Corruption is an abnormal economical, political and cultural phenomenon; a phenomenon that more or less exists in developed and developing countries. Since this phenomenon is considered as one of the most important barriers of developing countries’ economical growth and development, finding its root and dealing with it is seriously considered. The purpose of this study is to review the relationship between oil revenues, government's size and corruption in OPEC countries around the Persian Gulf during the time period of 2000 – 2011 with the method of panel data. For this purpose, first the macroeconomic data was extracted from the World Bank and the data associated with the index of administrative corruption was extracted from Transparency International. After doing the Panel Unit Root test, equality of y-intercepts test and the Hausman test, in order to review the relationship between oil revenues, government's size and corruption in OPEC countries around the Persian Gulf, the Arezki and Brückner's template model was used in the Eviews software. The results showed that if the index of government's size was desirable, the index of corruption perception will increase about 0.18 percent, therefore the desirability of the index of government's size has a positive and significant impact on the index of corruption perception. Also following a one percent increase of the rate of oil revenues, the index of corruption perception will grow about 0.109 percent, therefore there is a positive and significant relationship between oil revenues and index of corruption perception.

INTRODUCTION

Corruption is a widespread phenomenon in all societies that occurs to varying degrees at different times [17]. Recent occurrences have shown that not any country with any rate of wealth and power can claim that it is totally secure from the damaging consequences of corruption. Thus, corruption has been widely observed both in developed countries and in developing countries [14]. Therefore, today dealing with the consequences caused by economical corruption is mainly focused on the negative effects of corruption [13].

The field is more favorable for corruption in countries which have large reserves of raw materials (such as oil, gas and etc), because such resources create opportunities for the employees to take advantage of the rents associated with these resources. The effects of this behavior might be transferred to other parts of the society. The reason for which rent exists in these cases is the relatively low costs of the extraction of these natural resources in contrast to their relatively high sales prices in the market. Also, the activities in these sections are often under very difficult governmental laws; therefore, rent-seeking behaviors in these countries lead to the increase of corruption in these sections and its spread to other sections. Oil economy provides great opportunities for corruption among which are the oil contracts. The expectations that we have of privatization as one of the mechanisms of solving economical problems won't have desirable results due to various reasons including the brokerage issue and also lack of essential institutions to protect public interests and social balance and equilibrium and it might even be followed with devastating effects and consequences for the society. Therefore, in addition to financial costs, corruption hurts all of the organs of social life body as a chronic disease by creating abnormal problems.

Also about the relationship between corruption and government's size, there are two different opinions: one group expresses that increase of government's size provides the opportunity for political rent-seeking. Some
have also shown in their studies that a large state attempts to promote a system of controlling and balancing and strengthening accountability; thus, the corruption shall be reduced in government's size [3]. From this perspective, this fact is implied that the developed countries generally have a larger government than developing countries and also they have less corruption than them. Mir Jalili [16] believes that the most important causes of economical corruption in economy of the general section is associated with government's administration in economy. Alesina & Angelestos [4] considered larger state as the factor of corruption's increase in a theoretical model. They argue that when corruption creates income inequality and injustice, supportive policy of wealth redistribution acts weak with the intention of reforming inequality and injustice and the rich will benefit more from it, because they can earn more rent due to the increase of government's volume. Therefore, the effect of wealth redistribution becomes smaller and corruption remains big. Billger and Goel [8] in a study showed that, even though corruption reduces when the government's size increases, but this effect is not significant in countries with a high corruption level. Most experts believe that larger states struggle with more severe corruptions, because a large state has more administrative devices, employees and decide and through this, the probability of corruption and bribery increases. In contrast, studies of La Porta et al [15], Haghani [12], Fisman & Svensson [10], Goel and Budak [11] and Sadeghi & Sojoodi [18] indicated the negativity of the effect of government's size.

In the field of oil and corruption, "Aslaksen" [7] and Vincente [20], in their researches, concluded that in those countries that have many minerals and oil, corruption is more and economical growth is less and its cause is relevant to the quality of democratic institutions. Arezki and Brückner [5], also reviewed the relationship between oil and corruption for a selection of countries with oil during the time period of 1992 – 2005. The results of this research indicate that there is a positive relationship between oil and corruption level in the studied countries. Also, according to other results of this study, there has been a positive relationship between government's size and oil in the studied countries.

Therefore, the purpose of this study is to review the relationship between oil revenues, government's size and corruption in OPEC countries around the Persian Gulf, including Iran, Qatar, the United Arab Emirates, Kuwait, Bahrain and Saudi Arabia, during the time period of 2000 – 2011 with the method of panel data. By considering its results, we can evaluate the consequences of administrative corruption and its relationship with oil revenues and government's size and make the field for programming a long-term and stable growth possible. Thus, some questions arise in this respect:

1. Does increase of oil revenues, in OPEC countries around the Persian Gulf, have an increasing effect on corruption in these countries?
2. Does increase of government's size have an increasing effect on corruption in these countries?

The hypothesis that were developed for the mentioned questions are also as follows:

1. Increase of oil revenues has a positive impact on corruption level in OPEC countries around the Persian Gulf.
2. Increase of government's size has a positive impact on corruption level in OPEC countries around the Persian Gulf.

1. Data and Methods:
1.1. Method of collecting data

In this research, the library studies have been used, which is an introduction of information gathering, to review various texts including: books, articles, theses, reports and university researches. Also we have searched internet sites and other works that somehow connected to the subject of research, so that we would have a better and clearer image of the subject. Also the data and information include administrative corruption and macroeconomic data. Macroeconomic data has been extracted from the World Bank and the data associated with the index of administrative corruption has been extracted from Transparency International. Also the spread information and statistic in the central bank and statistics information center have been used.

Research method in this research is based on quantitative and statistical analyses using a navigational method in order to review and determine the relationship between corruption and oil revenues and government's size.

1.2. Arezki and Brückner's template model

In order to review the relationship between corruption and oil revenues and government's size in OPEC countries around the Persian Gulf, the Arezki and Brückner's model (2011) has been used.

\[
L CPI_{i,t} = \alpha_0 + \alpha_1 LGS_{i,t} + \alpha_2 LOilLR_{i,t} + \alpha_3 LOS_{i,t} + \alpha_4 LEG_{i,t} + \epsilon_{i,t}
\]

\[i = 1,2,\ldots,N\]
\[t = 1,2,\ldots,T\]

L: logarithm of each variable.
CPI: index of corruption perception for country i as a member of OPEC around the Persian Gulf in the th year.
GS: index of government’s size. For measuring it the ratio of costs of the entire state to the GDP in the tth year has been used.

OILR: rate of oil revenues, in the country i as a member of OPEC around the Persian Gulf in the tth year.

OS: index of degree of economy’s openness for country i as a member of OPEC around the Persian Gulf in the tth year.

EG: economical growth which is the annual growth of GDP of the OPEC countries around the Persian Gulf with a fixed price.

In this regard dependent variable: Corruption perception index (CPI) independent variables: government’s size index and rate of oil revenues (OILR) control variables: degree of economic openness index (OS) and economical growth (EG)

Corruption perception index (CPI):

The purpose of this index is measuring the rate of corruption perception in countries. The rate of this index varies between 0 and 1. Number 10 is for the country in which there is no corruption and number 0 is shows the country with the most rate of corruption [2]. CPI is a complex index and at the same time, it is one of the most common indexes in researches and studies associated with economical corruption which has a high comprehensiveness; because corruption perception index has a much more strong connection with the real GDP per capita, compared to other available indexes for measuring corruption. And also various aspects of corruption are considered in its calculation (Table 1).

<table>
<thead>
<tr>
<th>Countries name</th>
<th>Qatar</th>
<th>Emirates</th>
<th>Kuwait</th>
<th>Bahrain</th>
<th>Saudi Arabia</th>
<th>Iran</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>8.3</td>
<td>8.4</td>
<td>9.4</td>
<td>9</td>
<td>4.1</td>
<td>1.8</td>
</tr>
<tr>
<td>2001</td>
<td>8.1</td>
<td>8.5</td>
<td>9.2</td>
<td>8.9</td>
<td>4.5</td>
<td>2.0</td>
</tr>
<tr>
<td>2002</td>
<td>8.1</td>
<td>8.1</td>
<td>9.2</td>
<td>8.9</td>
<td>4.1</td>
<td>1.9</td>
</tr>
<tr>
<td>2003</td>
<td>7.8</td>
<td>8.2</td>
<td>7.6</td>
<td>7.8</td>
<td>4.3</td>
<td>2.4</td>
</tr>
<tr>
<td>2004</td>
<td>7.7</td>
<td>8.4</td>
<td>8.9</td>
<td>8.4</td>
<td>4.5</td>
<td>1.1</td>
</tr>
<tr>
<td>2005</td>
<td>7.8</td>
<td>7.8</td>
<td>9</td>
<td>8.8</td>
<td>4.1</td>
<td>2.4</td>
</tr>
<tr>
<td>2006</td>
<td>7.2</td>
<td>6.9</td>
<td>8.6</td>
<td>8.3</td>
<td>4.1</td>
<td>1.8</td>
</tr>
<tr>
<td>2007</td>
<td>6.9</td>
<td>7.8</td>
<td>5.3</td>
<td>6.6</td>
<td>4.5</td>
<td>2.2</td>
</tr>
<tr>
<td>2008</td>
<td>6.2</td>
<td>6.3</td>
<td>8</td>
<td>7.4</td>
<td>4.7</td>
<td>1.9</td>
</tr>
<tr>
<td>2009</td>
<td>7</td>
<td>6.5</td>
<td>4.1</td>
<td>7.6</td>
<td>4.5</td>
<td>1.8</td>
</tr>
<tr>
<td>2010</td>
<td>7.7</td>
<td>6.3</td>
<td>4.5</td>
<td>4.9</td>
<td>4.7</td>
<td>2.2</td>
</tr>
</tbody>
</table>

1.2.1. Degree of economy's openness index:

"Phrase institute", publishes degree of economy's openness index for 140 countries of the world. This numerical index is between 0 and 10. It is extracted from indexes such as law structure in countries, business between nations, strong currency, governments' share and that country's regulations and includes independency and impartiality of the judicial system, ownership rights, rate of money's growth, citizens' freedom, international tax incomes, tariff rate, ratio of domestic citizens abroad than foreigners' wealth in the country, bank competitions, control of interest's rate, unemployment insurance, business regulations, price control, regulations of labor market and etc [2].

Eviews software has been used for estimating the relationship and Panel Unit Root test, equality of y-intercepts test and the Hausman test have been used.

1.3. Used tests in estimation of corruption's relationship with oil revenues and government's size:

1.3.1. Panel Unit Root Test

Before evaluation of research's model, it is necessary to test stationary of all of the variables which are being used in estimations, because variable's stationary leads to occurrence of false regression problem both about time-series data or panel data. When the number of time-series observations in each segment is large, we can review stationary analysis (panel unit root) for each of the segments. But the power of panel unit root test is very low when duration of data is short. In these conditions, using a unit root test based on panel data is essential for increasing tests' power. In this research, "Burtong" test has been used for panel unit root test. In this test, by rejecting the H0 hypothesis 0, non-stationary or unit root is rejected and stationary is accepted, which becomes static in the level or with one or two differences. For identifying this section, we pay attention to probability level which shall be lower than 5%.
1.3.2. Equality of y-intercepts test:

The first diagnostic test in cross-sectional data, time series, is the f-limer test. With the help of this test, it is specified that all companies have the same y-intercept test or that each company has a separate y-intercept.

\[ F = \frac{(RSS_u - RSS_v)}{RSS_v} \cdot \frac{1}{(N - 1)} \cdot \frac{1}{(N - K)} \]

- RSSU: sum of squares of unbound model's waste, which is the model of fixed effects
- RSSR: sum of squares of unbound model's waste which is pooled.
- N: number of segments
- K: number of model's explanatory variables
- T: time period
- NT: number of moderated observations
- H0: using the method associated with pool data
- H1: using the method associated with panel data

In this test:

- Difference of regression method of pool data with panel data is that pool data has one y-intercept for all companies but the method of panel data can give a y-intercept for each section which here is company.

Hausman Test:

The values of this test is for finding out whether the differences of sectional units are fixed or random which has a distribution of K-2 with the freedom degree equal to the number of independent variables (k):

\[ W = \chi^2(k) = \left[ b - \hat{B} \right] \Sigma^{-1} \left[ b - \hat{B} \right] \]

\[ \text{var}[b - \hat{B}] = \text{var}[b] - \text{var}[\hat{B}] = \Sigma \]

If the calculated test was more than \( \chi^2_k \) of table which is 5.19, Hhypothesis 0 will be rejected. So equality of this method's evaluations are rejected and using a fixed method for receiving in sectional units is recommended [1].

- \( H_0 = \hat{B} = b \)
- \( H_1 = \hat{B} \neq b \)

Research's results:

In this research, first the available variables in model have been reviewed in terms of statics and after specifying how the regression estimation is done by using panel data and method of fixed effects or random effects, the required regression has been estimated.

Results of panel unit root test:

After evaluating any regression, in order to make sure of a regression which is not false and following that unsure results, it was necessary to test the quality of variables' statics. For this purpose, "Burtong" test was used in which optimal interrupts were determined through Schwarz Bayesian criterion (Table 2).

| Table 2: results of variable's static test in level with y-intercept |
|-------------------------|------------------|-----------------|--------|----------|
| Abbreviation           | Variable's name   | Calculative value | Interrupt | Sig      | Result   |
| GS                     | Government's size index | -3.23           | 0       | 0.0000   | Static   |
| OILR                   | Rate of oil revenue | -3.72           | 0       | 0.0000   | static   |
| CPI                    | Corruption perception index | -3.9            | 0       | 0.0000   | static   |
| OS                     | Degree of economy's openness index | -3.56 | 0 | 0.0000 | static |
| EG                     | Economical growth  | -3.78           | 0       | 0.0000   | static   |

The results of static test has been provided in table (2) and as it is specified, for all variables, absolute value of calculative value is larger than absolute value of table's value in probability level of 5% or significant level has been less than 0.05; therefore, the 0 zero hypothesis is reject and the opposite hypothesis is accepted and all of the variable of the model in the probability level are static. For example, for the variable government's size index, it calculative value is -3.23, and the absolute value of it is larger than the table's value in the level of 5% which is -3.07, thus, the variable government's size index is static in the level.
According to the obtained results, it can be deducted that variables of government's size index, corruption perception index, degree of economical openness index and economical growth are static in level, therefore I(0).

Asiedu, in an article in (2002) referred to this issue that by calculating the logarithm of panel data, the difference of variables are lessened and the probability of variable's stationary gets higher.

1.4. Results of co-integration test

As it was said, the data used in this research are static, but nonetheless, in order to be surer of the obtained results, the co-integration test was also reviewed in the set of variables. And for this purpose, "Pedrooni" test was used for reviewing the presence or absence of a co-integrative relationship between variables. In this section, two mentioned parametric values were used by "Pedrooni" which are t-panel and t-group.

By considering the fact that this two values have a normal distribution, the value -1.96 is a problematic value to which the obtained results were compared. According to the obtained results of these two values, we can see that in the considered countries, the amount of the absolute values of the obtained numbers is more than 1.96 and therefore, we can reject the hypothesis 0 which is based on the absence of a co-integrative relationship between variables. According to this, we can say that there is a long-term relationship between variables in these countries. It is necessary to mention that co-integration test only expresses the absence or presence of a long-term relationship and we can't determine the rate of this relationship and the quality of its sign with this test.

### Table 3: general final result of static test on variables

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Variable's name</th>
<th>Result of static test</th>
</tr>
</thead>
<tbody>
<tr>
<td>GS</td>
<td>Government's size index</td>
<td>I(0)</td>
</tr>
<tr>
<td>OILR</td>
<td>Rate of oil revenue</td>
<td>I(0)</td>
</tr>
<tr>
<td>CPI</td>
<td>Corruption perception index</td>
<td>I(0)</td>
</tr>
<tr>
<td>OI</td>
<td>Degree of economy's openness index</td>
<td>I(0)</td>
</tr>
<tr>
<td>EG</td>
<td>Economical growth</td>
<td>I(0)</td>
</tr>
</tbody>
</table>

According to the obtained results, it can be deducted that variables of government's size index, corruption perception index, degree of economical openness index and economical growth are static in level, therefore I(0).

1.5. Results of F-limer test:

### Table 4: Pedrooni co-integration test

<table>
<thead>
<tr>
<th>Prob</th>
<th>Statistic</th>
<th>result</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.0000</td>
<td>-11</td>
<td>paneladf = stat</td>
</tr>
<tr>
<td>0.0000</td>
<td>-18</td>
<td>groupadf = stat</td>
</tr>
</tbody>
</table>

1.6. Results of Hausman test:

As it was said, we can obtain a proper estimation method among the method of fixed effects and the method of random effects by doing this test. In this method, the hypothesis 0 indicates that there is no correlation between personal effects and explanatory variables. Therefore, the method of random effects is used for estimation of model and the opposite hypothesis expresses that there is correlation between personal effects and explanatory variables. Therefore, the method of fixed effects is used for estimation.

### Table 6: Results of Hausman test with the help of calculated $\chi^2$ value in the level of 5%

<table>
<thead>
<tr>
<th>Equation number</th>
<th>Calculative $\chi^2$ value</th>
<th>Prob</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1-3</td>
<td>2.5</td>
<td>0.000</td>
<td>H hypothesis 0 is accepted based on using the method of random effects.</td>
</tr>
</tbody>
</table>

Hausman test and the probability rate of hypothesis 0 have been provided in table (6). Rate of obtained X2 value for model is respectively equal to 2.5. With comparing this value with the value obtained from table which is equal to 5.19, it can be concluded that the proper method for evaluating the model is the method of random effects, because the hypothesis 0 can't be rejected. Thus, according to the obtained results, we used the method of random effects for model's evaluation.

1.7. Estimation of relationship between government's size index and corruption perception index with the method of random effects.
After specifying the proper method for evaluating the parameters in the previous section, in this section we express the results of the model evaluation for companies (table 7).

Table 7: obtained results from regression evaluation of corruption perception index with the method of random effects.

<table>
<thead>
<tr>
<th>Symbol</th>
<th>Independent variable</th>
<th>Coefficient</th>
<th>t value</th>
<th>$R^2$</th>
<th>D.W</th>
<th>Calculative F in white method</th>
<th>Calculative F in LM test</th>
<th>Table's f value</th>
<th>Rho</th>
</tr>
</thead>
<tbody>
<tr>
<td>y-intercept</td>
<td>0.23</td>
<td>4.67</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>GS</td>
<td>Government's size index</td>
<td>0.18</td>
<td>4.12</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>OILR</td>
<td>Rate of oil revenues</td>
<td>0.109</td>
<td>2.2</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>OS</td>
<td>Degree of economical openness index</td>
<td>0.24</td>
<td>2.84</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EG</td>
<td>Economical growth</td>
<td>-0.19</td>
<td>2.2</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The obtained results in table (7) and in association with t value indicate this matter that independent variable's coefficient is significant in level of 5%. All of the obtained coefficients have acceptable sign and rate; therefore, we can rely on the obtained results for the variables.

Rho is the correlation rate shows all errors of a certain sectional unit (company) in two time points (for example year t and year s), the rate of this correlation coefficient is between 0 and 1 and the more closer it gets to 1, it indicates the more changeability among sectional units (companies). In table 2, the rate of rho is 0.95 and shows that the changeability among companies is slight.

Results of statistical test of Durbin-Watson have also been provided in table (7). In fact, the classical model assumes that the disruption component of an observation won't be affected by disruption component of another observation. Therefore, one of the ways for identifying autocorrelation is using Durbin-Watson. The result value of Durbin-Watson is 1.89. If this value was close to 2, it would show that there is a lack of autocorrelation in the model; therefore, we conclude that there is no autocorrelation in the model.

In the LM test, in addition to first degree autocorrelation, it also tests an autocorrelation of higher degrees, for example $\rho$. This test's hypotheses are as follows:

H0: lack of autocorrelation

H1: correlation from $\rho$ degree

In this research, by considering the test results which is provided in table (7), since the rate of calculative LM value, which is 1.97, is less that the F value which in the table in the level of 5 percent is 4.86; hypothesis 0 which is lack of autocorrelation has been accepted. Therefore, by using this test, there is also no autocorrelation in this model.

Another one of the classical hypotheses is the identification of variance of all disruption components in various periods. This hypothesis' defect creates a problem called Variance anisotropy. Since variance of disruption component is equal to variance of dependent variable, the variance anisotropy problem is associated with variance of dependent variable's not being the same in various periods. With the help of White test, we can review this classical hypothesis. In this test, research's hypotheses are as follows:

H0: similarity of variance

H1: variance anisotropy

According to the results of this test in table (7), rate of the calculative white value 1.18 is smaller than table's f value which is 4.86 in the level of 5%. Therefore, hypothesis zero which is similarity of variances is accepted and this classical hypothesis is also valid. Also the result of modified R-square value ($\overline{R^2}$) has been obtained 0.71. 71 percent of the dependent variable's changes which is the corruption perception index have been explained by independent variables. Since all coefficients have become significant, therefore the determination coefficient has obtained a high rate. Therefore, there is not a multi collinearity problem in the model. Collienarity basically means presence of a linear relationship between all or some of model's explanatory variables.

According to the obtained results of table (7), coefficient of each of the variables can be expressed as follows:

- If government's size index grew one percent, the corruption perception index will also grow for 0.18%. Therefore, government's size index has a positive and significant impact on corruption perception index.

- Following a one percent increase of the rate of oil revenues the corruption perception index also grows about 0.109%. Therefore, there is a positive and significant relationship at the level of 5% between the rate of oil revenues and corruption perception index.
- There is a positive and significant relationship between the degree of economical openness index and corruption perception index at the level of 5%. Therefore, by increasing the degree of economical openness index about 1%, corruption perception index will grow about 0.24%.
- With the increase of economical growth about 1%, corruption perception index reduces about 0.19%; therefore, economical growth has a negative and significant effect in the level of 5% n corruption perception index.

Discussion and Conclusion:

Due to the many role and negative effects that administrative corruption has on the efficiency and effectiveness of countries' administrative management, it has always attracted the attention of governments and international institutions, such as United Nations Development, the Organization for Economic Cooperation and Development and transparency and accountability program, and still is. In this research, the relationship between oil revenues, government's size and corruption of OPEC countries around the Persian Gulf were reviewed by using one decade's statistics and information. The obtained information of OPEC countries around the Persian Gulf was tested by using the Eviews 6 statistical software at the confidence level of 95%. For reviewing the accuracy of research's hypotheses and testing the hypotheses, by using panel data and the method of fixed effects or random effects, the considered regression was estimated. For reviewing the effect of oil revenues on corruption perception index, testing the following hypothesis was used.

\[ H_0: \alpha_2 = 0 \]
\[ H_1: \alpha_2 \neq 0 \]

The results showed that the rate of t value, coefficient of oil revenues and corruption perception index were 2.2 which is larger than the table's rate that is 2 at the level of 5%. Therefore, hypothesis zero is rejected. Thus, its opposite hypothesis is accepted and there is a significant and positive relationship between oil revenues and corruption perception index. The result of this hypothesis is a confirmation of the results of "Aslaksen" [7], Vincente [20] and Arezki and Brückner [5]. In their results, they came to this conclusion that in countries with many minerals and oil corruption is more and economical growth is less. This issue, due the region's countries' being oil-rich, specially countries that have so much natural wealth, leads to creation of political and economical power which leads to corruption's occurrence. In fact, oil economy provides large capacities for corruption that oil contracts are among them. The expectations that we have of privatization as one of the mechanisms of solving economical problems won't have desirable results due to various reasons including the brokerage issue and also lack of essential institutions to protect public interests and social balance and equilibrium and it might even be followed with devastating effects and consequences for the society.

Also, in order to review the effect of government's size index on corruption perception index, the following hypothesis is tested.

\[ H_0: \alpha_1 = 0 \]
\[ H_1: \alpha_1 \neq 0 \]

The rate of t value, coefficient of government's size index and corruption perception index is 4.12, which is larger than table's rate, which is 2. Therefore, hypothesis zero is rejected and thus, its opposite hypothesis has been accepted and there is a positive and significant relationship between government's size index and corruption perception index. The result of this hypothesis is also compatible with the results of Alesina & Angeletos [4] who, in a theoretical model, believed larger government is a factor of corruption's increase. But the studies of Laporta, Haghani [12], Fisman and Svensson [10] and Billger & Goel [8] indicated that the effect of government's size on corruption is negative which is in contrast with this research's hypothesis' result.

Corruption is rooted in government's activities, particularly its exclusive power and influence of authority; thus, there is a direct relationship between amount of corruption and how the government intervenes in economical affairs and intensity of economy's development. Therefore, corruption shall be accounted for as a kind of problem of government's fundamental weakness. Although in the above definition, corruption is associated with activities of government's agencies and especially the state monopoly, but complete omission of government is not realistic and in addition to this, corruption is also seen in the private sector. The important point is that only government's size and intervention cannot be an effective factor in corruption, but government's intervention leads to increase of corruption when the government creates some disorder in market's mechanism or when black market becomes common [19].

Therefore, each country shall act in order to fight this dangerous phenomenon properly and by considering the conditions of national, geographical and administrative requirements. With reforming the organizational structures and rules, there is this possibility that the balance between interests and damages caused by behavior base on financial corruption will be modified. Structural reforms are essential in domains such as taxes, rules of private transactions and development of infrastructure projects under government's responsibility. Also
institutional reforms are necessary to increase transparency and accountability in governmental sector and helping independent organizations, and in this respect, the governments shall not hesitate in creating institutional structures which are required for fair growth. Finally, we can say that fighting corruption can be successful only when is done with a program and has peoples support and high levels of sovereignty as well.

REFERENCES