

The Streaks of New Public Management in Iranian Governmental Sector in the Frame of Privatization Policy

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ABSTRACT

The streaks of new public management mooted itself as a significant part of adjusting economic policies in the frame of privatization policy after war and the beginning of the first 5-year plan of economic, social, cultural and political development in Iran and the first legal permission in order to restrict the size of government in private sector economic and participation in economic affairs was ratified. After the ratification of the first plan of development, which was a prelude to wide planning and decision making of country for economic and social constructivism and development, various plans were passed and performed. This paper aims to study the streaks of new public management in Iranian governmental sector.

KEYWORDS: New Public Management, Iran, Governmental Sector, Privatization.

INTRODUCTION

Privatization of public companies was of these plans for eliminating past deficiencies and improvement of economic actions such as the performance of public companies in official-economic system of Iran. Note 32 of this law and its policies considered the government asset and the quantitative and qualitative analysis of economic and social productivity [1]. Also some streaks are shown in the second plan e.g. in the policies related to monetary and market adjustment or personnel of public offices [2].

But after passing and performing of this law, management and planning organization of country did perform various programs of official revolutions in the form of new administrative management strategy which was the main factor of the third plan. The most significant of these plans along development third plan are as following all of which are the fundamental matter of new administrative management:

1. The plan of making reasonable size of administration through detecting and separating the actions related to sovereignty and tenure on the basis of article 64 of 3rd plan of development and the suitable detection of administration cost via the reasonable definition of administration, facilities and resources demanded for managing affairs by administration [2].
2. The reformation plan of administration structure on the purpose of investigation and identification of administration problems and miniaturizing administration in action [3].
3. The reformation plan of management systems through investigation and detection of council and various decision-making assembly duties and system organizing and reforming in the organizational structure of administration [4].
4. The reformation plan of employing systems through investigating and eliminating the deficiencies of administrative personnel employment regulations in order to develop the jobs in a contractual way instead of official employments [5].
5. The education and improvement plan of administration manpower in order to strengthen them [6].
6. The processes reformation plan, methods and official technology [7].
7. The plan of improving human health in official system of administration [8].

Therefore, the developing strategy of administration with the focus on modern administration management obviously can be seen along studying the third plan of economic, social and cultural development. The encouragement of private sector in order to lead economy, miniaturization of administration, the balance of manpower, insertion of merchant management principles in administration, giving off the public services of executive organizations etc. are some main matters of this strategy in public section.

New Public Management Theory, Iran and Privatization

In the idea of theorists [9], there is nothing as important as publicity of governmental organizations. The expression of "publicity" is an obvious symbol of public and private separation. We are going to investigate the dimensions of negative effect of modern governmental management on the publicity of administrative organizations.

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1. New public management: Filling the gap between public and private

One common assessment of public service democracy is the evaluation of unique or fundamental qualities which are supposed to be the differentiating symbol of public and private. The insertion of new public management into governmental organizations exterminates the border between them because market, norms and unique standards of public service such as citizenship, responsibility, equality, confronting and justice toward them which Islamic governments and developed countries like America, England, France and Canada are supporters of, are rammed as some norms of business, competition, productivity and benefit existed [9]. The researches in some countries such as England [10], United States [11], Belgium, Germany, the Netherlands and Sweden [10] even in some of developing countries as Malaysia, Singapore, Thailand, The Philippines and South Africa [10] show a decrease in democracy related to governmental management. The rate of decrease is various in each country all of which show the eliminating of this democracy.

2. New public management: limiting the composition of service receivers

One attribute of democratic governmental management is the various compositions of public service receivers which is the real publicity presentation in administrative management. So, the aims of public service should be focused on common and citizenship welfare. After the World War II, most of the developed capitalist countries were following such aims through the guarantee of civil, political and social rights whereas these rights became natural and incontrovertible matters. But since 1980, the main purpose of public service of citizens' demands changed into economical aims on the basis of productivity and competition which were not beneficial for the most people of nation. This change of public responsibility from citizen-focused to productivity-focused was observed in some countries like Australia, Belgium, Canada, France, Germany, Italy, Japan, New Zealand, Spain, Switzerland, England and United States. In developing countries this change can be observed too. The symbol of this change is giving the name of customer or consumer to the citizens.

The beneficial economical management is a kind of principles that is servicing in the favor and benefit of internal and external capitalists (the rich). This movement refers to limited composition of public service receivers and a special part formation which are capable of receiving this service, focused on market economic growth and the part that denies the welfare of common citizenship. So, the utilization of public resources changes in a way that the common people are deprived of services by the government. The plans for the people with low income are limited in most of the countries during reformation process of public sector.

3. New public management: The weakening of public sector

The affective role of economic-social affairs related to administrative management is another aspect of democracy in nation. Public services had the role of leadership in capitalist administrative countries during the World War II but since 1980, this role changed into facilitator. These changes are observed in developed (Australia, Belgium, Canada, France, Germany, Italy, New Zealand, England and the USA) [12] and developing countries (India, Bangladesh, Malaysia, South Korea, Thailand, Argentina, Taiwan and The Netherlands) [11].

This change increased the role of private sector in representing goods and services but it has moved the public sector to margin. The weakening of health standards for public has made some problems for government in Canada. Most of the respondents in the U.S declared that the priority of government should be on guarantee of public management not the decrease of its role through decrease or stop of public plans. This movement is going toward the weakening of public service direct role and democracy and ruin of public welfare.

In fact, the public service capacity in order to play social-economic role or the leadership of nation is decreased because of financial-human resource reformation and the transformation of public assets to private sector and also the selling of public profitable agencies. The government plans in the context of human resource has decreased official personnel in industrial developed (Australia, Belgium, Canada, Denmark, Finland, France, Germany, Italy, Japan, New Zealand, Sweden, England and the USA) and developing (Argentina, Bolivia, Castarica, Haiti, Guatemala, Senegal, Congo, Ghana, Kenya, Mauritania, Nigeria, Somalia, Uganda, Singapore, Nepal and Serilanka) countries [11]. Some plans of sever financial and personnel economy have had threatening effects on public sectors of health, house, education, rural and environmental safety. This caused a decrease in democracy because it eliminated the response ability to citizenship demands. The effect of public service weakening is much more in countries on interventionist government model than developed economics. Since 1980, the decrease of public sector role has affected democracy in public management.

4. New public management: The weakening of public response

One of common criteria for assessment of public service democracy is public response. However the problems of traditional official response such as bureaucratic power, duty complication, social isolation, information secrecy, media control, political repression,... are not eliminated and a new challenge is confronted public response under the sovereignty of reason related to the market. Kettl [13] believes that government reformation on the basis of semi-merchandise methods is a courageous attack against democratic response.

The first public response challenge goes back to common activities between public and private sector which is performed under market reformation in both developed and developing countries [13]. These kinds of activities will suspect citizenship to public and private transformations and will give out the questions that

whether the public resource benefit is acceptable for private agencies and ever will it decrease the government control over private contractor whom should be responsible? For example; the increasing number of public contracts with private sector makes people worried about the relationship of government and contractors specially the vague performance of contractors, utilization of illegal tactics and the increase of corrupting opportunities. On the other hand, these kinds of participation activities may ruin the factual chain of response because the common citizenship cannot identify the main faulty between governments or the contractors. Therefore, a tight unity of public service and private companies leads to the formation of new challenge toward public response and as a result will decrease democracy.

5. New public management: Public confidence threatening

Confiding and being sure of public services is one attribution of democracy. Experimental researches [9] show that utilization of modern administrative management in administrative organizations and especially public services will threaten public confidence (common citizens and governmental personnel). Opinion sampling of 1980 in America shows that 45% of top managers are encouraged to form governmental organizations. Personnel transformation was 20% and 73% of governmental personnel was thinking of leaving this sector. All these reasons show a significant level of dissatisfaction toward governmental sector [10]. Most of the governmental officers in Canada have supposed the governmental reformations as a miniaturization movement of government not democratic cultural movement. Finally their support of these plans decreased. In France, 25% of master managers and 59.1% of young managers declared that they have minimally and temporarily planned for existing public service. The opinion sampling of 1995 in Argentina showed that 31.53% of governmental personnel believe in unsuitability of public service. Governmental organizations of Brazil showed a severe disagreement toward market reformation of public sector during election activities in 1994.

These findings represent increasing pessimism of government personnel to inserting semi-merchandise principles of public services. This pessimism is rooted from the lack of confidence, miniaturization policy and omitting whole time employment in developed and developing countries. The reliance of common people has decreased in some countries of Norway, England, Netherland and America. The percentage of American people who believed in federal government right action has decreased in this way: 75% in 1964, 20% in 1994 and 6% in 1990. In 1998, 61% of people believed that the government had not yet been efficient. The number of England people who believed that the government does not value nation money changed from 56% to 55% in health, 36% to 29% in transportation and 79% to 69% in police service in 1986-1988 [11]. Countries such as Australia, Belgium, Italy and Japan were of the same position. All of these conditions show the public dissatisfaction toward public services.

6. New public management: The formation of stressful public organizations

One of the most negative strategic effects of new public management is imposing stress on public organizations. If an organization is supposed as an animated subject which learns (learner organizations), dies (fall in organization life cycle), reactions (environmental management strategies), is self-organizer (theory of conformity organizations), its growth similarity to human ones (complicacy theory) etc. Thus this subject can be stressful too. In a normal level, stress can lead to improvement but when it is severe the productivity, effectiveness and activity quality will decrease. Like human beings, the organization will be put under stress. The new public management will create severe stressful organizations. On the basis of this theory, public managers always pretend to be the improver of other managers' faults and deny their inefficient and fruitless managements. In other words, nobody can question these organizations because of their permanent reformations and repair. Because of stress, the manner of these organizations is not usual, their plans and plans are not finished, their productivities are defective and as a result; a stressful public organization is formed.

7. New public management: The strengthening of spoil system in the form of privatization

The spoil system [13], which was on power in developed countries and is on power in developing countries right now, emphasizes political-management posts of nation's management system after the power of a political faction. On this basis, after a faction victory, it can give all the manager posts to its enthusiasts in order to intensify faction bias, productivity and effectiveness. This system attempts to change high rank posts in developed countries these days but in developing countries such as Iran, these changes are made in all the high, middle and performance levels of management related to political and non-political organizations. Under this spoil system, the productive companies will be given to the factions' enthusiasts, relatives and friends all over the world.

This destroying achievement of new public management challenges the legality of political system and the reliance of people [9].

8. New public management: The symbolic political reasons rather than representing public services to citizenship

The supporters of privatization represent the advantage of competition over public service in market. This is compatible to economic and common selection theory. But whether will all the privatizations lead to cost economy and service quality improvement. The findings of researches show that the privatization will take place because of other reasons too. Most of the privatizations and contracts are done because of symbolic political and

productivity representation. Theoreticians [14] believe that privatization is a political law rather than economic one. The competition is fundamental theory of most of the successful privatizations. The lack of competition and decrease of public official affairs' capacity will impose significant management challenges.

The managers' ability in playing smart customers of public service and goods is under the skepticism of common people because of the low number of educated managers in the context of contracts and main aspects related to political management. Unrelated aims (contractors, public managements and citizenship), competitor encourages and political and bureaucratic facts will decrease the managers ability in contracts and decreasing the formation of embezzlement and public rights. The increasing demand for having productive and smaller government has forced the administration managers to utilize privatization. The privatization of public and other services has given the administrative power to private monopolists where minor increases are observed in performance and response.

9. New public management: Civil nation threat

The nonprofit sector of countries e.g. Iran is following market methods and values in their managements and services. The incoming conclusion of this movement is significant effect on existence and resistance of a strong civil nation. Theoreticians [14] believe that the effect of non-profit sector on civil nation is of high significance because of:

Firstly; however the effects of pro-market and con-market are different in public and non-profit sectors, it seems the insertion of market values is harmful in both sectors. The public sector emphasizes invention and consumer satisfaction in the context of democracy but its emphasis on response and team actions are not suitable for public profits. Furthermore, market model will give less or no value for democratic achievements. The movements of pro-market, merchandise income, competition in contracting, social occupation and civil nation roles will threaten the support of social values in non-profit sector.

Secondly; Most of the public management researchers believe in that a relationship between citizenship and public managers in legality and affectivity of public sector is essential. They emphasize on educating citizenship in confronting controversial public matters, free and non-threatening spaces in decision making. The non-profit organizations play a basic role in these achievements in the form of schools or democratic citizen libraries. This role is threatened by pro-marketing.

10. New public management: Opposite political theory to democratic sovereignty

In the ideas of Osborne and Gaebler, the customer-focused government is composed of 3 factors. Firstly, the government should listen to consumers, secondly it should give them the service selection right and thirdly it should prepare resources for service suppliers. Critics believe that [9] these ideas are beyond quality improvement of public services and in fact they are a representation of special political view which knows the public one prior and reacts to short term individual profits instead of following public profits through scientific consultation to citizenship. Therefore, there is no similar production of public sector. The public agents are very complicated from the point of income manners and the detection of exact consumers are not possible in some services e.g. traffic management.

The above mentioned new public management is put under the leadership of government or sovereignty which is named in Iran. This strategy proclaims that all the private management techniques (scientific to qualitative management) should be put into action in public sector and some market values such as competition, priority, market methods and innovation should be inserted into public sector. This view emphasizes the effect of human manner on individual profit as a main reason of improvement and encourage in private sector. Therefore, the collection of nations' individual profit is supposed as a suitable calculation of public profit. This supposition represents an unclear point view of public profit in political theory of new public management and excludes some of nation's individuals and decreases the reliance of citizenship and government.

Conclusion

The global movement of government confiscate by the rich in the form of new public management strategy is increasingly carried out in countries by the aid of global bank, international monetary fund... for more than 2 decades. This strategy declares that the governments should act as sovereignties and an acceptable government is a small kind which rules [9]. The confiscation of public companies by political friends of politicians has made the main encourage for privatization. This movement is a global but is Iran safe of this political theory. If nation policy makers investigate development process in Iran, they will find that the confiscation of government by privatization sector in the various forms, privatization of beneficial companies and review invitation of article 44 of constitution is worrisome. In the case that public management, political sciences and social scientists deny these problems, the sovereignty of capitalists in nation will take place.

Discussions over deletion of cooperation ministry and ceding basic industries to private sector are heard. The excessive point of new public management in Iran is in a way that the leadership of system, the masters of 3 branches and parliament members should be very careful about its performance method. The excessiveness in such reformation is mainly based on Nietzsche quotation: The earth is the locality of the rich and the poor

should be smashed under the rich wheel. This movement is in opposite to the democratic aims of a developed and Islamic country which is supposed to be governed by the rich in all the 3 branches (judiciary, executive and legislative).

As above mentioned, new challenges are encountered new public management in Iran. Challenges such as public-private border, the limitation of service receivers, weakness of public response, limitation of public sector role, decrease of public reliance, existence of stressful public organizations, focus on individual political theory, strengthening of spoil system in the form of privatization, threatening of civil nation etc. can criticize above strategy.

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