Analyzing the Impact of Financial Independence of the Judiciary System on Justice and Corruption

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ABSTRACT

The financial independence of the judiciary system is tightly concerned with the type of budgeting system of a country, and it mainly emphasizes on the separation of the executive and judiciary powers in the context of proposing and approving a judicial budget, which has created two judicial and executive models. In the judicial model, the judiciary system is independent and decisive in determining its own budget. But in the state model, the executive organs are significantly influential on it. In Iran, despite the constitutional emphasis on the independence of the judiciary power, with regard to the executive budget system that governs the judiciary independence, and based on Articles 25 and 156 of the Constitution, the government has absolute discretion to change the proposed budget of the judiciary system, which is an indication of the lack of financial independence of the justice power of the country .By adopting some strategies such as passing a legislation indicating that the government is not permitted to change the proposed budget by the judiciary power, providing direct funding to the parliament, allocating a certain percentage of the country's total budget to the judiciary system, establishing an independent bank for managing the financial resources of the judiciary power, modifyinging the constitution and incorporating the above-mentioned solutions we can promote the financial independence of the judiciary system in Iran.

In the present study, Cochran Orcat method has been used to determine the statistical sample, which is 100 people as the statistical population. In this research, the collected data were analyzed in Excel software and SPSS using descriptive and inferential statistics. The results of the research revealed that there is a significant correlation between the financial independence (budget) of the judiciary system and the rate of corruption. There is also a significant relationship between the financial independence (budget) of the judiciary system and justice.

INTRODUCTION

Democracy and the rule of law in societies are conceivable in which the judiciary has the full autonomy as the main protector of individual rights and freedoms. The desirable and desirable function of the judiciary, especially in terms of carrying out the task of judicial review of compliance with the law in the conduct of administrative affairs, preventing the political domination of other forces and other members of the power of power in the judiciary (Habibzadeh, Keramat and Shahbazinia, 1187 p). The above points make the need for judicial independence more important. One of the requirements of judicial independence is financial independence. That is, in order to ensure the proper functioning of the judiciary, this force must be distanced from financial dependence on non-judicial institutions, so that other forces can not enforce their actions through pressure on the judiciary. Therefore, since the objective of judicial independence is to preserve the independence of the judge and to treat them fairly and without discrimination, citizens must be able to trust the ability of the judiciary to carry out their duties impartially and independently in order to effectively carry out this important duty and believe that the judge can achieve this without any influence from external factors. This requires the security of judges and the judiciary to bear the financial burden on them, which greatly eliminates the issue of impartiality or corruption in the judiciary.

The constitution of our country after the victory of the Islamic Revolution, following the religious teachings of the independence of the judge, as well as the exploitation of the separation theory, increased the independence of the judiciary and sought the full independence of this power from other institutions of the country. But, as will be in this article, the set of laws and rules governing the legal order of the country, as well as the views of the Guardian Council,

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made the constitution of this aspiration and purpose. In this paper, we have tried to look at the problems and structural challenges of Iran's judiciary budgeting by looking at models of financial independence of the judiciary in different legal systems and by providing solutions to this challenge, the financial independence of the Judiciary will be further enhanced. In this regard, we will first examine the concepts governing this subject, followed by different legal systems, and finally study the structure and process of approving the budget of the Judiciary in Iran.

PROBLEM STATEMENT

Corruption is currently a widespread phenomenon that is facing all countries, including developed and developing countries, and one of the goals of all governments is to combat it. But since corruption is an abstract and hidden phenomenon, the complexity of the nature of this phenomenon and its abstract nature have created many difficulties in confronting this phenomenon. Corruption and the struggle against it today are a major issue in many countries around the world. The most important causes of economic corruption in the public sector relate to state-owned enterprises in the economy. It includes trade restrictions, industrial subsidies, price controls, multiple currency rates, low wages in public services, commercial, and natural resource reserves, such as oil. Economic corruption causes a decline in investment and a slowdown in economic growth, and ultimately leads to a lack of realization of the goals of economic development in the country. Tax revenues are reduced and the quality of public utilities and public services declines. The most basic policies to combat economic corruption and economic reform include the creation of institutions for this purpose, public sector wage increases, government size reduction in the economy, accurate financial audits, media independence, judicial independence, citizen participation, decentralization and community culture reform. Which can be dynamic in the economy of the country and ultimately boost the national economy (Alani, 2016).

The emergence of corruption has a long history of human society and its relationship with the development of a direct political system to the point where it can disrupt the political system of a country. The investigation of the roots of our corporate corruption leads us to the reasons that make it possible for those human beings who dare to easily exploit the position of the job to take actions that, in the light of their social, economic and political rights of citizens are violated or the rights of a person or group are easily overcome or wrongfully transferred to another. Some of these reasons are in the ambiguity of the rules and procedures, the quality of the work of the bureaucracy, the level of wages in the public sector, the system of punishment and punishment, and organizational oversight, which is worthy of careful study and resolution, hopes to reform the administrative system (Sedian, 2016).

Therefore, this study seeks to investigate the effect of the financial independence (budget) of the judiciary on justice and corruption.

BACKGROUND RESEARCH

Sameti et al. (2006) in an article aimed at investigating the effect of economic freedom on financial corruption, the removal of economic freedom through excessive involvement of government and related institutions is One of the most important factors underlying the spread of financial corruption is microeconomic (corruptive) and macroeconomic (political corruption). The results of the empirical estimates, which have been carried out with panel data method for 73 countries during the four year period (2000-2003), Shows the positive and significant effect of the three main components of economic freedom (legal structure and security of property rights; healthy money; freedom of exchange with foreigners); and the meaningless effect of the two other components (size of government and laws and regulations) on financial corruption.

Hillman (2004) argues that public finance should be a means by which governments, especially in low-income countries, increase economic growth and end poverty. While corruption reduces tax revenues and makes public policy ineffective in achieving social goals.

Alejandro, Chafuen and Guzman, (2003) in an essay on the study of the impact of economic freedom on financial corruption. This study was carried out over a 20-year period of 1975- 1995 for 10 countries, with results showing the negative impact of economic freedom on financial corruption.

Graaff and Mehlkop, (2002) in an article on the effect of economic freedom on financial corruption. They have considered seven sub-sections for the economic freedom index, which are: 1. State size 2. Economic structure based on market system 3. Monetary policy and price stability 4. Freedom of Entry and Exit Exchange 5. Legal structure and security of property rights 6. Freedom of trade and 7. Freedom of exchange in capital and financial markets. They estimated the effect of these variables on financial corruption in two categories of poor and rich countries as cross-sectional data from the OLS method and concluded that in the poor countries, the variables of freedom of entry and exit of currency and freedom of exchange in financial and capital markets have a negative and significant effect on financial corruption. And in wealthy countries, variables of state size, legal structure and security of property rights.

HYPOTHESES

Hypothesis (1): There is a significant relationship between the financial independence (budget) of the judiciary and corruption.

Hypothesis (2): There is a relationship between the financial independence (budget) of the judiciary and justice system.

CONCEPTUAL MODEL
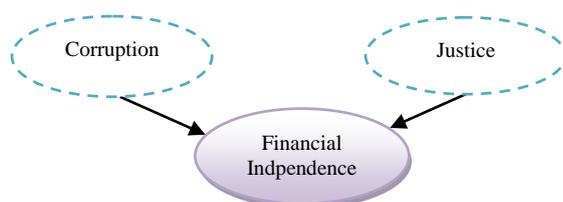
SOCIETY AND STATISTICAL SAMPLE

Sampling is the process of selecting and selecting a sufficient number of members of the statistical community. So, by studying the sample group and understanding the characteristics or characteristics of the subjects in the sample group, these characteristics can be generalized to the members of the statistical community (Sarmad and Bazargan, 2001).

In this research, due to the high volume of society and the impossibility of examining all cases, a sample group has been studied instead of the entire population. To determine the sample size, Cochran Orcat method has been used, which according to the number of statistical population is 100 people. The sampling method was simple cluster and random sampling. In this way, from among different academic disciplines, a number of disciplines were selected by simple random sampling method and then the selected sample was selected from among selected users.

To increase the similarity of the sample and society and increase the sampling accuracy to estimate the parameters of the society and interfere with the characteristics of the society in the sample, the society is divided into groups, then the number of samples is specified for each group, and then, using simple random sampling method or regular, the number of elements required from each group will be selected. In this research, all judges (including prosecutors, court judges, reviewers, etc.) were elected in Semnan. Therefore, according to the number of samples needed for research, 110 questionnaires were distributed and 100 questionnaires were analyzed to ensure that the net return questionnaire was more than the above.

INFORMATION GATHERING METHOD

In addition to using books, publications and documents in the library from the Internet sites as well as observation and ... (field), a questionnaire was used to collect information.

It should be noted that each subscale of the questionnaire is numbered in the Likret spectrum and in the form of five alternatives from the totally disagreeable to completely agreeable. Also, to determine the validity of the instrument, an exploratory factor analysis technique was used which results in Table 1 below:

Tab.1. Factor Analysis Questionnaire Suitability Indicators

	Indicator	Value
1	Cronbach's alpha	0.829
2	Bartlett	826.903

Significance level	0.0001

According to the results of the analysis of factor analysis, it can be said that the tool has a validity feature. Because the Cronbach's alpha index is higher than 0.7 and also the Bartlet index is significant at the level of 0.0001.

INFORMATION ANALYSIS METHOD

Analysis is the way through which the entire research process is guided from choosing a problem to accessing a result (Sarmad and Bazargan, 2001).

In this research, data collected using descriptive and inferential statistics have been analyzed. In inferential statistics Kolmogorov-Smirnov tests for normalization of data, two-sample t-test, correlation test and linear regression were used in this study. Also, in this research, Excell software and SPSS software have been used for the subject matter.

LINEAR FUNCTION

The estimation of the relationship between the two variables will not be possible unless we first assume that the relationship between the two variables has a certain form. One of the most common forms of these is the simple linear function. One such function in economics is very important, since working with them is relatively simple and can often be used as an approximation of non-linear functions. The mathematical form of a simple linear function is as follows:

$Y = a + \beta x$

In which the values a, and β are constant. The coefficient a, called the width from the origin, shows the value of y for x equal to zero. The coefficient β representing the slope of the line determines the amount of y changes per unit of change in x.

DESCRIPTIVE FINDINGS

Descriptive Findings Related to Specifications:

In the elementary part of the research questionnaire, the specific characteristics of the respondents have been asked. First, we draw tables and tables using the output of the SPSS software. Personality profiles include gender, age, occupation, level of education of respondents.

Table 2 contains the frequency and percentage of cumulative frequency related to the age of the individuals who responded to the questionnaire of this research.

Tab.2. Frequency distribution table in sample by age

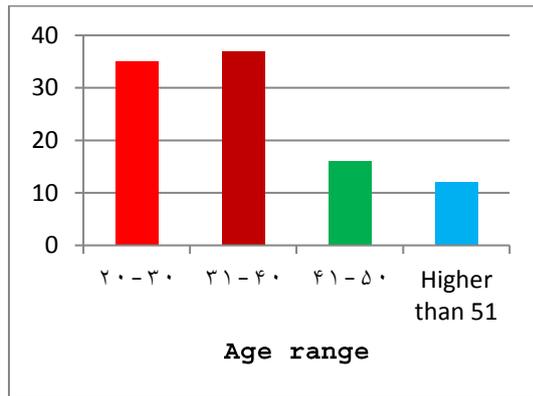| Qualitative variable	Level	Abundance	Frequency
Age	20-30	35	35
	31-40	37	37
	41-50	16	16
	Higher than 51	12	12
	Total	100	100

Fig.1.Specimen age specification

Table 3 contains the frequency and percentage of cumulative frequency related to the gender of the respondents who responded to the questionnaire of this research.

Tab.3. Frequency distribution in sample by gender

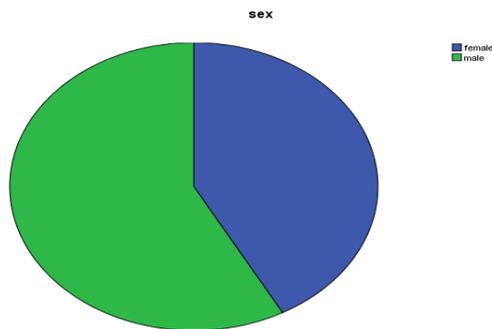| Qualitative variable	Level	Abundance	Frequency	Percentage of cumulative frequency
gender	Female	42	42	42
	Man	58	52	100
Total		100	100	

Fig. 2.Specimen Gender Specifications

Table 4 contains the frequency and percentage of cumulative frequency related to the job status of those who responded to the questionnaire of this research.

Tab.4. Frequency and percentage of cumulative frequency related to occupational status

Qualitative variable	Level	Abundance	Frequency
Job	Judges	28	28
	Executive Managers	18	18
	Administrative staff of the judiciary	23	23
	Professors	20	20

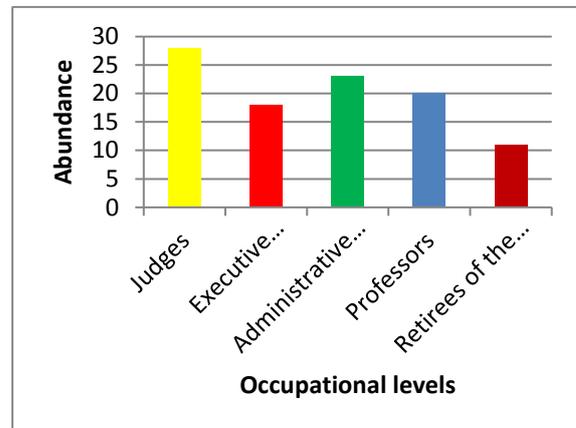|			
Retirees of the judiciary		11	11
Total	-	100	100

Fig.3. Sample Job Specs

TEST HYPOTHESES

Hypothesis (1): There is a significant relationship between the financial independence (budget) of the judiciary and corruption.

To this end, the tables describing the scores related to the component of financial independence and administrative corruption were introduced and then the Kolmogorov-Smirnov test was used according to normal or non-normalized data distribution.

Table 5 shows the central indicators and the dispersion of the variables of financial independence and administrative corruption.

Tab.5.Descriptive Indicators of Two Variables of Financial Independence and Corruption

Variables	Number	Minimum	Maximum	Average	Deviation
Financial independence	100	1.15	4.46	3.6573	0.64917
Administrative corruption	100	1.36	4.36	3.7945	0.44634

In Table 5, the average score of corruption is equal to 3.6573. The average corruption score indicates that the average number of responses in the Likret spectrum, namely, 3, is higher, indicating a high average of the corruption scorecard.

Then, using the Kolmogorov-Smirnov test table, the normalization of the variable is investigated. Table 6 The Kolmogorov-Smirnov test statistics and the error rate are related to the normalization of the variables of corruption and financial independence.

Tab.6. Kolmogorov-Smirnov test of corruption and financial independence

Variables	Kolmogorov-Smirnov test	Error level
Financial independence	1.093	0.184
Administrative corruption	1.147	0.105

According to the Kolmogorov-Smirnov test statistic, the variables of corruption and financial independence are 1.093 and 1.147, respectively. In both variables, their error rate is 0.184 and 0.105, which is greater than 0.05, which confirms the normality of the variables.

Regarding the normalization of both variables of administrative corruption and financial independence, a parametric statistical method is used for the correlation test.

Table 7 shows the Pearson correlation test (parametric correlation test) and the coefficient of explanation of the relationship between customer satisfaction (independent variable) and customer life span (dependent variable) and the level of error in the correlation test.

Tab.7. Correlation Coefficient Test Table and Regression Determination for Corruption Variables and Financial Independence

	Pearson	Coefficient of determination of regression	Adjusted coefficient	Probability level
Administrative corruption and financial independence	0.384	0.144	0.138	0.001

According to Pearson correlation coefficient between two variables, corruption and financial independence is 0.38 and the error rate less than 0.05 shows that the relationship between the above two variables is a significant positive relationship. Also, according to the coefficient of determination, 14% of the changes in the administrative corruption variable are related to the decrease or increase of the budget autonomy score of the judiciary, this amount is significant due to the number of respondents.

Table 8 shows the table of analysis of variance and regression coefficients, showing the impact of financial independence on administrative corruption. The Fisher test statistic, which indicates the correctness of the regression model between two variables, as well as the level of goodness error, fit the linear model in the variance analysis table below.

Tab.8. Analysis of variance and regression coefficients Effectiveness of financial independence on corruption

Regression model	Total	Degrees of freedom	Average	Fisher statistics	Error level
Regression	5.308	1			
Error	62.426	339	5.308	28.824	0.0001
Total	67.734	340	0.184		

Therefore, according to the Fisher test statistic which is 28.824 and its error rate is 0.0001, the validity of the regression model between the two variables of financial independence is confirmed by corruption. Also, according to the above table, the regression model between two variables is described below.

2.283 + Financial Independence * 0.192 = Administrative Corruption

Hypothesis (2): There is a relationship between the financial independence (budget) of the judiciary and justice system.

As stated in the dimensions and components of the financial independence (budget) of the judiciary and justice system, in the above hypothesis, justice was calculated using 18 questions of the questionnaire, and in all cases, in the form of a 5-degree Likret spectrum. For this purpose, firstly, tables describing the scores related to the components of financial independence (budget) of the judiciary and justice system were introduced and then the Kolmogorov-Smirnov test was used according to the normal or non-normalized distribution of data.

Table (9) represents the central indicators and the dispersion of the variables of the financial independence (budget) of the judiciary and justice system.

Tab.9. Descriptive Indicators of Two Variables of Financial Independence (Budget) of the Judiciary and Justice System

Variables	Number	Minimum	Maximum	Average	Deviation
Financial independence	50	1.25	4.63	3.636	0.62718
Justice	50	1.36	4.36	3.79	0.4463

In table (9), the average score of the financial independence variable is 3.64. The average score of financial independence indicates that this number is greater than the average value of the response of the Likret spectrum, that is, the number 3, which indicates the high average of the financial independence score. Then, using the Kolmogorov-Smirnov test table, the normalization of the variable is examined.

Table 10: The Kolmogorov-Smirnov test statistic and the level of error are related to the normalization of the variables of the financial independence (budget) of the judiciary and justice system.

Tab.10. Kolmogorov-Smirnov test of the variables of financial independence (budget) of the judiciary and justice system

Variables	Kolmogorov-Smirnov test	Error level
Financial independence	1.179	0.124
Justice	1.147	0.109

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According to the Kolmogorov-Smirnov test, the variables of financial independence (budget) of the judiciary and justice system are 1.179 and 1.147, respectively. In both variables, their error rate is 0.124 and 0.109, which is greater than 0.05, which confirms the normality of the variables.

Regarding the normalization of both variables, the financial independence (budget) of the judiciary and justice system is used by a parametric statistical method for the correlation test. Table 11 shows the Pearson correlation test (parametric correlation statistical method) and the coefficient of explanation of the relationship between financial independence (budget) of the judiciary and justice and the level of error in the correlation test.

Tab.11.Correlation coefficient test and determination of regression related to the variables of financial independence (budget) of the judiciary and justice system

	Pearson	Coefficient of determination of regression	Adjusted coefficient	Probability level
The financial independence (budget) of the judiciary and justice system	0.334	0.112	0.108	0.001

According to the Pearson correlation coefficient between two variables, the financial independence (budget) of judges and justice, which is 0.334 and the error rate less than 0.05, shows that the relationship between the two variables is a significant positive relationship. Also, according to the coefficient of determination of 11% of variation variations, the duration of the relationship between the respondent and the reduction or increase of the justice scores is significant, according to the number of respondents.

Table (12) represents the table of analysis of variances and regression coefficients of the effect of the financial independence (budget) of the judiciary on justice. The Fisher test statistic, which indicates the correctness of the regression model between two variables, as well as the level of goodness error, fit the linear model in the variance analysis table below.

Tab.12.Analysis of variance and regression coefficients Effectiveness of the financial independence (budget) of the Judiciary on justice

Regression model	Total	Degrees of freedom	Average	Fisher statistics	Error level
Regression	5.45	1	5.45	29.664	0.0001
Error	62.28	339	0.184		
Total	67.73	340			
	Amount		t test statistic		Error level
Fixed regression	0.202		5.464		0.0001

coefficient of the model	2.262	22.528	0.0001

Therefore, according to the Fisher test statistic, which is 29.664 and its error rate is 0.0001, the validity of the regression model is confirmed between the two variables of the financial independence (budget) of the judiciary and justice system. Also, according to the above table, the regression model between two variables is described below.

2.262 + Financial Independence * 0.202 = Justice

DISCUSSION AND CONCLUSION

In the discussion of the first hypothesis, Kolmogorov-Smirnov test was first used to measure the normality of the data. Then, according to the Kolmogorov-Smirnov test statistic for the variables of financial independence and corruption, the numbers are 213/1 and 147/1 respectively, as well as the value of the fallibility level of 0.078 and 0.105, both of which are greater than 0.05. Therefore, the assumption of the normalization of the variables was confirmed. To do this, Pearson correlation coefficient was used to test the hypothesis.

Because the Pearson correlation coefficient of financial independence and corruption was equal to 0.3369, therefore, due to the coefficient of determination that indicates the effect of financial independence on corruption and its value is 13%, it means that 13% of corruption changes are due to the increase or decrease of the financial independence score.

Also, the results of variance analysis of regression related to the effect of the variable financial independence on administrative corruption with the test statistic of 238/55 and the level of fatal error of 1/02 show the linear regression of one-variable regression between the two variables above. In this analysis, the Fisher test statistic equals 55/82 and the integrity level of 0/0001, which indicates a numeric value less than 0/05, the validity of the linear model between the two variables of financial independence and corruption is confirmed.

In the discussion of the second hypothesis, Kolmogorov-Smirnov test was first used to measure the normality of the data. Then according to the Kolmogorov-Smirnov test statistic for the variables of financial independence and justice, the numbers are 1.179 and 147.1 respectively, as well as the inflection rate of 0.124 and 0.109, both of which are greater than 0.05. Therefore, the assumption of the normalization of the variables was confirmed. To do this, Pearson correlation coefficient was used to test the hypothesis.

As the Pearson correlation coefficient between financial independence and justice is equal to 0.334, it is due to the amount of coefficient of determination that expresses the impact of financial independence on equity and its value is 11 percent, it means that 11 percent of the changes in justice are due to the increase or decrease of the financial independence score.

Also, the results of variance analysis of regression related to the effect of financial independence variable on equity with the test statistic of 67.73 and the level of fallibility of 0.0200 show the linear correlation of one-variable regression between the two variables. In this analysis, the Fisher test statistic is 29,664 and the integrity level of 0001/0, which indicates a number smaller than 0.05, the validity of the linear model between the two variables of financial independence and equity is confirmed.

- **Suggestions:**

With regard to the issues discussed, and by examining different systems and countries in this topic, as well as the analysis of structural and legal problems in the process of approval of the budget of the judiciary, to further enhance the financial independence of the judiciary and resolve the budget problems of this power, we will outline strategies.

a) Approval of the law on the government's inability to change the budget of the judiciary:

According to this plan, MPs are obliged to submit a draft plan to the government to submit a bill to the parliament on the budget of the Islamic Revolutionary Guard Corps without interfering with it.

This solution does not conflict with Article 52 of the Constitution, which calls the government a budget, but in a system-based system, the judiciary budget is given to the government by the same authority to be included in the annual budget plan of the country. Also, this proposal is in line with Article 57 of the Constitution, which considers the power independent of each other, because the lack of financial independence of the judiciary can undermine this independence and if it is also contrary to the constitution, the mechanism of the Expediency Council can be used to approve the law so that the budget of the judiciary, like the state budget, is independently planned and implemented.

b) The establishment of an independent bank in the judiciary

One of the solutions that can influence the independence of the judiciary is that the budget and credibility of the judiciary should be independent of the state budget and in some way regulated by the power itself. Therefore, it is obvious that in order to achieve this goal, it is necessary to allocate resources specifically to this power to that authority. The amount of money people give to the judiciary, if they are not deposited in the treasury and instead paid to an account under the supervision of the judiciary and the government does not count on it in budgeting, these amounts can solve the problems of the judiciary. Establishing an independent bank in the judiciary can do so.

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