ABSTRACT

1. Introduction

Studies show that corruption is an ancient practice that has been traced back to pre-biblical times and made itself known in the ancient civilizations of China, Greece, India and Rome. But over the recent decades, the issue of corruption, *the abuse of public office for private gain*, has attracted interest amongst academicians and policymakers. Accordingly, corruption has become a highly topical international and development policy issue. It has also become a meeting place for research works pursued by different academic disciplines. The amount of research work which examines corruption from different dimensions has also been expanding rapidly.

Tolerance for corruption appears to have dropped in the last decade. In countries developed and developing, because of accusations of corruption, governments were unseated, prominent political leaders have lost their official positions, and in some cases, political classes have been replaced. Accordingly, societies have come to realize the extent to which corruption and bribery have undermined their welfare and stability. Governments, the private sector and civil society alike have consequently declared the fight against corruption to be of highest priority.

Iran, the area of the research, is a developing country and the issues of corruption in developing countries are both real and perceived. They always feature prominently in the lower part of international corruption indexes. According to Transparency International, Iran is placed in a group of countries with a high index of corruption. On a descending scale of 10 to 0 (with 0 representing total corruption and 10 total lack of it), Iran scored 2.9 in 2005 and 2.7 in 2006. According to this scale, Iran in 2005 is placed on 93rd place among 151 countries, after India, and followed by Mali, Moldova and Tanzania.

Hence, this research work which is limited for the era of the post-revolution of 1979 in Iran, entitled “The political and Socio-economic Impact of Corruption on Islamic Republic of Iran” investigates the political and socio-economic causes and consequences of corruption and analyses the situations of the problem of corruption and bring out the priorities for remedial and preventive measures of corruption.
2. Purpose of the research

Evidences show that corruption is going to be widespread in Iran and government's anti-corruption efforts have been criticised as being insufficient to stop expanding of corruption at the grassroots level. Therefore, the overall purpose of the research is “to detect the political and socio-economic causes and consequences of corruption in Iran and analyse to better understanding of the problem of corruption and find ways to reduce this phenomenon”.

3. Statement of the problem under the study

Corruption is a topic of interest and concern in academic circles, in the media, among people of different professions, among members of parliament, politicians, government officials, members of the business and financial communities, students, and non-governmental organizations. Corruption takes place as an outcome of deficiencies in the existing public administration systems as well as cultural, economic, political, and social factors. It hinders economic development, reduces social services, and diverts investments in infrastructure, institutions and social services.

Recent researches (by the World Bank and others) have also demonstrated clearly that corruption slows down the economic development of countries, disables social services, retards the establishment of civil society and disables business competitiveness. Therefore, the research is to study the socio-economic and political impact of corruption as a factor which impedes the socio-economic and political development of the society.

4. Objectives of the research

The main aim of the research is to ‘investigate the political and socio-economic causes and consequences of corruption and analyse the situations of the problem of corruption and bring out the priorities for remedial and preventive measures of corruption in Iran.

Beside the general goal of the research and in order to enhance the research work, the following specific objectives will also be examined in the present research:

1. Assessing the elite attitude towards corruption in Iran;
2. To evaluate when the phenomenon reached dangerous proportions for the society;
3. To assess the issue of tolerance with regard to corruption, that is, willingness to pay bribe;
4. To evaluate the elite attitude about the issue of corruption in the public sector of Iran;
5. To evaluate elite opinion about main factors behind corruption in the country;
6. Assessing the elite opinion about the major political and socio-economic consequences of corruption in the country;
7. And eventually, to assess elite opinion about main ways of preventing corruption in Iran.

5. Questions of the research

The main question of the research is as follow: **What are the political and socio-economic causes and consequences of corruption and priorities for remedial and preventive measures of this phenomenon in Iran?**

According to the objectives of the research, the present research is also probing to find the answer of the following questions:

1. What is the elite attitude towards corruption in Iran?
2. When has corruption reached dangerous proportions for the country?
3. How is the issue of tolerance with regard to corruption, that is willingness to pay bribe?
4. What is the elite attitude about the issue of corruption in the public sector?
5. What is the elite opinion about the main factors behind corruption in the country?
6. What is the elite opinion about the major political and socio-economic consequences of corruption in Iran?
7. What is the elite opinion about the main ways of preventing corruption in Iran?

6. Methodology and data collection of the research

Corruption is perhaps one of the most sensitive areas of research which faces a considerable methodological problem in terms of evidences and subsequent analysis.
However, one of the key issues to any research work is its methodology and steps which are applied to collect the relevant data and analysing them for reaching to a proper conclusion.

Therefore, data for this research was obtained from both secondary and primary sources. Primary sources were derived from questionnaire and related governmental reports and surveys. Secondary sources included published and unpublished academic and non-academic materials. Newspapers, journals, books, magazines, and the like data have also been utilized.

Population for opinion survey of the research was Iranian post-graduate and Ph.D. students in India among whom the sample has been selected through non-probability sampling technique. Descriptive-analytical method has been used for analysing the data.

7. Scope and limitations of the research

This study focuses only on Post-Revolution Iran. It investigates the political and socio-economic causes and consequences of corruption during the mentioned period and tries to bring out the priorities in remedial measures for curbing corruption.

For any kind of research, it is necessary to obtain substantial and reliable data pertaining to the topic of the research. The research, no doubt, suffers from certain limitations due to the nature of Iranian administrative and political system. Iran, being a theocratic state tends to reflect certain autocratic tendencies that prevent the scholar to have access to certain sources as well as to opine freely on certain politically sensitive matters. However, utmost care is taken to maintain the objectivity in the study within the permissible limits. Some of the specific limitations of the research may be listed as follows:

7-1. Population of the research opinion survey are Ph.D. and postgraduate Iranian students in India who are the representatives of the entire elite.

7-2. The findings of the research are also based on the ability of the respondents to inquire of the researcher and if the respondents haven’t given their true information it leads to marginal error.
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7-3. Corruption is still a taboo in Iran and is not an easy issue to be dealt with and many obstacles hinder any research work.

7-4. Inadequate literature on corruption in Iran is also a problem.

7-5. Refusing the politicians, experts and even common citizens to comment explicitly about corruption is an important issue that made the issue of corruption more complicated to study.

7-6. Disclosing Bill of the name of the corrupt people has not been passed yet in the parliament of Iran and this hinders the research too.

8. Chapter scheme

CHAPTER 1: Introduction and Background

In chapter one the overall scheme of the research has been elaborated. This chapter presents an overview of the research; briefly defines corruption; describes the problems under the study; significance of the research; background of the research; objectives; questions; methodology; scope and limitations of the research.

CHAPTER 2: Conceptual Framework of Corruption

In the second chapter reader is provided with conceptual framework of corruption. History, definition and typology of corruption have also been discussed. Political and economic perspectives on corruption have elaborated the interaction between corruption and some political and socio-economic issues like political system, free press, development, poverty, liberalisation, privatisation, and globalisation.

CHAPTER 3: Political and Socio-economic Issues of Iran

This chapter has briefly explained the specific socio-economic and political issues of Iran. However, this chapter reviewed the geographical situation, political, administrative and economic system, and social affairs to give the necessary background to the reader.

CHAPTER 4: Survey of Select Public Opinion From Iranian Nationals

In this chapter the collected data by questionnaire have been analysed and related tables and graphs have provided results. Results of the survey show that corruption is
the second biggest problem in Iran after unemployment. Survey shows that 41.2% of the respondents believed that corruption takes place sometimes in the public sector. 6.3% believed that there is no corruption there.

According to the survey, main cause of corruption is lack of an independent and efficient media. Therefore, this can be concluded that existing a strong and free press can be helpful to reduce corruption in the society. Survey also reveals that downsizing the government; reduction of staff in public sector and decentralisation of the government can be the most important remedial and preventive measures against corruption in Iran.

CHAPTER 5: Political and Socio-economic Issues-An Analytical Perspective of Corruption

This chapter of the research presented the socio-economic and political causes and consequences of corruption in Iran. The effects of corruption on socio-economic and political issues like economic growth, investment, privatisation, poverty, government expenditure, resource allocation, political stability, legitimacy of government, political competition, and civil society have been analysed in this chapter.

CHAPTER 6: National and International Measures Against Corruption

In this chapter a number of preventive and remedial measures for tackling corruption have been mentioned. They include reforms in administrative system, economic sector and judiciary system. This chapter has also reviewed the specific global trends. It recommended intensive and necessary reforms in different sectors of Iran. However, this chapter conclude that a successful anti corruption campaign can be accomplished only with a great deal of technical work, which is aimed at improving the system and thereby making corruption less likely to happen.

CHAPTER 7: Conclusion, Observations and Interpretations

This chapter presents the conclusion, interpretations and observations of the research. It also deals with the areas open for further research.
9. Major findings

According to the plan of the research, the obtained data from primary and secondary sources was analysed and was observed that overwhelming evidences indicate the negative political and socio-economic consequences of corruption on society. Accordingly, some socio-economic and political issues like economic growth, investment, privatisation, poverty, government expenditure, resource allocation, political stability, legitimacy of government, and political competition were examined and concluded that corruption affects them negatively.

However, the researcher found out through investigation that the cost of corruption to a nation is very high. It lowers investment, hinders economic growth, and undermines political stability, and human development. Thus, corruption is a complex multi-faceted social phenomenon with innumerable manifestations. It is an obstacle to sustainable development, and results in a major loss of public funds needed for education, healthcare and poverty alleviation. Corruption also increases poverty; subverts the financial system; citizens’ distrust of the government, and undermines the legitimacy of the state.

The research also revealed that the effects of corruption on economic sector are more harmful than other sectors. On the other hand, the negative effects of corruption on citizens’ trust of the government, the legitimacy of the state and other factors mentioned above are noticeable.

In addition to the main question of the research and in order to better understand and evaluate the issue of corruption in Iran, an opinion survey was conducted based on the objectives and questions of the research. Major findings of the opinion survey according to the mentioned questions of the research are as follows:

i) Results of evaluating the first question of the research shows that corruption is the second largest problem in the country after the unemployment. The highest average mark 5.63 out of 6 belongs to unemployment and the average mark of corruption is 5.41. On the other hand, 81% of the respondents marked unemployment with most extreme mark-6. At the same time, 76% characterise corruption as being one of the most acute problems in the country.
ii) Results of assessing the second question of the research reveals that corruption has become widespread about 15 years ago in the country. On the assessing when corruption reached dangerous proportion for the society, 56.3% respondents selected the forth option (others-indicate) and mentioned about 15 years back which refers to the reconstruction period after Iran–Iraq war and after starting the Socio-economic Development Plans in Iran. 27.2% of the respondents have considered that corruption reached dangerous proportion for the society 10 years ago, 12% have selected the 6 years ago and 4.5% have considered the 3 years ago.

iii) Results of evaluating the third question of the research shows that 36.7% of respondents have positive feeling about offering bribe, while 62% have negative feeling about it and don’t approve it.

iv) Results of assessing the fourth question of the research shows that 41.2% of respondents believe that corruption happens sometimes in the public sector. 6.3% are believed that there is no corruption there and 5.7% have evaluated always.

v) According to the survey, results of evaluating the fifth question of the research show that the main cause of corruption is lack of an independent and efficient media with an average mark of 4.83 out of 6, and lack of people’s trust to officials has got an average of 3.21 mark as the least important factor. Therefore, this can be concluded that the existence a strong and free press can be helpful to reduce corruption in the society.

vi) Results of evaluating the sixth question of the research explain that the major political and socio-economic effects of corruption in the country are on poverty. In this connection, respondents consider poverty with an average mark of 5.57 out of 6, and civil society with 3.1 which is less affected by corruption.

vii) Results of evaluating the seventh question of the research shows that downsizing the government, reduction the staff in public sector and decentralisation of the government can be the most important remedial and preventive measures of corruption in Iran. Mentioned measure received the maximum average mark 5.41 out of 6 and financing the political parties by government received the minimum average mark 4.1. However, the average marks for all measures mentioned in the survey are near to each other, and hence, indicates that all are important for preventing corruption in the country.
10. Conclusion

Corruption is clearly a double-edged sword. If corruption is reduced, the process of the political and socio-economic development in the society will increase. A useful conclusion that has emerged from the current discussion and ongoing debate on the corruption issue is that corruption is a symptom of deep-seated and fundamental economic, political and institutional weaknesses and shortcomings in a country. To be effective, measures against corruption must therefore address these underlying causes and not the symptoms. Emphasis must thus be placed on preventing corruption by tackling the root causes that give rise to it through undertaking economic, political and institutional reforms.

Corruption is reduced by greater competition between separate political jurisdictions and stronger competition for political leadership. This implies that corruption is lower in decentralized political systems compared to centralized systems. Various studies do indicate that democracies generally appear to have less corruption than totalitarian systems. Corruption is reduced when information is more easily disseminated to the public. That is why a free press is such an important protector against greater corruption. The press is more effective in better educated societies, and various studies have shown that corruption is lower when education is greater. Education also helps cut corruption by improving political institutions.

Combating corruption should focus on the reform of systems. It requires an economic approach, coupled with great political sensitivity. Therefore, anti-corruption enforcement measures such as oversight bodies; a strengthened police force and more efficient law courts will not be effective in the absence of a serious effort to address the fundamental causes. Another observation that may be useful to bear in mind is that corruption is most prevalent where there are other forms of institutional weaknesses, such as political instability, bureaucratic red tape, and weak legislative and judicial systems. The important point is that corruption and such institutional weaknesses are linked together and that they feed upon each other. So, getting rid of corruption helps a country to overcome other institutional weaknesses.

The main conclusion to be drawn is that undertaking reforms (both economic and political) by reducing institutional weaknesses offers the best hope to overcome corruption. Corruption will not disappear because of reforms. But reforms will bring it
under control and minimize its adverse consequences so that the country can proceed with its efforts to become a prosperous, modernized and developed. However, the efforts to fight against corruption is recommended at several levels:

1. At the personal level, it requires complete rejection and zero tolerance of corruption;
2. At the social level, the fight is rooted in an attitude that values ethical conduct and is steeped in the culture and customs of citizens, government and civil institutions;
3. At a pragmatic level, fighting corruption requires a strategic approach and perfect tools in the various spheres of social, economic and government activities that combine a good measure of prevention and surveillance with detection and repression;
4. At the institutional level, there is a requirement for unfailing vigilance at all times and on all fronts; and
5. At the political level, there must be leadership as well as willingness to adapt and to confront new challenges with determination.

Ultimately, occasional fighting against corruption in Iran that people have been experiencing for a long time has been ineffective and inefficient. Thus, establishing an ‘Independent Organisation Against Corruption’ as an important measure can be both effective and efficient to prevent corruption. This independent organisation can professionally fight against corruption. The existence of such an organisation will increase the experiences and skills to combat corruption. Therefore, this independent organisation should be able to identify, inspect, control and prosecute the cases of corruption in the country.

11. Suggestion for future researches

The focus of this study was to understand and clear up the socio-economic and political impact of corruption and bringing out the priorities for remedial and preventative measures of corruption. However, there is no comprehensive study on the practical modalities for reducing corruption, especially in Iranian context. Such a study would require a very wide coverage of economic, social, political and institutional factors.