience more stress than general workers. The chances of stress arousal are 3.5 times higher for emotional laborers (Lee 2015). In addition to mental stress-related illnesses, there is also a high risk of illness due to physical fatigue and tension.

### **4.3 Owner-Employee Relation**

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<sup>16</sup> A survey conducted in 2016 found that 10.6 percent of respondents said that they had been disadvantaged by the company over the past year due to customer complaints or monitoring results. In that form, 43% of the respondents answered that they had to call and apologize directly to the customer, 36% had received additional training outside of office hours, 22% had submitted a written apology, 18% had been harassed or insulted by their superior. The percentage of respondents who experienced two or more was 20-50%. (WIOEH 2016, 50-52).

<sup>17</sup> Customer does not always have more power than workers. In some cases, workers may have more power than customers. This is the case for workers who care for vulnerable clients or patients (Lopez 2010, 256).

On December 5, 2014, Korean Air KE086, departing from John F. Kennedy International Airport to Incheon International Airport, returned to the boarding gate while pushing back. Hyun-ah Cho, a Korean Air's vice president at the time, let crew chief Chang-jin Park out of the plane because of cabin service problem, and the take-off was delayed. It is called the 'nut rage' incident because she became angry that a first-class flight attendant served her macadamia nuts in an unopened bag, instead of on a plate. She thought this was different from the cabin service manual, but it was actually in accordance with the manual.<sup>18</sup>

Even though she was a vice president, she had to perceive and interact within the aircraft as a 'passenger' under the control of captain and crew. However, she did not accept the position as a 'passenger' and wanted to exercise her status and power as the CEO of owner's family. She ranted and assaulted on the crew and used her position to let the crew off the plane. The court's guilty verdict on violations of aviation security law due to assault, obstruction of business, and coercion is based on the fact that she has escaped her status as a passenger.

This incident was called the 'owner *Gapjil*', and the public expressed an enormous anger to Cho vice president. Hanjin Corporation, which Korean Air belongs to, is one of the 'chaebol' companies, which is the family conglomerates of Korea, and Hyun-ah Cho was the daughter of the chairman.<sup>19</sup> The fact that she treated crew 'like slaves' showed how chaebol owners think about their employees.<sup>20</sup>

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<sup>18</sup> Choe, Sang-hun. 2015. "Former Executive of Korean Air Is Indicted in 'Nut Rage'." *The New York Times* (7 January). <https://www.nytimes.com/2015/01/08/world/former-korean-air-executive-indicted-over-nut-rage-incident.html>

<sup>19</sup> Taylor, Adam. 2014. "Why 'Nut Rage' is Such a Big Deal in South Korea." *The Washington Post* (12 December). <https://www.washingtonpost.com/news/worldviews/wp/2014/12/12/why-nut-gate-is-such-a-big-deal-in-south-korea/?noredirect=on>

<sup>20</sup> AFP. 2015. "'Nut Rage' Trial: Korean Air Executive Treated Crew 'Like Slaves'." *The Guardian* (2 February) <https://www.theguardian.com/world/2015/feb/02/nut-rage-trial-korean-air-lines-cho-hyun-ah>

In addition, Monggo Foods' honorary Chairman (2015), Daelim Industrial vice chairman (2016), Hundai BNG steel CEO (2016), and Chong Kun Dang Pharm. Chairman (2017) came under fire for abusing their drivers. They are both owner families and second- or third-generation businessmen.<sup>21</sup>

These owners' *Gapjil* can be seen as bullying in the workplace and have the following characteristics. First, the workplace, which is a space for producing social values, is regarded as a subordinate space where employer's arbitrary intervention is allowed. Employees are mobilized in the private affairs of the employer regardless of the labor contract and should respond in real time to the employer's work instructions through the mobile device even after work hours. However, due to the threat of dismissal, the employer has no choice but to silence on unreasonable instructions or mistreatments (Shin 2017, 15). In an employment relationship, an employee is placed in a subordinate position in relation to an employer.<sup>22</sup> In the case of the owner CEO, this dependency is greater because the power disparity is large individually.

Second, under the Korean corporate governance structure, the owner CEOs are an exceptional and privileged entities that are not bound by the norms within the company. She or he exercises the exclusive decision-making authority in effect. The chaebols have a small equity stake, but they are in control of the corporation (Kim, Yoo, and Uddin 2018, 539-40).

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<sup>21</sup> Yoon, Sung-won. 2017. "Why do chief executives mistreat drivers?" *The Korean Times* (16 July) [https://www.koreatimes.co.kr/www/tech/2017/10/694\\_233076.html](https://www.koreatimes.co.kr/www/tech/2017/10/694_233076.html)

<sup>22</sup> "Employees have subordinate their wishes to the promotion of the employer's goal; the employer has practical authority over the employee, in the sense that she can issue orders that the latter have to obey; and this authority includes a discretionary power (the managerial prerogative) which is broad, though not limited." (Davidov 2017, 371).



For example, Cho's family owns only 24.7% of Korean Air's holding company, Hanjinkal, but operates Korean Air.<sup>23</sup> No matter what they do wrong in management, it does not significantly affect corporate governance. Under this condition, the owner CEO wield absolute power and the employees are hard to check.

Third, the owner CEOs tend to irritate employees or easily express anger in order to reveal or confirm their control. They get angry at the employees' minor mistakes because they think their employees have ignored the supremacy they deserve. In a situation where the power imbalance is very large, a person with a strong power is more likely to show greater anger and aggression if he thinks that those with little power have criticized or attacked them (Jo 2018, 318-9). During this process, employees are subjected to verbal and physical abuse. As owners repeat this act, public outrage over the *Gapjil* is growing. Workers also came out on the streets and began to voice criticism.<sup>24</sup>

#### **4.4 Employer-Apprentice (Intern) Relation**

“Passion pay” is a coined word meaning that employers provide low wages to apprentices or interns in the name of providing work experience and training at work. The satirically refers to the reality that forced young jobseekers to endure poor working conditions, assuming that passion is more important than just pay. According to the Hyundai Research Institute, the number of workers aged 15-29 receiving salaries below the minimum wage reached 635,000

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<sup>23</sup> Yoo, Hyun-min. 2018. “Cho's family, with a small stake, dominates Korean Air.” Yonhap News Agency (24 April). [in Korean] <http://www.yonhapnews.co.kr/bulletin/2018/04/23/0200000000AKR20180423174700008.HTML>

<sup>24</sup> Lee, Wooyoung. 2018. “Outrage over Korean Air Family Behavior Sparks Movement for Workers.” *United Press International* (8 June). <https://www.upi.com/Outrage-over-Korean-Air-family-behavior-sparks-movement-for-workers/2561528397828/>

at the end of 2015.<sup>25</sup> “Passion Pay” has been criticized publicly as *Gapjil* by employers.

The meaning of interns in Korea is not legally defined. It is used in a broad sense, from unpaid trainees who want to gain experience in the workplace, to paid fix-term workers. Internships run by public organizations or large corporations is recognized as a career or becomes an added point in the late recruitment. So it is considered a gateway to good quality jobs (Cho 2017, 396-7). Internship generally means that young people experience work on-site for a period of time before and after graduation. Interns can develop their adaptability in an organization by experiencing their work in advance in their desired fields. The company has the advantage of being able to select competent talent in advance and enhance the image of the company.

However, problems arise when employers try to cut costs by using interns instead of hiring regular or non-regular workers. It is to utilize interns as cheaper labor by using youth employment difficulties.<sup>26</sup> In 2014, an apprentice who worked at a well-known fashion designer’s shop was reported to have received 100,000 won (about \$9) a month, including overtime pay. This has revealed the poor working conditions and treatment of young people working in the fashion industry. In 2015, a social commerce company, WeMakePrice, fired all 11 probationary employees who passed the recruitment process after two-week probation period. During this period, they worked at the level of full-time worker and received 50,000 won per day after dismissal. The company said they did not meet performance standards, but

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<sup>25</sup> Choi, Sung-ji. 2016. “Employers Exploit Workers, Saying ‘Passion, Not Pay, Matters’.” *The Korea Times* (25 April). [http://www.koreatimes.co.kr/www/news/biz/2016/04/123\\_203331.html](http://www.koreatimes.co.kr/www/news/biz/2016/04/123_203331.html)

<sup>26</sup> The Youth (15029) unemployment rate has rapidly surged to the 10% since 2013 (Choi 2017, 1-2).

has repeated hiring and layoffs for probationary employees over the past few years.<sup>27</sup>

Employers can use interns' labor cheaply, giving them the hope that if they do their best and work enthusiastically, they can be hired as full-time workers. Conditional recruitment is abstract and uncertain. Even if employers do not keep it, they do not have to take responsibility. Even if an employer pays lower wages than a non-regular worker, it is less likely to raise a complaint in the case of an interns, and an employer can avoid the Labor Standards Act by using the fact that an intern is not a worker (Cho 2017, 406).

On the basis of discretion in judging about an employability, employers may abuse their superior position in the process of determining an interns' working conditions, training courses, and salary. Young job seekers who are in a desperate employment situation are dependent on their employers and inevitably accept unfair treatment. Exploitation takes place in this process, in which the interns work for a long time with low wages or no pay.

Employers sometimes use interns to replace workers in tasks that require additional work at any time or at all times. Without an occupational training program, employers may use interns in a way that instructs them to work from time to time as needed.<sup>28</sup>

#### **4.5 Senior staff-Junior staff Relation**

In February 2018, a new nurse (27 years old), who worked at a large hospital in Korea, committed suicide. This incident shed light on prevalent bullying by senior staff against their

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<sup>27</sup> Korea Herald. 2018. "[Editorial] 'Passion pay'." *The Korea Herald* (13 January). <http://www.koreaherald.com/view.php?ud=20150113000343>

<sup>28</sup> If an intern substitutes a worker as the workplace or engages in work that is not related to job training, he/she can be recognized as a worker who is protected by the Labor Law (MOEL 2016).

juniors in hospitals.<sup>29</sup>

The most common type of *Gapjil* that ordinary people experience occurs in relationships with in-work superiors. According to a survey conducted in 2017, 54.3% of respondents said they experienced *Gapjil*. Superiors of the workplace (31.7%) and employers (26.5%) were the most dominant persons in *Gapjil* (Trend Monitor 2018). In a survey of 2500 workers aged 20 to 50 years, 66.3 percent of respondents said they experienced harassment in workplace directly in the last five years (2013-2017), and most of the perpetrators were superiors such as supervisors and seniors. The types were as follows (Kim and Lee 2018, 5-6).

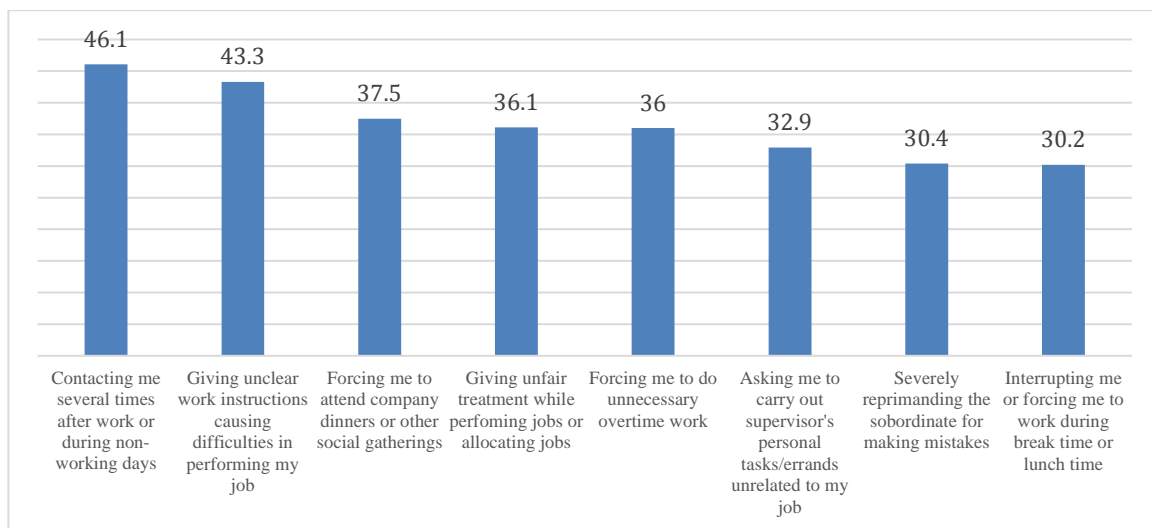


Figure 5. Direct Experience in a Relationship with Immediate Supervisors in the Last 5 Years (multiple answers)

In a hierarchical organization such as an army or a corporation, there are acts of giving physical or mental suffering or violating the personality by using a superior position or status in the work. Nonetheless, this behavior is considered to be part of the command and control of the superiors. In a continuous face-to-face relationship, subordinates have no choice but to

<sup>29</sup> Kim, Se-jeong. 2018. "Nurse's Suicide Sheds Lights on Bullying in Hospital." *The Korea Times* (20 February). [https://www.koreatimes.co.kr/www/nation/2018/05/119\\_244468.html](https://www.koreatimes.co.kr/www/nation/2018/05/119_244468.html)

tolerate the unfair demands or treatments of the superior in order to proceed with their work. Otherwise they have to move their job. In the absence of legal restrictions on bullying in the workplace, subordinates who have to live up with such pain are subjected to great stress and health problems.

## **5. Conclusion: Quest for Economic Democratization**

As we have seen so far, there has been an increase in the public anger involving *Gapjil* in Korea. The abuse of superior position in various social relations has caused unfair influence or abuse of power. The *Gap-Eul* relationship problem has become a social issue, as the relative weak who cannot alleviate the injustice through the official route actively engage in publicize their experience through online communities and SNS.<sup>30</sup> Their claims received wider public support and resentment which amounted to claims for economic democratization. There are various positions on economic democratization (Kwon and Kang 2017), but complaints about the *Gap-Eul* relationship are related to the reduction of domination.

The power imbalance that exists in various forms in everyday life, and the increase of vulnerability in the social relation thereby, weakens the self-respect of relative weak and undermines the democratic ideal of respecting one another as equal being regardless of social status. In the *Gap-Eul* relationship, *Euls* feel humiliation as their dignity is ignored. Recently, discontent *Euls* started to unite their voice, “We are not slaves.” In July 2017, the Federation of National Franchisees Association Council and the National Association of Agencies

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<sup>30</sup> Tizzard, David. 2018. “The Slave Becomes the Master?” *The Korea Times* (6 May). [https://www.koreatimes.co.kr/www/opinion/2018/05/715\\_248499.html](https://www.koreatimes.co.kr/www/opinion/2018/05/715_248499.html)

requested the strengthening of collective rights to protect franchisees and agencies.<sup>31</sup> In June 2018, Korean Air employees went out on the street and demanded that the owner family retreat from the management of the company.<sup>32</sup>

However, it is more important to establish institutional arrangements in which these voices can evolve into practical yet fundamental solutions of the *Gap-Eul* relationship. The analysis of this paper calls on the need to respond to the three conditions of domination: dependence, power imbalance and arbitrariness. It may be more complicated to eliminate the existence of social dependence and power imbalance than to reduce arbitrariness involved in *Gapjil*. We suggest two measures for the prevention of domination caused by *Gap-Eul* relation. One is to strengthen the bargaining or countervailing power of the relative weak. An example would be to create a provision stipulating the right to organize an agency group and prohibiting the giving of disadvantages on the grounds of organization, affiliation, and activities. The other is to establish formal regulatory procedures to correct unfair treatment of power abuse. A variety of regulations can be considered, from ex ante measures such as the creation of standard contracts or guidelines, to ex post measures to establish procedures quickly adjusting disputes and remedying the damage.

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<sup>31</sup> Cha, Hyun-ah. 2017. "The Euls started to move. 'We are not slaves.'" *Media Today* (20 July). [in Korean] <http://www.mediatoday.co.kr/?mod=news&act=articleView&idxno=138007>

<sup>32</sup> Lee, Wooyoung. 2018. "Outrage over Korean Air Family Behavior Sparks Movement for Workers." *United Press International* (8 June). <https://www.upi.com/Outrage-over-Korean-Air-family-behavior-sparks-movement-for-workers/2561528397828/>

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