

## **The impact of corruption on private domestic sector investment Case Study: selected developing countries**

**By**

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### **Abstract**

*Investment in all countries as an important factor in economic growth and development is considered. Investment in most countries carried out by the private sector and public, especially in developing countries. Private domestic investment as a source of growth and job opportunities in the future is considered. Therefore, it is necessary to identifying the variables that affect private investment. Among the factors affecting the private domestic investment, the level of corruption is the most important factor. Many studies and research in economics have suggested corruption as a negative factor affecting investment in countries. Therefore according to the importance of the issue, especially in developing countries where corruption is involved, this study examined the factors affecting the private domestic investment with emphasis on the Corruption Perception Index (CPI), using the panel data of 32 selected developing countries over a eleven-year period (2000-2010) with Generalized Method of Moments (GMM). The results support the positive effect of Corruption Perception Index on private domestic investment.*

**Keywords:** *Corruption Perception Index, Private Domestic Investment, Generalized Method of Moments*