

Analysis of the nonlinear relationship between economic corruption and security in Iran

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Abstract

Corruption and economic security are among the most important issues in Iran's economy today. In the economic literature, economic corruption can also facilitate bureaucracy and business. It acts as an oil between the hard gears of an economical machine that can also reduce performance and economic security by increasing transaction costs and risk. Therefore, in this study, the analysis of the nonlinear relationship between economic corruption and economic security in Iran, during the period of 1357 - 1397, thresholds are performed using the regression method. This research is applied in terms of purpose and descriptive correlation in terms of type and method of research. The results of estimating the research model show that the threshold for corruption is 0.45. Hansen's linear test results with the Bootstrap method also confirm the threshold significance. This threshold implies that in a government with less than 0.45 corruption, increasing the size of corruption has a significant and negative effect on economic security. But in a regime with greater corruption, corruption has a positive effect on economic security. In other words, the non-linear relationship between economic corruption and economic security in the country is confirmed and indicates a long-term relationship between corruption control and economic security in Iran.

Keywords: Nonlinear relationship; Economic Corruption; Economic Security; Iran; threshold model.

JEL Classification: D78, H56, O11.

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