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The Challenge of Corruption Control in a Post-Unification Korea: Lessons from Germany and the former Soviet Bloc

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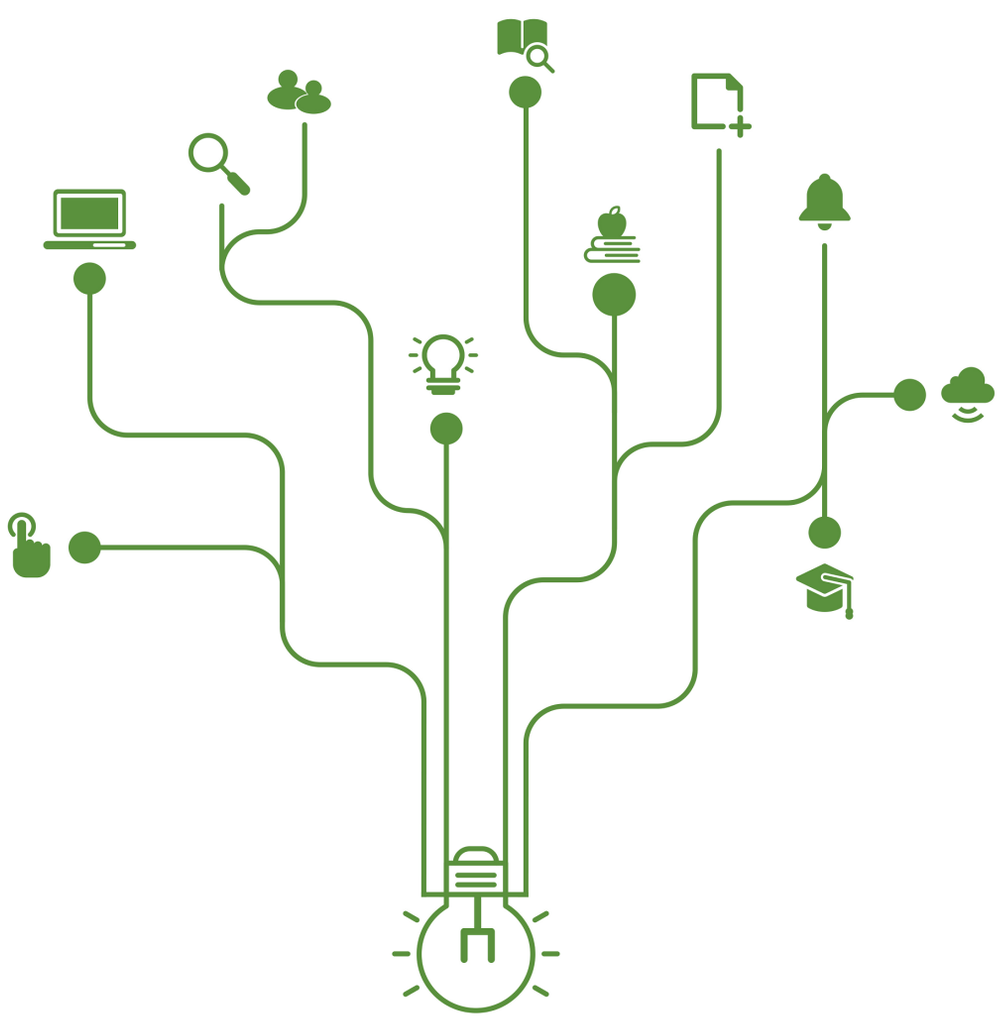

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The Challenge of Corruption Control in a Post-Unification Korea: Lessons from Germany and the former Soviet Bloc

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Abstract

Although the current corruption in North Korea is keeping potential resistance and social disruptions under control, it may not be beneficial for North Korea's economic development in the long-term. The most important reason is that the bribery, which is part of a daily life in North Korea, is rampant and is not functionally helpful to the economy as it does not contribute to formal sector in raising the supply of goods and services but rather remains within informal markets. Moreover, because bribery itself is highly common aspect of lives in North Korea, it takes a significant portion of household spending, which could be spent elsewhere for more productive uses if it could be avoided. Nevertheless, there is a fine equilibrium among dictators, authorities, and market participants that maintains the balance of the corruption system in place. In this backdrop, the present study examines whether this social change in North Korea is expected to break in the long-term as the corrupt relationship between authorities and market participants can no longer be contained by the dictator, resulting in destruction of the system and making transition to market economy.

Keywords

Keywords: North Korea, Corruption, Institution, Transition economy, Unification

1) Authorship is alphabetically ordered.

INTRODUCTION

Despite initial expectations that were inspired first by Kim Jong Il's stroke, and by the abrupt and accelerated nature of Kim Jong Un's succession process, the North Korean political system has remained stable so far. Neither the high-level purges (such as the execution of Jang Song Thaek) nor the post-2012 economic reforms have perceptibly weakened the regime's political control over society. So far there were no new protests akin to the disturbances triggered by the "counter-reforms" of 2007-2008 and the monetary reform of 2009. Under such conditions, it appears more or less unlikely that the North Korean regime will collapse in the near future, and thus the earlier hopes of accomplishing national unification within a foreseeable period need to be critically revised.[1)]

At the same time, it is similarly necessary to acknowledge the possibility of a regime collapse, and make certain mental preparations for such a scenario. While the North Korean political system might endure for a considerably longer time than it was initially expected, its eventual demise, no matter when it will happen, is more likely to occur in the form of a collapse than in the form of a negotiated transition process. For a negotiated and largely peaceful transition, the ruling elite must enter talks with an opposition group which is at least partly organized, able to influence and (if necessary) control crowds, genuinely committed to peaceful change, and – last but not least – at least informally accepted by the leadership as a legitimate negotiating partner.

In those countries where these conditions were present (such as Poland, Czechoslovakia, Hungary, and Mongolia), the transition process of 1989/1990 was mostly or wholly devoid of violence, and the negotiations successfully culminated in the creation of stable democratic systems. In contrast, those countries where the ruling Communist regimes were highly repressive and unwilling to accept any intellectual groups as negotiating partners (such as Albania and Romania) experienced a more turbulent form of transition in which spontaneous street protests and/or street fighting played a major or even dominant role.[2)] In these countries, intellectuals were largely unable to form dissident groups, and since they were often regarded as the regime's privileged collaborators, they

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1) For an overview of such expectations, see Paul B. Stares and Joel S. Wit, "Preparing for Sudden Change in North Korea." Council on Foreign Relations Special Report No. 42 (New York: Council on Foreign Relations, 2009) and Cha Du-hyeogn, "Instability and Regime Change: Why and How Are Regimes Ruined?" (Washington, DC: US-Korea Institute at SAIS, 2016).

2) For an overview of the various types of transition in Eastern Europe, see Katrina Nowak Dusek, "Negotiated or Stolen? Methods of Transition and Patterns of Opposition-regime Interaction in Communist Eastern Europe." M.A. Thesis (Chapel Hill, MA: University of North Carolina, 2008). On Mongolia, see Morris Rossabi, *Modern Mongolia .From Khans to Commissars to Capitalism* (Berkeley, Los Angeles, and London: University of California Press, 2005).

could not exert a strong influence on the impoverished and strongly dissatisfied masses, nor could they gain the status of an informally or formally recognized negotiating partner.[3] Since the North Korean political system is far more similar to the second type of Communist regimes than to the first type, it is reasonable to expect that if the North Korean ruling elite ever loses its power, the DPRK's transition process will have more in common with the experiences of Albania and Romania than with Poland, Czechoslovakia, Hungary, and Mongolia.[4] While the sudden and violent collapse of the North Korean regime would be definitely a less desirable scenario for the Republic of Korea than a negotiated and peaceful transition, it is advisable to base one's unification plans on what is likely to occur, rather than on what one would prefer.

If the North Korean regime does collapse, and its demise leads to the unification of North and South Korea, the country's post-unification political system will be probably more an extension of the existing southern system to the North (as it occurred in post-1990 Germany) than a partial co-existence of northern and southern state institutions (as it temporarily occurred in post-unification Yemen, where in 1991-1994 both the northern and southern armies were maintained side-by-side in an intact form, rather than merged into a single force). The likelihood of an absorption-type unification scenario is based on the following factors: (1) the South Korean constitution recognizes the ROK government as the sole legitimate authority in the whole country, including the territory of North Korea; (2) the traditions and practices of the North Korean ruling party (Korean Workers' Party, KWP) are so fundamentally incompatible with democratic norms that its voluntary and successful transformation into a Social Democratic party(a scenario that occurred in several East European countries, where Social Democratic traditions were relatively deeply rooted) cannot be realistically expected; and (3) earlier inter-Korean relations were frequently marred by armed violence (see the events of 1949-1953, 1966-1970, 1983, 1987, 1999, 2002, and 2010), and the resulting mutual distrust would greatly hinder the integration or co-existence of the northern and southern armed forces on the basis of equality.

Judging from the experiences of post-1990 Germany, the extension of the South Korean administration to the North is likely to encounter serious social and economic

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3) On the inability of Albanian intellectuals to play a leading role in the transition process, see Elez Biberaj, *Albania in Transition*: *The Rocky Road to Democracy* (Boulder, CO: Westview Press, 1998), pp. 37-39. On Romania, see Dragos Petrescu, *Explaining the Romanian Revolution of 1989: Culture, Structure, and Contingency* (Bucharest: Editura Enciclopedica, 2010).

4) For a comparative analysis, see Cheng Chen and Ji-Yong Lee, "Making sense of North Korea: 'National Stalinism' in comparative-historical perspective," *Communist and Post-Communist Studies*, 40 (2007), pp. 459-475.

difficulties. In the two countries mentioned above, it was hardly easy to integrate the population of the former Communist states into the now-dominant West German society. In one respect or another, both the dominant and the absorbed populations had some reasons to be critical of certain specific political, economic, and cultural aspects of the unification process, and such resentment could even fuel political extremism (see the rise of "GDR nostalgia" and right-wing extremism in the eastern areas of Germany). Unification brought a higher tax burden for the West German population and a massive rise of structural unemployment for East German society.[5)]

The "transition traumas" of East Germany had much in common with the socio-economic difficulties experienced in the former Soviet Bloc: Eastern Europe, the Community of Independent States (CIS), and Mongolia. In the East European countries, admission to (or association with) the European Union (EU) created conditions that were comparable to the situation in post-1990 East Germany. Their cooperation with EU broadened their economic opportunities but also carried various obligations. The deregulation of their state-controlled economies eliminated many jobs in the less-than-competitive industries, and their adaptation to EU's legal and administrative requirements was often a slow and tortuous process. Notably, Albania's transition has proven particularly difficult, both in the socio-economic sphere and in the political sphere, and these difficulties were deeply rooted in the same factors that had greatly hindered a negotiated transition in this country: the highly repressive nature of the Communist regime, the absence of civil society, and the population's unfamiliarity with democratic governance and market economy. Since the Albanian Communist system had more in common with North Korea than any of the other East European regimes, the experiences of Albania are of particular relevance if one seeks to assess the prospects of the would-be integration of the North Korean population into South Korean society.[6)]

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5) For comparisons between German unification and the prospects of Korean unification, see Kang Suk Rhee, "Korea's Unification: The Applicability of the German Experience," *Asian Survey*, 33:4 (1993), pp. 360-375; Jin Min Chung and John D. Nagle, "Generational Dynamics and the Politics of German and Korean Unification," *The Western Political Quarterly*, 45:4 (1992), pp. 851-867; Lars Vogel and Heinrich Best, "Political Elites in Transition and Unification: German Lessons for the Korean Peninsula?," *Historical Social Research*, 41:3 (2016), pp. 336-367;Michael Hofmann and Bernd Martens, "Generations and Social Structures in Socialist Countries: The German Democratic Republic and East Germany in comparison with North Korea," *Historical Social Research*, 41:3 (2016), pp. 318-335; Alan J. Auerbach, Young Jun Chun, and Ilho Yoo, "The Fiscal Burden of Korean Reunification: A Generational Accounting Approach." NBER Working Paper No. 10693 (Cambridge, MA: National Bureau of Economic Research, 2004); Seung Mo Choi and Max St. Brown, "Economic Impacts of Reunifications in Germany and in Korea," *Asian Economic Papers*, 14:2 (2015), pp. 183-213.

6) On the difficulties of Albania's transition process, see Lori E. Amy and Eglantina Gjermeni, "Where is the 'State' in Albania? The Unresolved Contradictions Confronting Civil Society in the 'Transition' from Communism to Free Markets," *Studies of Transition States and Societies*, 5:1 (2013), pp. 7-21; Marsida Ashiku, "Political Transition, Corruption in New Democracies: Special Case Albania," *International Journal of Economic Research*, 2:3 (2011), pp. 111-124; Daniela Irrera, "The Balkanisation of Politics: Crime and Corruption in Albania." EUI Working Paper No. 2006/18 (Florence: European University Institute, 2006); Ermal Frasheri, "Of Knights and Squires: European Union and

CONTEXTUALIZING CORRUPTION IN NORTH KOREA

Since it would not have been possible to prepare a complete assessment of the expected difficulties of the would-be Korean unification process within the framework of the present study, we selected one specific problem, corruption, for analysis. Our decision to select this particular problem was motivated by the following considerations: Since the famine (1994-1998) and the breakdown of the command economy, corruption has become a ubiquitous problem in North Korea, affecting many segments of economic and social life. Scholars like Young-Ja Park defined this phenomenon as systematic corruption, that is, a situation where "corruption is structuralized into the state system." This means that corruption is an integral element of the informal but powerful patron-client networks behind the formal institutions of the North Korean party-state, rather than an aberration. Due to the absence of the rule of law, high-ranking officials have broad discretionary powers, and thus their clients (or would-be clients) are strongly motivated to gain and retain their goodwill by paying bribes.[7] While the supreme leadership periodically used the charge of corruption to discredit the officials who were purged for political reasons (see the execution of Jang Song Thaek in 2013), or to justify the "counter-reforms" aimed at curtailing markets (see the anti-market campaigns in 2007-2008), it made no systematic effort to control and reduce corruption.[8] On the contrary, it rather benefited from these practices.

For instance, many foreign investors (including Chinese firms that are relatively familiar with local conditions) were defrauded by their North Korean partners and forced to leave the DPRK.

Actually, the North Korean directors who committed these acts against their foreign partners often did so because they needed to "submit a large percentage of the defrauded profit to the North Korean government in order to gain access to promotion opportunities."[9] Similarly, the security services were prone to extort money from private entrepreneurs by detaining them on the pretext of suppressing "economic crimes," and

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the Modernization of Albania." CID Research Fellow and Graduate Student Working Paper No. 81(Cambridge, MA: Harvard University, Center for International Development, 2016).

7) Young-Ja Park, "Informal Political System in North Korea: Systematic Corruption of 'Power-Wealth' Symbiosis," *International Journal of Korean Unification Studies*, 24:1 (2015), pp. 123-156.

8) Ken E. Gause, *North Korea under Kim Chong-il: Power, Politics, and Prospects for Change* (Santa Barbara, CA:Praeger, 2011), pp. 28, 68, 107, 184, 196.

9) YaoHui Wang, "Investing in the World's Most Isolated Country: Challenges Faced by Chinese Private Investors in North Korea," *North Korean Review*, 12:2 (2016), p. 112.

releasing them only if they paid bribes (or rather ransom).[10)]

At the same time, the state's diminishing financial capabilities were as much responsible for the systematic corruption as its unchanged repressive capabilities. Since the revenues of the pre-1990 North Korean state had been based mainly on the taxes imposed on state-owned enterprises(SOEs) and collective farms, rather than on indirect taxes or personal income taxes, the post-1990 breakdown of many SOEs greatly reduced state revenues, and made the state increasingly unable to provide officials, teachers, physicians, etc. with sufficiently high salaries. Under such circumstances, persons belonging to the aforesaid social groups started to demand bribes from clients, pupils, patients, etc., for their services.[11)]

Nevertheless, the persistence of corruption implied not only the officials' ability to extort money from citizens but also the population's growing ability to evade burdensome and harmful state regulations (such as restrictions on movement, residence, and trade) by means of bribery.

While the relationship between security officers and private entrepreneurs was essentially of a predatory nature, entrepreneurs were able to forge mutually beneficial partnerships with local officials, factory managers, or military officers who allowed them to use state-owned trucks or the production facilities of SOEs for their own purposes. Under such conditions, private entrepreneurs were both victims and beneficiaries of the systematic corruption.[12)] It appears fairly likely that both officials and entrepreneurs have become so much accustomed to corruption that corrupt practices will persist for a substantial time after unification, even if unification leads to the replacement of the North Korean state apparatus and the extension of the ROK administration to the North. Indeed, corruption in North Korea is a combination of nearly all types of corruption: low-level administrative corruption (bribery to bend rules; extortion facilitated by bureaucratic over-regulation and obfuscation; and the misuse of licensing and inspection powers), asset stripping (diversion of public funds; profiteering from public assets;nepotism, clientelism, and the selling of positions), and state capture.[13)]

Corruption is daily part of life in North Korea and is tightly linked to its expanding

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10) Stephan Haggard and Marcus Noland, *Economic Crime and Punishment in North Korea*. East Asia Institute Asia Security Initiative Working Paper 5 (Seoul: East Asia Institute, 2010), pp. 3-17.

11) Jeong-Ah Cho *et al*., *The Everyday Lives of North Koreans*. KINU Studies Series 09-03 (Seoul: Korea Institute for National Unification, 2009), pp. 20-26.

12) Hyung- min Joo, "Visualizing the Invisible Hands: The Shadow Economy in North Korea," *Economy and Society*, 39:1 (2010), pp. 110-145.

13) For a theoretical overview, see Rasma Karklins, "Typology of Post-Communist Corruption," *Problems of Post-Communism*, 49:4 (2002), pp. 22-32.

market economy. According to Cho et al. (2009), the economic crisis in the 90s significantly changed the way of lives in North Korea for most social classes, and in the process, corruption has become a way of lives for most North Korean citizens for their survival. Importantly, the marketization in North Korea occurred through the bottom-up process as a way for regular citizens to make subsistence living in failing economy and distributive system (Soh, 2017). By having access to Chinese mobile phones in the border areas, it became possible to obtain external information in real-time, enabling much more efficient transmission of information in and out of North Korea. This contributed to the creation of new economic elites who uses the external information gained through access to the Chinese mobile phones for trade. In these process, bribes have been essential in avoiding punishment for using mobile phones (Kretchun & Kim, 2012).

North Korea's market economy has grown significantly since the late 1990s, and now it is estimated to account for 30 to 50% of the gross domestic product of North Korea (Lankov, 2016). North Korea is experiencing fairly high annual growth rate considering its status ranging between 1.5 to 5%. Now, there is quite active housing market, which is a way to amass wealth in North Korea (Lankov, 2016). With the marketization, in-flow of foreign goods such as South Korean made gadgets and cosmetics and foreign cultures such as South Korea movies and TV programs are effectively removed the propagandas of the North Korean authorities. Moreover, with greater access to information through illegal means, North Koreans are being exposed to more outside information than ever before (Kretchun & Kim, 2012). As a result, some political liberalization and even signs of income inequality have started to appear but the current regime is unlikely to suppress the marketization and will continue to support the market for the time being because it has facilitated recovery of economy. Indeed, attempted control over the market forces has failed in the past, and no such effort has been seen in the current Kim Jong-un regime. With the nearing end of state-planned economy due to the marketization in North Korea, such development shows that bottom-up changes are possible even under the punitive dictatorial government (Soh, 2017). Hence, corruption and fall of state distribution system in the 1990s was the key trigger in nurturing natural development of marketization and brining signs of social changes in North Korea.

With such social changes and economic development, new class of people called "red capitalist" appeared in North Korea and is acting as a key factor in maintaining current balance of power in North Korea. According to Park (2015), "power-wealth symbiosis"

between North Korean authorities (power or patron) and “red capitalists” (wealth or client) is one cause that is prolong the dictatorial government system in North Korea. The connection between the power and the wealthy is the basis of corruption in North Korea as the client (or wealthy) receives protection and privileges from the patrons (or authorities) in return for financial support. Within the current situation of systematic corruption, authorities with power and the new wealthy class borne under the marketization act in concert to exploit the current North Korea. However, in the long-term, it is likely that the new wealthy class will find it difficult to accept the excessive bribes required as a result of frequent fluctuations in the power structure of the regime and national policies, which may lead to social changes in North Korea. These new wealthy class was able to avert the attempts of North Korean government to curb and re-collect corrupt money by investing and amassing foreign currencies such as US dollar and Chinese RMB. The use of foreign currency increased in North Korea across different periods. These periods are characterized by economic shocks that occurred in 1992, 2002, and 2009 (Green, 2016). In the late 1980s, it was only high-ranking officials that were able to access and accumulate any significant foreign currencies, and foreign currencies at the time were mostly used as a sign of wealth. This, however, changed in the later periods. Following the currency revaluation in 1992, the Economic Management Improvement Measure in 2002, and currency reform in 2009, which greatly eroded the value of North Korean won, it became common for North Korean people to utilize foreign currency (RMB) in markets and to store foreign currency at home. While the state implemented above measures with the intention of taking back the corrupt money in the hands of the public, citizens driven by the desire to securely hold wealth increasingly adopted the use of foreign currency against the will of the state (Green, 2016). With such wide-spread of foreign currency uses in North Korea, the authorities, in effect, lost its control over corruptions between its government officials and its citizens. For the North Korean authorities, however, despite the duality of compliance as well as defiance of the doctrines of North Korea, the possibility of political resistance has been averted so long as they maintained the current corrupt system and guaranteed the survival of citizens (Cho et al., 2009).

Although the current corruption in North Korea is keeping potential resistance and social disruptions under control, it may not be beneficial for North Korea’s economic development in the long-term. The most important reason is that the bribery, which is part of a daily life in North Korea, is rampant and is not functionally helpful to the economy as it does not contribute to formal sector in raising the supply of goods and services but

rather remains within informal markets (Kim, 2010). Moreover, because bribery itself is highly common aspect of lives in North Korea, it takes a significant portion of household spending, which could be spent elsewhere for more productive uses if it could be avoided. Nevertheless, there is a fine equilibrium among dictators, authorities, and market participants that maintains the balance of the corruption system in place. However, this is expected to break in the long-term as the corrupt relationship between authorities and market participants can no longer be contained by the dictator, resulting in destruction of the system and making transition to market economy.

Historically speaking, uncontrolled corruption has played an important role in the destruction of communist and totalitarian regimes in the past. This means that North Korea may also be facing the same predicament with the rampant development of corruption along with the expanding marketization. For instance, Kim (1997) argued that political and economic failures are breeding corruptions in North Korea, and this could be the fall of North Korean regime unless it is brought under control. Given the fact that marketization and corruptions are taking place in North Korea, there are also side-effects that follows from their development. Kim et al.(2013) focused on the fact that corruption is not only related to economic activities but also has far reaching consequences for human right issues in North Korea. More specifically, they argue that because jobs are assigned in accordance with the policy and plans in North Korea, corruptions related to job assignment and maintenance are deeply entrenched in North Korea.

Furthermore, there also exists corruptions in food acquisition, in education opportunity, and in access to health. All these forms of corruptions raise income inequalities and class disparities and discriminations. They find that although corruptions in North Korea can provide positives such as greater freedom of movement, negatives may far outweigh the benefits of positives and it could negatively affect North Koreans' human rights in the long-term. Indeed, in terms of wealth inequality, the price of apartment has increased substantially such that apartments in Pyongyang are about five to ten times more expensive than they were 10 years ago (Lankov, 2016). Such class divide and inequalities could be the trigger leading to social changes and opening of North Korea.

Given such development in North Korea, it would be prudent for South Korea to make preparations that can foster and facilitate transition to unification. Bennett (2017) argues that for the success of unification, it would be important to receive support from the North Korean elites, and to this end, it will be necessary to change the perception of North Korean elites who are indoctrinated to believe and fear that the unification would be

catastrophic for their lives and status. Bennett argues that there should be plans to integrate North Korean elites into post-unification Korea in such a way that guarantees them of some form of socioeconomic status.

Otherwise, unification or any such process may be resisted inside North Korea.

The review of corruption in North Korea indicates that it is began as a way to make subsistence living after the economic crisis in the 1990s. Since then, corruption bred bottom-up driven marketization in North Korea and has created a new class of people amassing wealth through corrupt relationship with authorities and through market exchanges. Indeed, the marketization has been crucial in maintaining the fragile stability, but many scholars are wary of the possibility that such balance may not last in the long-term. What has been recurred historically is that rampant corruptions lead to destruction of communist regimes (Kim, 1997), and North Korea is also facing the same fate with its current situation.

CORRUPTION IN POST-COMMUNIST STATES

The long-term effects of this problem may be gauged from the fact that corruption posed a serious challenge in virtually every post-Communist country, even in such relatively successful cases of transition as Poland and Hungary. A report of the Open Society Institute summarized the negative heritage of the Communist era as follows: "traditions of both high-level grand corruption and low-level petty corruption; entrenched mistrust of the State; a feeling of legitimacy among the population in circumventing the State ('beating the system'); widespread clientelism and forms of exchange that run against both formal political and bureaucratic norms and corruption in the private sector as a substitute for fair competition."[14] In countries where the legacy of the Communist regime was particularly unfavorable and/or there were hardly any pre-Communist traditions of democracy (like Albania and the Commonwealth of Independent States), these problems were even more serious.[15] Furthermore, certain post-Communist countries continued to be affected by serious corruption problems long after their admission to the EU.

Problems of this kind were observed in the former East Germany, too, and they were

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14) Open Society Institute, "Monitoring the EU Accession Process: Corruption and Anti-Corruption Policy" (2002), p.43. Quoted in Patrycja Szarek-Mason, *The European Union's Fight Against Corruption. The Evolving Policy Towards Member States and Candidate Countries* (Cambridge: Cambridge University Press, 2010), p. 17.

15) For a comprehensive analysis, see Blendi Kajsiu, *A Discourse Analysis of Corruption: Instituting Neoliberalism Against Corruption in Albania, 1998-2005* (Farnham: Ashgate, 2014).

often directly associated with the privatization process that was managed by the agency named Treuhandanstalt (1990-1994).

The institutions of the EU quickly became aware of the gravity of the corruption problem.

During the process of EU enlargement (2004: admission of the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, and Slovenia; 2007: Bulgaria and Romania; 2013: Croatia), the founding membe rs made sustained efforts to persuade (and, if necessary, compel) the candidate countries to improve their record in the sphere of corruption control.[16] These regulative efforts may be compared to the measures that the ROK authorities will have to take in the northern provinces after unification. For this reason, it is worth examining how effective the EU's pressure has been. It is an important question how much external demands could (or could not) shape the conduct of social, economic, and political actors in countries where corruption was deeply rooted, because if the need to adapt to EU norms did stimulate favorable changes in the transition countries (which expected that their admission would result in higher economic growth and living standards, and which thus had strong motivations to fulfill EU's requirements), one can at least potentially expect analogous reactions from the social, economic, and political actors in the North Korean provinces. In such a scenario, the transition process of North Korean society would be relatively successful, provided that the ROK institutions made systematic and sustained efforts to control corruption in the former DPRK. If, however, EU's demands could not make a sufficiently deep impact on the transition societies in Eastern Europe, it is reasonable to expect that corruption might remain a long-term problem in the North Korean provinces, too.

In the first stage of our research, we collected data from the World Bank database "Control of Corruption – Country Rankings"
(http://www.theglobaleconomy.com/rankings/wb_corruption/).

The examined period covered the years from 1996 to 2015/2016, because the database contains only post-1996 country rankings as far as corruption control, government effectiveness, the rule of law, and other governance indicators are concerned.[17] The collection of data was focused on twenty-eight post-Communist countries where the transition process resulted in the dismantlement of the old party-state (Central and

16) Szarek-Mason, *The European Union's Fight Against Corruption*, pp. 182-250.

17) In the case of certain countries, the World Bank database on corruption control does not cover the entire period from 1996 to 2016, only the more recent years. Data collection on corruption perceptions started only in 2001.

Southeastern Europe, the Community of Independent States, and Mongolia). The transition countries still governed by Communist parties(China, Vietnam, Laos, and Cuba) were excluded from the investigation on the grounds that in a unified Korea, the KWP would no longer enjoy a position of political monopoly. We also collected data on North and South Korea to assess their present conditions and compare them to the transition countries. The World Bank data were based on public perceptions of the effectiveness/ineffectiveness of corruption control, rather than on the exact number of detected and/or prosecuted corruption cases. The database used a scale from 2.5 (highest; converted to 100%) to -2.5 (lowest; converted to 0%).

The preliminary findings of our investigation are the following:

The World Bank data fully confirm that corruption is indeed an extremely serious problem in North Korea. During the entire twenty-year period, North Korea's record in corruption control has been even worse than that of those transition countries which were not admitted to the EU.

Of the non-EU transition countries, only Turkmenistan's performance was occasionally worse than that of the DPRK (see Table 1). In global terms, the DPRK never achieved a rank better than 177. A minor short-term improvement was reported at the time of the July 2002 economic measures, followed by a fluctuating performance and, since 2009, by virtual stagnation. The counter-reforms of 2007-2008 seem to have made a particularly adverse impact on corruption control, but even in the post-2012 years (when there has been a limited progress in market-oriented economic policies), there was little sign of improvement (see Table 2).[18] Judging from these patterns, no radical improvement can be expected under the present leadership. In case of a regime collapse, the ROK authorities will inherit a very serious situation.

Table 1. Corruption control in the non-admitted transition countries, North Korea, and South Korea

18) On the anti-market "counter-reforms," see Andrei N. Lankov, "Pyongyang Strikes Back: North Korean Policies of 2002-08 and Attempts to Reverse 'De-Stalinization from Below'," Asia Policy, 8 (2009), pp. 47-71.

Year	Albania	Bosnia	Macedon.	Serbia	Moldova	Belarus	Ukraine	Russia	Georgia	Armenia
1996	2.82	4.30	3.08	2.94	4.60	3.14	2.94	2.96	2.22	4.06
1997	2.90	4.37	3.37	2.89	4.51	3.44	2.82	3.04	2.83	3.79
1998	2.98	4.44	3.66	2.84	4.42	3.74	2.7	3.12	3.44	3.52
1999	3.17	4.23	3.67	2.80	4.17	3.87	2.78	3.14	3.34	3.61
2000	3.36	4.02	3.68	2.76	3.92	4.00	2.86	3.16	3.24	3.70
2001	3.32	4.16	3.46	2.97	3.51	3.72	2.91	3.16	2.98	3.70
2002	3.28	4.30	3.24	3.18	3.10	3.44	2.96	3.16	2.72	3.70
2003	3.46	4.40	3.68	4.06	3.36	3.60	3.28	3.58	3.70	3.90
2004	3.66	4.38	4.02	4.04	3.02	3.16	3.22	3.52	3.78	3.78
2005	3.52	4.60	4.12	4.24	3.72	3.26	3.62	3.44	4.28	3.74
2006	3.36	4.40	4.26	4.44	3.88	3.74	3.64	3.30	4.94	3.82
2007	3.64	4.26	4.28	4.30	3.82	3.64	3.52	3.10	4.52	3.64
2008	3.90	4.30	4.68	4.40	3.86	3.72	3.42	2.90	4.56	3.74
2009	4.02	4.26	4.78	4.38	3.68	3.72	2.98	2.82	4.56	3.88
2010	4.02	4.36	4.88	4.42	3.64	3.54	3.04	2.88	4.76	3.70
2011	3.70	4.38	4.92	4.50	3.74	3.56	3.00	2.92	4.96	3.80
2012	3.60	4.42	5.04	4.38	3.80	3.96	2.94	2.96	5.52	3.96
2013	3.60	4.56	5.04	4.46	3.52	3.96	2.82	3.00	5.72	4.08
2014	3.9	4.44	5.18	4.62	3.3	4.36	3	3.26	6.48	4.12
2015	4.12	4.26	4.74	4.52	3.24	4.26	3.04	3.28	6.28	4.1

Year	Azerb.	Kazakh.	Uzbek.	Turkmen.	Tajikistan	Kyrgyz.	Mongolia	N. Korea	S. Korea
1996	2.5	2.78	2.86	4.06	2.22	4.06	4.76	1.50	5.54
1997	2.63	2.95	2.89	3.61	2.40	4.05	4.65	1.49	5.61
1998	2.76	3.12	2.92	3.16	2.58	4.04	4.54	1.48	5.68
1999	2.79	3.00	3.05	3.13	2.74	3.79	4.37	1.44	5.59
2000	2.82	2.88	3.18	3.10	2.90	3.54	4.20	1.40	5.50
2001	2.86	2.88	3.10	2.88	2.92	3.41	4.59	2.03	5.72
2002	2.90	2.88	3.02	2.66	2.94	3.28	4.98	2.66	5.94
2003	3.10	3.04	2.98	2.80	2.96	3.20	4.66	1.54	5.96
2004	2.78	2.80	2.86	2.24	2.60	2.94	4.24	2.00	5.68
2005	3.02	3.02	2.64	2.14	2.82	2.66	3.84	2.22	6.18
2006	3.00	3.18	3.22	2.00	3.16	2.46	3.86	1.80	5.56
2007	2.94	3.18	3.16	2.06	3.18	2.50	3.74	1.42	6.04
2008	2.92	3.20	3.10	2.18	2.86	2.76	3.68	1.54	5.74
2009	2.78	3.24	2.56	2.08	2.74	2.54	3.48	2.26	5.96
2010	2.64	3.04	2.52	2.12	2.60	2.78	3.54	2.34	5.80
2011	2.76	3.04	2.38	2.12	2.72	2.70	3.64	2.26	5.92
2012	2.84	3.22	2.56	2.30	2.66	2.82	3.94	2.34	5.94
2013	3.20	3.20	2.54	2.32	2.62	2.74	4.04	2.34	6.10
2014	3.16	3.48	2.76	2.56	3.00	2.78	4.06	2.32	5.98
2015	3.36	3.48	2.68	2.48	3.00	2.84	4.06	2.42	5.98

Method of conversion: 2.5 = 10 (100%); 1.25 = 7.5 (75%); 0 = 5 (50%); -1.25 = 2.5 (25%); -2.5 = 0.

Table 2: Changes in corruption control in North Korea

1996-2000	C.C.	2001-2005	C.C.	2006-2010	C.C.	2011-2015	C.C.
1996	1.50	2001	2.03	2006	1.80	2011	2.26
1997	1.49	2002	2.66	2007	1.42	2012	2.34
1998	1.48	2003	1.54	2008	1.54	2013	2.34
1999	1.44	2004	2.00	2009	2.26	2014	2.32
2000	1.40	2005	2.22	2010	2.34	2015	2.42

Method of conversion: 2.5 = 10 (100%); 1.25 = 7.5 (75%); 0 = 5 (50%); -1.25 = 2.5 (25%); -2.5 = 0.

The experiences of the recently admitted EU members similarly indicate that corruption was, and still is, a particularly serious and persistent problem in transition economies. Of the countries, only a few (particularly Estonia, Latvia, and Lithuania) showed a pattern of gradual, significant, and irreversible improvement during a long period. It was more common that countries lost their initially favorable status and underwent a decline (Slovenia, Hungary), or their initial progress reached a ceiling, and later started to deteriorate or stagnate (Bulgaria, Croatia). In the first decade (1996-2006), positive or negative changes in performance were relatively more substantial than in the second decade (2007-2016), when the trajectories have become increasingly flat, implying that a sort of ceiling was reached and it was difficult to achieve further changes in social and political attitudes (see Table 3). These data seem to be in accordance with the World Bank's 2006 assessment, which concluded that "in the area of anti-corruption, EU conditionality worked best when accession was still not certain, particularly before the accession negotiations were concluded in 2002."[19)]

Table 3: Corruption control in the transition countries that joined the EU in 2004-2013

Year	Poland	Czech R.	Slovakia	Hungary	Estonia	Latvia	Lithuania	Slovenia	Romania	Bulgaria	Croatia
1996	6.08	6.30	5.72	6.16	4.88	3.36	4.88	7.64	4.56	3.44	3.36
1997	6.21	6.20	5.61	6.23	5.51	4.15	4.97	7.62	4.10	3.98	3.46
1998	6.34	6.10	5.50	6.30	6.14	4.94	5.06	7.60	3.64	4.52	3.56
1999	6.22	5.63	5.40	6.34	6.22	4.68	5.22	7.07	3.84	4.55	4.07
2000	6.10	5.16	5.30	6.38	6.30	4.42	5.38	6.54	4.04	4.58	4.58
2001	5.88	5.44	5.05	6.21	6.29	4.59	5.23	6.49	4.14	4.59	5.04
2002	5.66	5.72	4.80	6.04	6.28	4.76	5.08	6.44	4.24	4.60	5.50
2003	5.76	5.88	5.62	6.20	6.58	5.36	5.52	6.72	4.40	4.86	5.32
2004	5.22	5.76	5.78	6.30	6.84	5.28	5.64	7.04	4.48	5.20	5.40

19) Szarek-Mason, *The European Union's Fight Against Corruption*, pp. 207-208.

Year	Poland	Czech R.	Slovakia	Hungary	Estonia	Latvia	Lithuania	Slovenia	Romania	Bulgaria	Croatia
2005	5.44	5.92	5.98	6.24	6.94	5.64	5.44	6.78	4.58	5.12	5.28
2006	5.34	5.62	5.80	6.22	6.92	5.58	5.16	7.04	4.68	4.80	5.18
2007	5.38	5.46	5.60	6.12	6.84	5.50	5.06	6.96	4.64	4.54	5.16
2008	5.70	5.54	5.60	5.76	6.74	5.26	5.08	6.82	4.68	4.40	4.92
2009	5.74	5.66	5.46	5.68	6.82	5.26	5.24	7.04	4.46	4.50	4.80
2010	5.82	5.52	5.48	5.50	6.72	5.26	5.54	6.70	4.56	4.58	4.94
2011	5.98	5.60	5.48	5.64	6.86	5.38	5.48	6.80	4.62	4.56	5.02
2012	6.18	5.46	5.14	5.56	6.98	5.32	5.64	6.64	4.48	4.52	4.92
2013	6.10	5.38	5.12	5.58	7.24	5.54	5.74	6.42	4.64	4.42	5.22
2014	6.18	5.64	5.24	5.26	7.54	5.68	5.96	6.38	4.72	4.44	5.38
2015	6.16	5.78	5.30	5.20	7.50	5.80	6.12	6.46	4.90	4.38	5.40

Method of conversion: 2.5 = 10 (100%); 1.25 = 7.5 (75%); 0 = 5 (50%); -1.25 = 2.5 (25%); -2.5 = 0.

In several post-Communist countries, the political elites' desire to achieve admission to the EU did stimulate sustained efforts to control corruption. This was particularly significant in Estonia, where the new political elites emphatically rejected any close association with Russia and the Community of Independent States (CIS), promised "a clean break with the past," and carried out privatization in a way that "that rapidly brought in Western managers and owners who both rejected corrupt practices and, in any case, were not members of any close-knit Estonian networks." Their determination helped to make Estonia the least corrupt of the newly admitted EU members.[20] An analogous situation could be observed in Georgia, where the "Rose Revolution" (2003), intertwined as it was with a shift from a pro-Russian alignment to close cooperation with the EU and NATO, led to the drastic replacement of the old elites (such as the summary dismissal of all police officers), which in turn resulted in a radical improvement in the sphere of corruption control (see Table 4).[21] These rapid and substantial changes suggested that even such an extremely corrupt country as pre-2003 Georgia can be successfully "cleansed" if the new elites have a sufficiently strong motivation (that is, self-interest) to curb corruption and if the developed countries (like the EU) provide sufficient support to their anti-corruption policies.

20) Daunis Auers, *Comparative Politics and Government of the Baltic States: Estonia, Latvia and Lithuania in the 21st Century* (New York: Palgrave Macmillan, 2015), pp. 66-67, 136-144.

21) For an overview, see World Bank, *Fighting Corruption in Public Services: Chronicling Georgia's Reforms* (Washington, DC: World Bank, 2012).

Table 4. Georgia versus the CIS countries: a politically motivated anti-corruption campaign

Year	Russia	Ukraine	Belarus	Moldova	Georgia	Armenia	Azerb	Kazakh	Uzbek	Turkmen	Kyrgyz	Tajik
2001	2.3	2.1	-	3.1	-	-	2.0	2.7	2.7	-	-	-
2002	2.7	2.4	-	2.1	2.4	-	2.0	2.3	2.9	-	-	-
2003	2.7	2.3	-	2.4	1.8	3.0	1.8	2.4	2.4	-	-	-
2004	2.8	2.2	-	2.3	2.0	3.1	1.9	2.2	2.3	2.0	-	-
2005	2.4	2.6	2.6	2.9	2.3	2.9	2.2	2.6	2.2	1.8	-	2.1
2006	2.5	2.8	2.1	3.2	2.8	2.9	2.4	2.6	2.1	2.2	-	2.2
2007	2.3	2.7	2.1	2.8	3.4	3.0	2.1	2.1	1.7	2.0	-	2.1
2008	2.1	2.5	2.0	2.9	3.9	2.9	1.9	2.2	1.8	1.8	-	2.1
2009	2.2	2.2	2.4	3.3	4.1	2.7	2.3	2.7	1.7	1.8	-	2
2010	2.1	2.4	2.5	2.9	3.8	2.6	2.4	2.7	1.6	1.6	-	2.1
2011	2.4	2.3	2.4	2.9	4.1	2.6	2.4	2.8	1.6	1.6	-	2.3
2012	2.8	2.6	3.1	3.6	5.2	3.4	2.7	2.8	1.7	1.7	2.4	2.2
2013	2.8	2.5	2.9	3.5	4.9	3.6	2.8	2.6	1.7	1.7	2.4	2.2
2014	2.7	2.6	3.1	3.5	5.2	3.7	2.9	2.9	1.8	1.7	2.7	2.3
2015	2.9	2.7	3.2	3.3	5.2	3.5	2.9	2.8	1.9	1.8	2.8	2.6
2016	2.9	2.9	4.0	3.0	5.7	3.3	3.0	2.9	2.1	2.2	2.8	2.5

Method of conversion: 2.5 = 10 (100%); 1.25 = 7.5 (75%); 0 = 5 (50%); -1.25 = 2.5 (25%); -2.5 = 0.

The beneficial effects of the "EU factor" should not be overestimated, however. If the expected date of admission was too distant or the chances of admission were too limited (as it was the case in Albania and Bosnia), political elites felt little incentive to pursue a strict anti-corruption policy, because such measures were bound to damage their patron-client networks but they could not guarantee a speedy admission process.[22] In several countries (Bulgaria, Hungary), anti-corruption policies showed progress in the pre-admission phase and in the first years of membership, only to undergo a subsequent decline. Actually, the recent increase of corruption in Hungary was often directly linked to the country's EU membership, since the availability of EU funding for local projects created incentives to win such tenders by unfair means. "EU funds represent much higher corruption risks than spending of Hungarian funds in spite of considerably more stringent regulation," Mihály Fazekas, Lawrence Peter King, and István János Tóth conclude. "As corruption risks are particularly pronounced for large projects and for companies dependent on their political connections for winning contracts, EU funds-related corruption is most probably driven by national politics."[23]

22) International Crisis Group, "Bosnia's Future." Europe Report No. 232 (Brussels: International Crisis Group, 2014), pp. 15-16.

23) Mihály Fazekas, Lawrence Peter King, and István János Tóth, "Hidden Depths. The Case of Hungary." ERCAS

These phenomena suggest that the unification of Korea and the influx of South Korean investments into the North might actually create new opportunities for corruption. Notably, the most valuable assets of the North Korean economy are the country's rich mineral resources (gold, non-ferrous metals, iron, and so on), and resource-rich countries are often regarded to be particularly prone to corruption.[24] Under such conditions, the acquisition of northern mineral resources by southern corporations might be accompanied by various forms of corruption.

Of the examined Communist countries, eight cases (Albania, Bulgaria, Croatia, Estonia, Georgia, Hungary, Poland, and Slovenia) were selected for a preliminary comparative examination to assess whether the implementation of corruption control posed a more serious challenge than other aspects of governance (government efficiency, regulatory quality, and rule of law), or a less serious one. These eight countries were selected on the grounds that their performance in the control of corruption showed relatively significant changes (either in a positive or a negative sense) during the examined period. Our findings indicate that controlling

corruption has proven relatively more difficult than improving other aspects of governance (for samples, see Tables 5-8). If there was any significant difference between a country's performance in these four spheres, this usually meant that the country showed better progress in improving the effectiveness and regulatory quality of the government than in controlling corruption and ensuring the rule of law. Diverging performance in the four spheres was more common in the economically less developed countries (Albania, Bulgaria, Croatia, Georgia) than in the more developed ones (Hungary, Poland, Slovenia). North Korea's performance in the other three spheres has been just as unfavorable as in corruption control. In the field of regulatory quality, the DPRK was recorded as the worst case in the world in several successive years. Judging from the trends described above, improving North Korea's performance in corruption control would be a particularly difficult task, all the more so because North Korea also belongs to the category of less developed countries.

Table 5. Governance indicators (control of corruption, government effectiveness,

Working Paper No. 36 (European Research Centre for Anti-Corruption and State-Building, 2013), p. 79.

24) For various views about the relationship between corruption and resource abundance, see Nicholas Shaxson, "Oil, Corruption and the Resource Curse," *International Affairs*, 83:6 (2007), pp. 1123-1140; Anja Franke, Andrea Gawrich, and Gurban Alakbarov, "Kazakhstan and Azerbaijan as Post-Soviet Rentier States: Resource Incomes and Autocracy as a Double 'Curse' in Post-Soviet Regimes," *Europe-Asia Studies*, 61:1 (2009), pp. 109-140; and Hazel M. McFerson, "Governance and Hyper-Corruption in Resource-Rich African Countries," *Third World Quarterly*, 30:8 (2009), pp. 1529-1547. On North Korea as a resource-dependent economy, see Balázs Szalontai and Changyong Choi, "The Dilemmas of Dependency: China's Controversial Role in North Korea's Economic Transformation," *Asian Survey*, 53:2 (2013), pp. 269-291.

regulatory quality, rule of law) in Albania

Year	Control	Effective	Regulation	Rule of law
1996	2.82	3.40	4.16	3.14
1997	2.90	3.52	4.40	2.88
1998	2.98	3.62	4.62	2.60
1999	3.17	3.48	4.56	2.56
2000	3.36	3.34	4.48	2.52
2001	3.32	3.60	4.50	2.84
2002	3.28	3.86	4.50	3.16
2003	3.46	3.78	4.06	3.24
2004	3.66	4.12	4.68	3.48
2005	3.52	3.76	4.40	3.40
2006	3.36	4.08	4.80	3.54
2007	3.64	4.22	5.12	3.58
2008	3.90	4.30	5.30	3.72
2009	4.02	4.52	5.50	3.94
2010	4.02	4.46	5.46	4.12
2011	3.70	4.60	5.48	4.02
2012	3.60	4.46	5.40	3.92
2013	3.60	4.36	5.42	3.90
2014	3.90	4.86	5.46	4.26
2015	4.12	5.06	5.40	4.28

Table 6. Governance indicators (control of corruption, government effectiveness, regulatory quality, rule of law) in Estonia

Year	Control	Effective	Regulation	Rule of law
1996	4.88	6.14	7.48	5.94
1997	5.51	6.10	7.46	6.00
1998	6.14	6.06	7.46	6.06
1999	6.22	6.24	7.52	6.10
2000	6.30	6.44	7.58	6.16
2001	6.29	6.44	7.68	6.34
2002	6.28	6.44	7.78	6.52
2003	6.58	6.86	7.60	6.50
2004	6.84	6.94	7.60	6.84
2005	6.94	6.98	7.58	6.84
2006	6.92	7.30	7.58	7.18
2007	6.84	7.08	7.72	7.24
2008	6.74	7.32	7.84	7.32
2009	6.82	7.06	7.80	7.18
2010	6.72	7.22	7.78	7.26
2011	6.86	7.20	7.78	7.32
2012	6.98	6.94	7.84	7.28
2013	7.24	7.00	7.90	7.36
2014	7.54	7.10	8.36	7.72
2015	7.50	7.18	8.34	7.66

Table 7. Governance indicators (control of corruption, government effectiveness, regulatory quality, rule of law) in Georgia

Year	Control	Effective	Regulation	Rule of law
1996	2.22	3.66	2.98	2.10
1997	2.83	3.70	3.52	2.10
1998	3.44	3.72	4.04	2.08
1999	3.34	3.62	4.14	2.42
2000	3.24	3.54	4.22	2.76
2001	2.98	3.4	3.84	2.72
2002	2.72	3.24	3.44	2.66
2003	3.70	4.00	3.76	3.00
2004	3.78	4.02	4.08	3.66
2005	4.28	4.16	3.80	3.56
2006	4.94	4.64	4.72	4.04
2007	4.52	5.26	5.58	4.32
2008	4.56	5.62	5.96	4.48
2009	4.56	5.56	6.00	4.58
2010	4.76	5.58	6.18	4.58
2011	4.96	6.10	6.32	4.74
2012	5.52	6.20	6.38	4.96
2013	5.72	6.16	6.52	4.98
2014	6.48	5.96	6.86	5.40
2015	6.28	5.80	6.84	5.60

Table 8. Governance indicators (control of corruption, government effectiveness, regulatory quality, rule of law) in Hungary

Year	Control	Effective	Regulation	Rule of law
1996	6.16	6.68	6.70	6.66
1997	6.23	6.78	6.88	6.62
1998	6.30	6.88	7.06	6.58
1999	6.34	6.90	7.12	6.64
2000	6.38	6.92	7.18	6.70
2001	6.21	6.98	7.40	6.78
2002	6.04	7.04	7.62	6.86
2003	6.20	6.92	7.24	6.78
2004	6.30	6.80	7.32	6.78
2005	6.24	6.60	7.14	6.66
2006	6.22	6.76	7.42	6.92
2007	6.12	6.44	7.38	6.84
2008	5.76	6.42	7.40	6.78
2009	5.68	6.36	7.16	6.52
2010	5.50	6.34	7.04	6.50
2011	5.64	6.34	7.06	6.48
2012	5.56	6.26	6.98	6.20
2013	5.58	6.32	6.82	6.14
2014	5.26	6.06	6.50	6.00
2015	5.20	5.98	6.54	5.80

Criminality and Corruption in the Eastern Part of Reunified Germany

While the experiences of the East European and post-Soviet transition countries do provide much insight into the problems with which the authorities of a reunified Korea will have to cope, in one important respect the aforesaid cases are not sufficiently similar to the situation of the post-unification northern provinces. As noted earlier, unification and democratization is expected to lead to the dismantlement of the North Korean state apparatus and to the extension of the South Korean state institutions to the North. In the transition countries, the previous state apparatus was rarely dismantled or purged in such a drastic way (Georgia and Estonia seem to have been more or less exceptional cases). Actually, the persistence of corruption was in many ways rooted in the patronage-ridden, reform-resistant state administration. From this perspective, the most valid analogy to post-unification North Korea is post-1990 East Germany, where the transition process did not merely dismantle the party-state but also reorganized the territorial administration (that is, it restored the pre-1952 federal system) and dismissed a substantial part of the East German officials, replacing them with West German ones. This process of "elite replacement" and "elite import" was of a fairly wide scope, particularly in spheres of "hard power." In post-1990 Germany, East Germans were perceptively, though not drastically, underrepresented in the national elites.[25)]

For this reason, we examined the problems of criminality and corruption in the post-1990 East German areas, too. In the second phase of our project, we investigated if the eastern areas, composed of five "new" Länder (Brandenburg, Mecklenburg-Vorpommern, Saxony, Sachsen-Anhalt, and Thuringia), showed any perceptively higher rates of criminality and/or corruption than the "old" Länder (that is, the areas belonging to pre-1990 West Germany), and whether the possible differences between the "old" and "new" Länder persisted for a long period, or not. By means of this analysis, we expected to find out how successful (or unsuccessful) the social integration of the East German population has been. If the East German areas were affected by an above-average rate of criminality and/or corruption for a considerable period, it can be reasonably expected that the post-unification North Korean provinces will be also affected by such problems. Our first examination, based on the Polizeiliche Kriminalstatistik (Police Statistical Handbook of Criminal Offenses, an annual publication of the Bundeskriminalamt, the federal police authority), analyzed the "new" Länder as a single unit, and it covered the period from 1991 to 2015. Our findings are presented in Table 9:

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25) Hanjo Gergs und Markus Pohlmann, "Ökonomische Eliten vor und nach der Wiedervereinigung: Die Selektivität des Transfonnationsprozesses," in Stefan Hornbostel (Hrsg.), *Sozialistische Eliten. Horizontale und vertikale Differenzierungsmuster in der DDR* (Opladen: Leske + Budrich, 1999), pp. 223-252.

Table 9. Percentage of criminal offenses in the new Länder

Date	New Länder (Berlin excluded)		
	% of total German population	% of total number of criminal offenses in Germany	over-representation or under-representation of criminal offenses (% compared to the % of population)
1991	18.5	10.4	56.21
1992	18.1	17.2	95.02
1993	17.8	20.8	**116.85**
1994	17.6	21.4	**121.59**
1995	17.5	21.5	**122.85**
1996	17.3	21.0	**121.38**
1997	17.2	20.2	**117.44**
1998	17.2	20.2	**117.44**
1999	17.1	19.6	**114.61**
2000	17.0	19.0	**111.76**
2001	16.8	18.5	**110.11**
2002	16.7	17.8	**106.58**
2003	16.5	18.0	**109.09**
2004	16.4	17.3	**105.48**
2005	16.3	16.9	**103.68**
2006	16.2	16.6	**102.46**
2007	16.2	16.6	**102.46**
2008	15.9	16.3	**102.51**
2009	15.9	15.8	99.37
2010	15.9	16.0	100.62
2011	15.8	15.7	99.36
2012	15.6	16.1	**103.2**
2013	15.5	16.2	**104.51**
2014	15.5	16.0	**103.22**
2015	15.5	15.2	98.06

Bold numbers: over-representation. Source: Polizeiliche Kriminalstatistik.

The data of Table 9 do indicate that the overall rate of criminal offenses was perceptively higher in the “new” Länder than the national average. Of the twenty-five years selected for examination, nineteen years showed above-average rates in the “new” Länder, and from 1993 to 2008, the overrepresentation of the “new” Länder was a constant, uninterrupted phenomenon.

This implies that the authorities of a unified Korea will probably face an analogous (or even more serious) situation in the northern provinces. At the same time, it can also be observed that the rates of “eastern” criminality peaked in 1994-1996, that is, in the immediate aftermath of unification, when the social disruption caused by privatization and mass unemployment was in its most severe phase. Since then, the overrepresentation of the “new” Länder has gradually decreased, though it required a minimum of 16 years to reduce the “eastern” rates of criminality to the level of national average.

These data might create the impression that the higher rates of “eastern” criminality were simply a legacy of the Communist era, that is, they reflected the divergent development of West and East Germany. However, an analysis that examines the five different Länder one by one shows a more complex picture (see Table 10):

Table 10: Percentage of criminal offenses in individual Länder

Date	Brandenburg			Mecklenburg-V.			Saxony			Sachsen-Anhalt			Thuringia		
	P	C	O/U	P	C	O/U	P	C	O/U	P	C	O/U	P	C	O/U
1991	3.2	2.2	68.75	2.4	1.8	75	6.0	2.5	41.6	3.6	2.0	55.5	3.3	1.8	54.54
1992	3.2	3.5	**109.37**	2.4	2.8	**116.66**	5.8	5.1	87.93	3.5	3.9	**111.42**	3.2	1.9	59.37
1993	3.1	4.9	**158.06**	2.3	3.8	**165.21**	5.7	5.3	92.98	3.5	4.5	**128.57**	3.1	2.4	77.41
1994	3.1	5.0	**161.29**	2.3	3.3	**143.47**	5.7	5.9	**103.50**	3.4	4.6	**135.29**	3.1	2.1	67.7
1995	3.1	4.6	**148.38**	2.2	3.3	**150.0**	5.6	6.0	**107.14**	3.4	4.8	**141.17**	3.1	2.8	90.32
1996	3.1	4.5	**145.16**	2.2	3.2	**145.45**	5.6	5.9	**105.35**	3.3	4.6	**139.39**	3.1	2.8	90.32
1997	3.1	4.4	**141.93**	2.2	3.2	**145.45**	5.5	5.5	**100.0**	3.3	4.5	**136.36**	3.0	2.6	86.66
199	3.1	4.3	**138.71**	2.2	3.2	**145.45**	5.5	5.7	**103.63**	3.3	4.4	**133.33**	3.0	2.7	90.0
1999	3.2	4.0	**125**	2.2	3.0	**136.36**	5.5	5.8	**105.45**	3.3	4.2	**127.27**	3.0	2.6	86.6
2000	3.2	4.1	**128.12**	2.2	2.9	**131.81**	5.4	5.6	**103.7**	3.2	3.9	**121.87**	3.0	2.5	83.33
2001	3.2	3.9	**121.87**	2.2	2.9	**131.81**	5.4	5.5	**101.85**	3.2	3.7	**115.62**	3.0	2.5	83.33
2002	3.1	3.8	**122.58**	2.1	2.7	**128.57**	5.3	5.2	98.11	3.1	3.6	**116.12**	2.9	2.6	89.65
2003	3.1	3.7	**119.35**	2.1	2.9	**138.09**	5.3	5.4	**101.88**	3.1	3.5	**112,90**	2.9	2.5	86.2
2004	3.1	3.6	**116.13**	2.1	2.7	**128.57**	5.2	5.1	98.07	3.1	3.4	**109.67**	2.9	2.5	86.2
2005	3.1	3.6	**116.13**	2.1	2.5	**119.04**	5.2	5.0	96.15	3.0	3.4	**113.33**	2.9	2.4	82.75

Date	Brandenburg			Mecklenburg-V.			Saxony			Sachsen-Anhalt			Thuringia		
	P	C	O/U	P	C	O/U	P	C	O/U	P	C	O/U	P	C	O/U
2006	3.1	3.5	**112.9**	2.1	2.4	**114.28**	5.2	4.9	94.23	3.0	3.4	**113.33**	2.8	2.4	85.71
2007	3.1	3.6	**116.13**	2.1	2.4	**114.28**	5.2	4.9	94.23	3.0	3.4	**113.33**	2.8	2.3	82.14
2008	3.1	3.4	**109.67**	2.0	2.4	**120.0**	5.1	4.8	94.11	2.9	3.4	**117.24**	2.8	2.3	82.14
2009	3.1	3.3	**106.45**	2.0	2.3	**115.0**	5.1	4.6	90.19	2.9	3.3	**113.79**	2.8	2.3	82.14
2010	3.1	3.4	**109.67**	2.0	2.2	**110.0**	5.1	4.9	96.07	2.9	3.2	**110.34**	2.8	2.3	82.14
2011	3.1	3.3	**106.45**	2.0	2.1	**105.0**	5.1	4.9	96.07	2.9	3.1	**106.89**	2.7	2.3	85.18
2012	3.0	3.3	**110.0**	2.0	2.1	**105.0**	5.1	5.2	**101.96**	2.8	3.2	**114.28**	2.7	2.3	85.18
2013	3.0	3.3	**110.0**	2.0	2.0	100.0	5.0	5.2	**104.0**	2.8	3.3	**117.85**	2.7	2.4	88.88
2014	3.0	3.2	**106.66**	2.0	1.9	95.0	5.0	5.4	**108.0**	2.8	3.2	**114.28**	2.7	2.3	85.18
2015	3.0	3.0	100.0	2.0	1.9	95.0	5.0	5.0	100.0	2.8	3.1	**110.71**	2.7	2.2	81.48

P: % of total population in Germany; C: % of total number of criminal offenses in Germany; O/U: over-representation or under-representation of criminal offenses (% compared to the % of population); bold numbers: over-representation. Source: Polizeiliche Kriminalstatistik.

The data in Table 10 reveal significant differences between the individual eastern Länder. In certain Länder (Brandenburg, Mecklenburg-Vorpommern, Sachsen-Anhalt), it took twenty to twenty-five years to reduce the rate of criminal offenses to the national average, even though the difference was never higher than 1 to 1.65. One can expect an even longer period (30-35 years at best) in North Korea, since the differences in corruption perceptions were always higher than 1 to 2.2, and sometimes they were as high as 1 to 4.25 (see Table 14 and Table 15). In contrast, in some other Länder (Thuringia and Saxony), the rate of criminal offenses was quickly reduced to the national average or it never exceeded it. This shows the importance of regional differences, and implies that the high rates of criminality did not result solely from the long-term impact of the Communist past but also from the local social and economic conditions. This is highly relevant for North Korea, where the social and economic differences between certain regions(Pyongyang; Hwanghae; Chagang; Hamgyong) are fairly significant.

Table 11. Detected cases of corruption and abuse of authority per 100.000 inhabitants

Date	Germany (total)	Old Länder	New Länder
1998	9	9	8
1999	8	8	**9**
2000	10	11	8
2001	9	9	9
2002	8	8	**9**
2003	7	7	7
2004	7	7	7
2005	7	6	**8**
2006	7	7	**10**
2007	8	7	**11**
2008	8	7	**10**
2009	No data	No data	No data
2010	8	7	**11**
2011	6	6	**10**

Bold numbers: over-representation. Source: Polizeiliche Kriminalstatistik.

Table 3 is specifically focused on the problem of corruption. Of the thirteen years examined, eight years showed above-average rates of corruption in the new Länder. The maximum difference between the new and old Länder was 7 to 11 (157.14%) and 6 to 10 (166.66%). Tables 4-5 are also focused on corruption, but their source is the annual publication titled Bundeslagebild Korruption, whose data were collected by different methods, and thus they cannot be directly compared to the data of the Polizeiliche Kriminalstatistik (PKS). Still, Table 11 also indicates that in the sphere of detected corruption cases, the new Länder were partly overrepresented. Of the eighteen years selected, twelve years showed rates higher than the national average. On the level of individual Länder, the Bundeslagebild data on corruption show only a limited overlap with the PKS data on overall rates of criminality. In Brandenburg, both rates were high for a long period; in Mecklenburg-Vorpommern, the number of corruption cases started to decline several years before the overall rate of criminal offenses decreased to the national average; and in Saxony and Thuringia, overall rates were fairly low but there were still some major corruption scandals.

Table 12. Detected cases of corruption in the new Länder (source: Bundeslagebild Korruption)

Date	**New Länder (Berlin excluded)**		
	% of total German population	% of total number of detected corruption cases in Germany	over-representation or under-representation of corruption cases (% compared to the % of population)
1994	17.6	24	**136.36**
1995	17.5	22.99	**131.37**
1996	17.3	15.33	88.61
1997	17.2	14.28	83.02
1998	17.2	7.71	44.82
1999	17.1	15.16	88.65
2000	17.0	28.53	**167.82**
2001	16.8	26.57	**158.15**
2002	16.7	23.8	**142.51**
2003	16.5	19.5	**118.18**
2004	16.4	25.7	**156.7**
2005	16.3	22.95	**140.79**
2006	16.2	29.26	**180.61**
2007	16.2	21.99	**135.74**
2008	15.9	15.24	95.84
2009	15.9	15.21	95.66
2010	15.9	21.05	**132.38**
2011	15.8	24.26	**153.54**

Table 13. Detected cases of corruption in the individual Länder (source: Bundeslagebild Korruption)

Date	Brandenburg			Mecklenburg-V.			Saxony			Sachsen-Anhalt			Thuringia		
	P	C	S	P	C	S	P	C	S	P	C	S	P	C	S
1994	3.1	11	**4.26**	2.3	15	**5.81**	5.7	17	**6.58**	3.4	10	**3.87**	3.1	9	**3.48**
1995	3.1	2	0.68	2.2	13	**4.46**	5.6	27	**9.27**	3.4	9	3.09	3.1	16	**5.49**
1996	3.1	5	1.21	2.2	10	**2.43**	5.6	33	**8.04**	3.3	4	0.97	3.1	11	2.68
199	3.1	8	0.80	2.2	59	**5.94**	5.5	51	5.13	3.3	16	1.61	3.0	8	0.80
1998	3.1	9	0.83	2.2	7	0.65	5.5	35	3.26	3.3	20	1.86	3.0	12	1.11
1999	3.2	45	**4.35**	2.2	34	**3.28**	5.5	39	3.77	3.3	20	1.93	3.0	19	1.83
2000	3.2	54	**4.34**	2.2	38	**3.05**	5.4	86	**6.91**	3.2	114	**9.17**	3.0	63	**5.06**
2001	3.2	47	**3.67**	2.2	53	**4.14**	5.4	97	**7.58**	3.2	43	**3.36**	3.0	100	**7.82**
2002	3.1	104	**6.17**	2.1	57	**3.38**	5.3	60	3.56	3.1	58	**3.44**	2.9	121	**7.18**
2003	3.1	54	**4.9**	2.1	31	**2.81**	5.3	67	**6.09**	3.1	23	2.09	2.9	37	**3.36**
2004	3.1	79	**6.54**	2.1	20	1.65	5.2	158	**13.09**	3.1	23	1.9	2.9	29	2.4
2005	3.1	97	**5.88**	2.1	30	1.81	5.2	171	**10.36**	3.0	26	1.57	2.9	55	**3.33**
2006	3.1	87	**5.4**	2.1	10	0.62	5.2	155	**9.63**	3.0	205	**12.74**	2.8	14	0.87
2007	3.1	183	**11.44**	2.1	7	0.43	5.2	91	**5.69**	3.0	51	**3.18**	2.8	20	1.25
2008	3.1	95	**5.25**	2.0	8	0.44	5.1	62	3.42	2.9	94	**5.19**	2.8	17	0.94
2009	3.1	160	**8.40**	2.0	11	0.57	5.1	48	2.52	2.9	33	1.73	2.8	38	1.99
2010	3.1	237	**13.07**	2.0	14	0.77	5.1	59	3.25	2.9	54	**2.97**	2.8	18	0.99
2011	3.1	208	**13.61**	2.0	6	0.39	5.1	87	**5.69**	2.9	43	2.81	2.7	27	1.76

P: % of total population in Germany; C: number of detected corruption cases; S: share (%) of the total number of detected corruption cases

Table 14. Perceptions of corruption control on a scale from 2.5 to −2.5, converted to percentages(source: World Bank)

Date	South Korea	North Korea	Proportion
1996	0.27 = 55.4	-1.75 = 15	3.69:1
1998	0.34 = 56.8	-1.76 = 14.8	3.83:1
2000	0.25 = 55.0	-1.80 = 14	3.92:1
2002	0.47 = 59.4	-1.17 = 26.6	2.23:1
2003	0.48 = 59.6	-1.73 = 15.4	3.85:1
2004	0.34 = 56.8	-1.50 = 20	2.84:1
2005	0.59 = 61.8	-1.39 = 22.2	2.78
2006	0.28 = 55.6	-1.60 = 18	3.08:1
2007	0.52 = 60.4	-1.79 = 14.2	4.25:1
2008	0.37 = 57.4	-1.73 = 15.4	3.72:1
2009	0.48 = 59.6	-1.37 = 22.6	2.63:1
2010	0.40 = 58.0	-1.33 = 23.4	2.47:1
2011	0.46 = 59.2	-1.37 = 22.6	2.61:1
2012	0.47 = 59.4	-1.33 = 23.4	2.53:1
2013	0.55 = 61.0	-1.33 = 23.4	2.60:1
2014	0.49 = 59.8	-1.34 = 23.2	2.57:1
2015	0.49 = 59.8	-1.29 = 24.2	2.47:1

Table 15. The gap between corruption control in South Korea and North Korea

	1996-2000	C.C.	2001-2005	C.C.	2006-2010	C.C.	2011-2015	C.C.
ROK	1996	5.54	2001	5.72	2006	5.56	2011	5.92
	1997	5.61	2002	5.94	2007	6.04	2012	5.94
	1998	5.68	2003	5.96	2008	5.74	2013	6.10
	1999	5.59	2004	5.68	2009	5.96	2014	5.98
	2000	5.50	2005	6.18	2010	5.80	2015	5.98
	1996-2000	C.C.	2001-2005	C.C.	2006-2010	C.C.	2011-2015	C.C.
DPRK	1996	1.50	2001	2.03	2006	1.80	2011	2.26
	1997	1.49	2002	2.66	2007	1.42	2012	2.34
	1998	1.48	2003	1.54	2008	1.54	2013	2.34
	1999	1.44	2004	2.00	2009	2.26	2014	2.32
	2000	1.40	2005	2.22	2010	2.34	2015	2.42