



A Review of Barriers to Implementing General Policies of Article 44 of the Islamic Republic of Iran's Constitution at Universities of Medical Sciences in Zanjan Province

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ABSTRACT

The present research aims to review the barriers to implementing general policies of Article 44 of the Islamic Republic of Iran's constitution at the universities of medical sciences of Zanjan province. The research is applied in terms of goal and descriptive-survey in terms of method. Research findings suggest barriers to implementing general policies of Article 44 of the Islamic republic of Iran's constitution include qualities of the rules and regulations, accepting the ceding of the hospitals, hospital employees' reactions to ceding the hospitals, and economic and social problems caused by ceding and planning at universities of medical sciences. The research investigates the effects of above variables on the privatization of the hospitals and found that the qualities of the rules, employees' reactions (e.g., implicit and explicit resistance, etc.), citizens and patients' economic and social problems and their dissatisfaction as well as planning (e.g., deficiencies and loss, etc.) will affect the tendency of the private sector to accept the ceding of the hospitals.

Keywords: privatization, outsourcing, Article 44 of the Islamic Republic of Iran's Constitution, Universities of Medical sciences hospitals

INTRODUCTION

One of the goals of the Islamic Republic of Iran's government has been to emphasize the presence of the people on the stage and their participation in handling the affairs. In the early years of the revolution, when the establishment of a sovereign state was the pivotal issue in the country, popular participation in the elections and on the frontlines of the war was quite notable. In recent years, people's participation in economic affairs has been greatly emphasized. The principle in the Islamic system is to get people to do all the affairs, and when people are incapable of doing so, the government will intervene to fulfill it. Thus, the government is assumed to increase the society's empowerment by transferring the power to people in the next stage, i.e., by increasing social motives and developing peoples' thinking and power of decision-making and finally objectifying these two issues in practice which constitute the key goals of the social and economic development.

Thus, engaging people and creating a necessary environment for the development of creativities and utilizing all useful areas and generally ceding parts of the specific economic capacities to people themselves reveal a salient example of healthy and sound state management consistent

with current developments in the international economy. By the same token, in recent decades, a similar trend has started in most countries, which led to the ceding of parts of nations' production and service capacities from the government sector to the non-government sector, thereby reducing the government's direct control over current economic activities. This trend is now known to be "ceding," which is slowly beginning to create a quiet revolution across the country (Shokati, 1995:3).

In our nation, privatization policies drew the attention of the policymakers and authorities, as the Five-Year Economic, Social and Cultural Development Plan of the Islamic Republic of Iran has envisaged widespread goals for privatization. Following the enactment of the said legislation, a large number of measures have been adopted by the Board of Ministers, the Higher Administrative Council and the Economy Council. Rules and regulations refer to policies adopted and communicated by interested authorities. First, second and third five-year development plans, provisions of article 88 of the Constitution on regulating parts of the government's financial regulations as well as clause (b) note (4) of the 2003 budget law, article 144 of the fourth economic, social and cultural plan and recently the enforcement of Article 44 of the Islamic Republic's Constitution are examples of the policymaking for the outsourcing of executive institutions of the government sector (Mohammadi, 2006:2).

Consistent with relevant executive rules and by-laws, all government institutions of various levels are obliged to use some forms of outsourcing (e.g., purchase of services, ceding of management, non-government sector's participation and ceding of affairs to employees in a unified administrative form) to reorganize their own activities. In this connection, some factories, companies and government units have been transferred to the private sector, while many more are underway (Mohammadi, 2007:16). The time to make a proper judgment about the effects of ceding privatization may not have yet come; however, according to authorities, the process of ceding and privatization has slowed due to problems that have arisen. In recent years, major developments seem to have not occurred in the direction of the goals set (Pouyan, 2005:275).

Data from outsourcing at Universities of Medical Sciences in Zanjan Province suggest that out of the eight hospitals in the province, only a few wards in the nursing section have been ceded to the non-government sector; though this was totally ceased by the government cabinet upon the communique No. 84515613 in 2005 (Motavaselina, 2006:105). Now the question is what kind of barriers affect the process and how they can be prioritized in order to meet the goals set.

Theoretical Foundations of the Research

Privatization

Privatization is a conclusive term that refers to ceding and operational and financial control of the institutions over the government sector. Privatization denotes the ceding of major economic activities to the people, while de-regulation denotes removing strict state regulations. The private sector is experiencing problems in the country due to the absence of a clear definition of three private, government and cooperative sectors, lack of financial facilities in this sector, failing economic context and lack of adequate credits for capital attraction in order to administer the privatization policies as well as labor issues, taxation and trade (Hashemi, 2001:120).

Planning problems of privatization



When government industries are supposed to be privatized, the timing, sale of the stakes, determination of sale priorities, evaluation of state industry assets and value determination will be included in the executive problems.

When the government's industries and economic firms are supposed to be ceded to people through a stock offering, it requires organizing and determining all institutions that want to make the sale of the government institutions practical. In this case, the treasure of the central bank, Planning and Budget Organization, Ministry of Economic Affairs and Finance will have duties which, if determined properly, the problem of interference with the affairs and redundancy will be resolved.

The government's economic and industrial institutions serve as national epitomes and power of the nation. National or faction-based parties and groups who believe in the authority of the government see privatization against the national interest of the nation, which would undermine the state sector and bolster the private sector, arguing that this is against the society's interest. This may vary from one nation to another; however, some parties in some countries have stated that despite the government's decision for privatization, they will make the privatized entities public once again if they form the next government. In other words, if privatization is actualized in a country, its future will not be politically guaranteed. Moreover, government military industries will remain outside the privatization cope due to national interest and political pressures, as the rule of the private sector in the economy and industry and the reduced rule of the government in these areas could entail negative political consequences in the long term.

Social problems from privatization may sometimes be expressed by politicians and sometimes by economists; for example, the provision of health services, construction, environmental protection and the national wealth can be met by government entities, and that may be socially acceptable. Various societies usually expect their coastlines, waters, mines, dams, jungles, wild animals, airports, routes, etc., to be under government control. The transfer of the above to the private sector could deprive parts of the society; for instance, ceding government lands to the private sector causes people not to frequent there to spend their leisure time. For this, the ceding of coastlines and jungle areas could produce some similar results.

Administrative problems of privatization also take on different forms. In some countries, because the government sector has a larger portion of the economy than the private sector, required monetary funds for the purchase of the government entities are not provided to the private sector, or if parts of the economic institutions are transferred to the private sector, major irregularities will be noted in the financial sections of the economy which will avoid capital from being redirected to other sectors of the economy.

Social Dimensions of Privatization

Unemployment and an imbalanced level of income are social problems that cannot be simply disregarded. These issues have less been debated in many dimensions of privatization. Interestingly, the experiences of the countries, especially the United States and Britain, can be used to suggest that the issue of privatization reduces the government's role in economic activities to cause wide inflationary and income level gaps across the society (Gholampour, 2004). Concerning economic efficiency, it is suggested that economic efficiency is a one-way approach without attention to social outcomes and will not necessarily guarantee the health of society.



Studies have indicated that government units have lower efficiency. Studies on some public plans reveal that these plans have yielded greater efficiency compared to those run by the private sector. Thus, the economic efficiency is not directly related to the ownership of the production unit; rather, it tends to relate to the unit's management. In many cases, the major factor is an increase in competition, not necessarily the changing of ownership. In this connection, in underdeveloped nations, there are various barriers to the increasing competition, which include the private sector's limited capital, which bars this sector from entering into production plans; privatization can also cause barriers to the fulfillment of the plans. For example, a government production unit that monopolizes the market will not have its monopoly removed when privatized, thus failing to create more competition. As well, import liberalization can easily eliminate the smaller production units which lack competition and create a monopoly for a few production units which are somehow involved with foreign and international companies. Thus, privatization or economic liberalization does not necessarily lead to the growth of competition in developing nations, which may also weaken economic prospects in some respects. Proponents of government intervention with economic activities also argue that in developing nations, lack of advanced technologies and shortage of capital at the hand of domestic production units have made them fail to compete with foreign-based companies, as these units will soon disintegrate in the face of foreign competition if they are not directly supported by the government (Mohebbian, 202). Thus, the competitive growth of the country, especially domestic companies, will fizzle out without system support. These companies will need state support unless they reach a level of production and efficiency in order to compete at an international level. These supports can be offered in the case of control and imports, new technology and research.

Barriers to social and economic issues facing citizens and patients

Problems relating to citizen's and patients' dissatisfaction are as follow:

1. Possibility of reduced quality of treatment due to decreased number of manpower and service providers and increased fee and treatment costs
2. Fear of over-expansion of the private sector and relevant outcomes
3. A hike in the price of the means required by patients for outpatient and hospitalization services
4. Lack of financial affordability (rising treatment costs) and
5. Citizens' negative approach to the non-government sector (lack of confidence in the non-government sector) is due to the private sector's hunger for profitability and its failure to pay attention to social welfare and the general situation of the vulnerable group of people.
6. Growth of poverty: Because our nation has been facing protracted inflationary pressures due to economic and social crises, as well as wrong economic policies, and there is no practical way to contain them, the introduction of the privatization issue in the area of health may accelerate the inflation growth and sharply reduce the purchasing power of the low-income people; i.e., those who have a fixed income. In this case, the poverty line will shoot upwards and immerse more and more people into destitution.
7. The lack of a privatization culture in the society is due to the failure to set out cultural activities and explain the subject of privatization to people and clarify its economic and social impacts on the society as a whole, and



8. The above caused the citizens and patients at universities of medical sciences not to have a willingness to see the hospitals privatized. Thus, cultural measures are required to remove this problem.

Barriers related to employees

1. Adopting appropriate measures and gaining the trust of employees by ensuring them that the ceding of the hospitals will not lead to their layoff and redemption.
2. Encouraging employees to voluntary retirement, redemption and transfer to other organizations by giving incentives and rewards consistent with the adoption of special acts.
3. Taking appropriate measures to gain the attention of hospital employees to increase their sense of belonging through participating in hospital affairs, increasing their incomes and allotting them the returns from the ceding of the hospitals
4. Setting out a definite plan to determine the stages and process of ceding operations
5. Explaining weak points of privatization among the employees and informing them of all angles of outsourcing in hospitals and
6. The above should be eliminated in a rational way.

Dependent variable

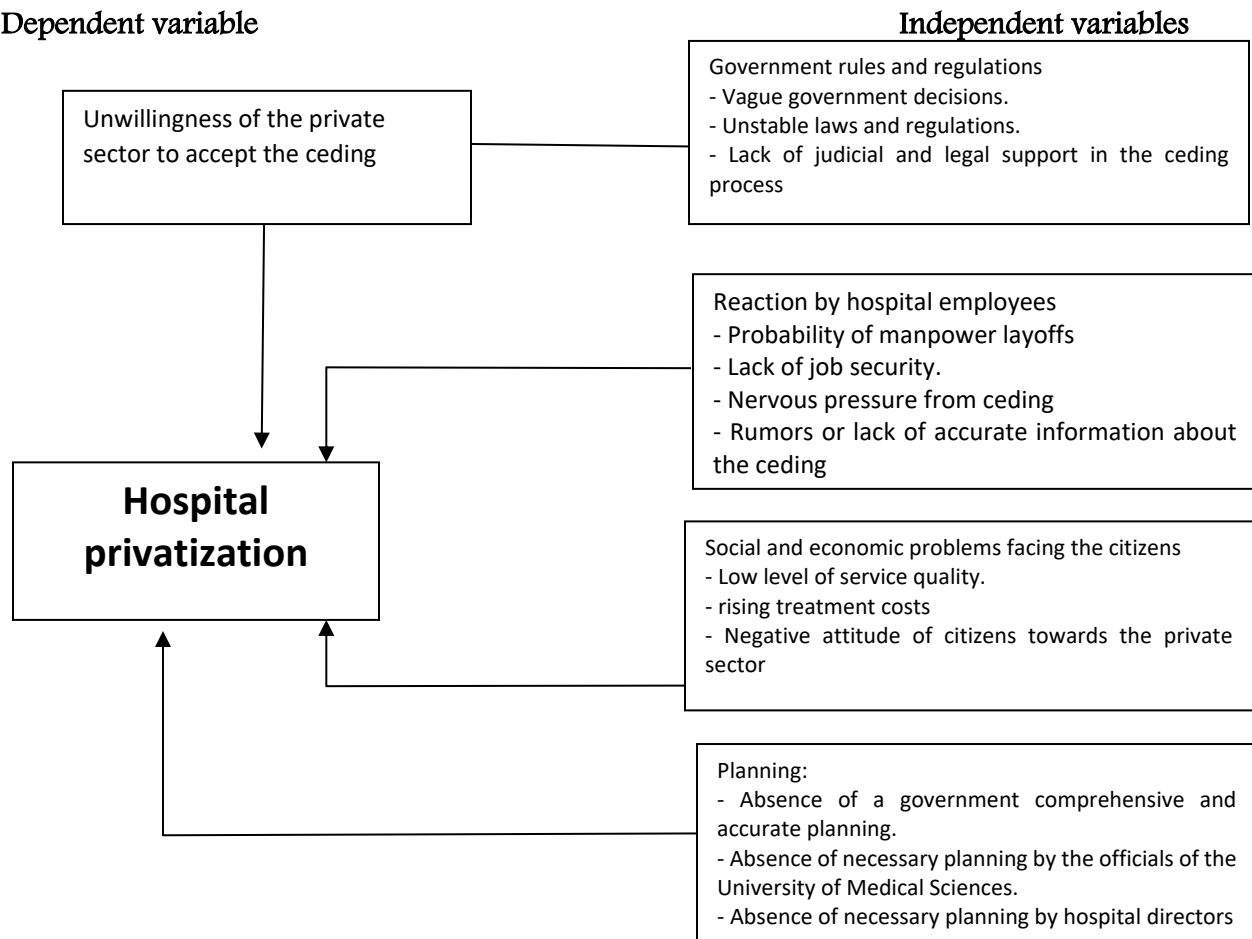


Figure 1: Conceptual (initial) research model (mental research scheme)

Research Methods

The present research is an applied study from an objective perspective and falls under descriptive categories in terms of method and nature. The statistical population consists of employees at the University of Medical Sciences and hospitals, directors, patients and the private sector qualified for privatization. As suggested by studies, the number of 8255 people, including employees, directors, patients and their companions, as well as the private sector, are present at the university hospitals. Because the population is heterogeneous, 995 people from this population were randomly selected in proportion to the number of each group, as questionnaires for each group were given out among them. Questionnaires were used to gather data. To assess the validity of the questionnaire, some relevant sources, the opinions and suggestions by respected professors, consultants and statistics consultants and other subject experts were used. The questionnaires were distributed in a pilot form among 30 people in each group of the statistical community, as their corrective views were also received. The reliability of the questionnaire showed that Cronbach's alpha coefficient computed for the whole questionnaire was 0.9263, indicating the high validity of the questionnaire. Data processing was performed by the SPSS software package.

Research Hypotheses

- 1- There is a relationship between the type and manner of rules and regulations, policymaking, and legislating in the entire government system and the tendency of the private sector to accept to cede the hospitals. (Related to the private sector)
- 2- There is a relationship between the hospital employees' reactions both explicitly and implicitly (such as resistance, etc.) and the ceding of different parts of hospitals to the private sector. (Related to hospital employees)
3. There is a relationship between the social and economic problems facing citizens and the process of ceding hospitals to the private sector (Related to patients and citizens) and
4. There is a relationship between the type and manner of planning in hospitals and the process of ceding hospitals to the private sector (Related to hospital directors of the University of Medical Sciences).

Findings

First Hypothesis: There is a relationship between the type and manner of rules and regulations, policymaking, and legislating in the entire government system and the tendency of the private sector to accept to cede the hospitals. (Related to the private sector)

The variables of this hypothesis are as follows:

- Inadequate state executive guidelines (incomplete relevant government rules and regulations)
- Ambiguous government decisions
- Unstable government rules and regulations
- Lack of adequate judicial and legal support required for the ceding process

$H_0 : P \geq \% 70$

$H_1 : P < \% 70$

$\alpha = (F \text{ sig.}) = \% 5$

Sample success rate = 443 (number of people who gave very high and high answers to relevant items)

Sample failure rate = 96 (number of people who gave very low and low answers to relevant items)

$P=70\%$

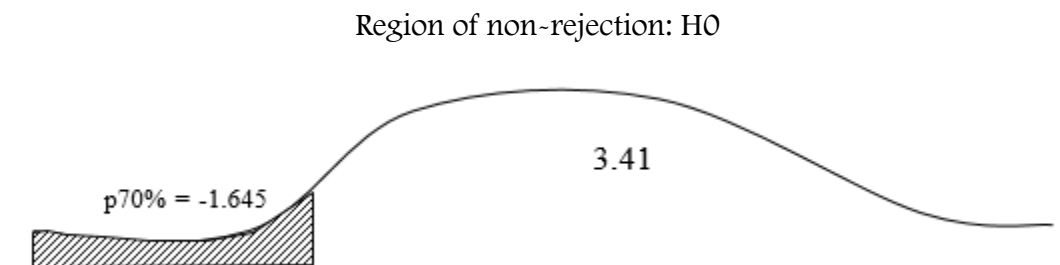
Sample size/number of success in the sample= p

$= 443 \div 539 = / 8219=82\% / 2$

$(P-PO) \div \sqrt{pq \div n} = / 8219-70 \div \sqrt{70*0/30 \div 165} = / 1219 \div \sqrt{1/273} = / 1219 \div / 0357 = 3/41 =$
Z

$1 = 3/41Z$

Assuming $\alpha = 5\%$, the area under the curve is -1.645 with reference to the standard normal distribution table.



Since the test statistic (3.41) is at the non-rejection (acceptance) region, hypothesis H_1 is rejected, and hypothesis H_0 is confirmed. Thus, it is said that at least 70% of the sample people agree with the above, and the hypothesis is supported. This suggests that the type and manner of government rules and regulations affect the tendency of the non-governmental sector to accept the ceding of hospitals; in other words, the type and manner of rules and regulations (violation of the laws, policymaking and legislating, etc.) are related with the private sector's willingness to accept to cede the hospitals.

Second Hypothesis: There is a relationship between the hospital employees' reactions both explicitly and implicitly (such as resistance, etc.) and the ceding of different parts of hospitals to the private sector. (Related to hospital employees)

The variables of this hypothesis are as follows:

- Possibility of manpower layoffs (fear of expulsion and redemption)
- Job insecurity (employee lack of confidence about the future of the job)
- Nervous pressure due to the ceding of the workplace
- Rumors or lack of accurate information about privatization

Because all tests considered $PO \geq 70\%$; thus, we have the following hypothesis:

$H_0 : P \geq \% 70$

$H_1 : P < \% 70$

$\alpha = (F \text{ sig.}) = 5\%$

Sample success rate = 478 (number of people who gave very high and high answers to relevant items)

Sample failure rate = 117 (number of people who gave very low and low answers to relevant items)

Total = 595

$PO = \% 70$

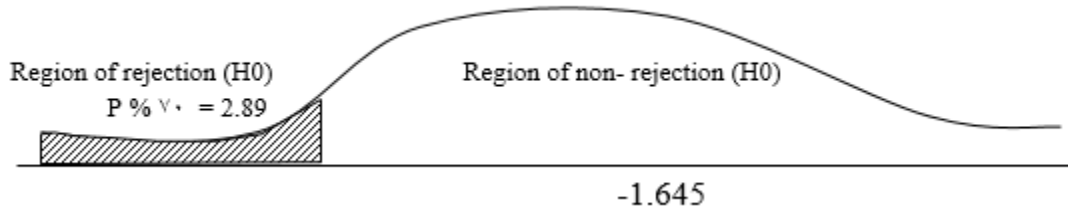


$$= 478 \div 595 = / 8033 = 80\% / 3 \text{ Sample success rate- Sample size} = P$$

$$Z = (P - P_0) \div \sqrt{pq \div n} = (/ 8033 / 70) \div \sqrt{(70 * 0 / 30) \div 165} = / 1033 \div \sqrt{1 / 273} = / 1033 \div / 0357 = 2 / 89$$

$$2 = 2 / 89 Z$$

Assuming $\alpha = \%5$, the area under the curve is -1.645 with reference to the standard normal distribution table.



Because the test statistic (2.89) is at the non-rejection (acceptance) region, the H1 hypothesis is rejected, and thus there is not enough evidence to reject the H0 hypothesis. Thus, it is said that at least 70% of the sample people agree with the above view, so there is a relationship between the implicit and explicit reaction of hospital employees (e.g., resistance, etc.) and the ceding of different parts of hospitals to the private sector.

Third Hypothesis: There is a relationship between social and economic problems facing citizens and the process of ceding hospitals to the private sector (related to patients and citizens)

The variables of this hypothesis are as follows:

- Rising treatment costs
- Citizens' negative attitude toward privatization
- Reduced level of quality of treatment services

$$H_0 : P \geq \% 70$$

$$H_1 : P < \% 70$$

$$\alpha = (F \text{ sig.}) = \% 5$$

Sample success rate = 344 (number of people who gave very high and high answers to relevant items)

Sample failure rate = 87 (number of people who gave very low and low answers to relevant items)

$$\text{Total} = 431$$

$$P_0 = \% 70$$

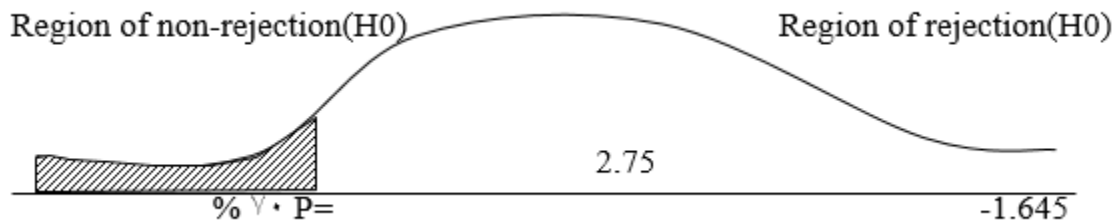
$$= 344 \div 431 = / 7981 = 79\% / 8 \text{ Sample success rate- Sample size} = P$$

$$(P - P_0) \div \sqrt{pq \div n} = / 7981 - / 70 \div \sqrt{(70 * 0 / 30) \div 165} = / 0981 \div \sqrt{1 / 273} = / 0981 \div / 0357 = 2 / 75 =$$

$$Z$$

$$3 = 2 / 75 Z$$

Assuming $\alpha = \%5$, the area under the curve is -1.645 with reference to the standard normal distribution table.



Because the test statistic (0.2) is in the region of non-rejection (acceptance), hypothesis H1 is rejected, and hypothesis H0 is confirmed. It is thus stated that at least 70% of the sample people agree with the above view, and the hypothesis is supported. This suggests that citizens' dissatisfaction affects the ceding of hospitals to the "non-governmental sector," so there is a relationship between social and economic problems facing citizens and the process of ceding of hospitals to the private sector.

Fourth hypothesis: There is a relationship between the type and method of planning hospitals and the process of ceding hospitals to the private sector (Related to hospital directors of the University of Medical Sciences)

The variables of this hypothesis are as follows:

- Conclusive community planning by the government
- Necessary planning by the officials of Zanzan University of Medical Sciences
- Necessary planning by hospital directors

$H_0 : P \geq \% 70$

$H_1 : P < \% 70$

$\alpha = (F \text{ sig.}) = \% 5$

Sample success rate = 307 (number of people who gave very low and low answers to relevant items)

Sample failure rate = 78 (number of people who gave very high and high answers to relevant items)

Total: 385

$O = \% 70 P$

$= 307 \div 385 = 79.74\% \approx 79\%$ / 7 Sample success rate - Sample size = P

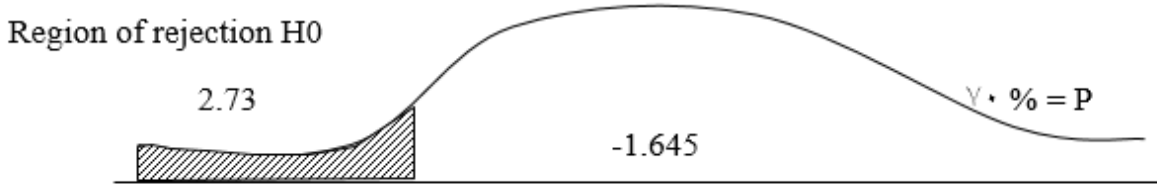
$(P - P_0) \div \sqrt{pq \div n} = (79.74 - 70) \div \sqrt{70 \cdot 30 \div 385} = 9.74 \div \sqrt{1/273} = 9.74 \div 0.357 = 2.73 = Z$

$Z = 2.73$

Assuming $\alpha = \% 5$, the area under the curve is -1.645 concerning the standard normal distribution table.

Region of non-rejection H0





Because the statistical value of the test (2.73) is in the region of non-rejection (acceptance), the H1 hypothesis is rejected, and the H0 hypothesis is supported. It is thus said that at least 70% of the sample people agree with the above view, and the hypothesis is confirmed. This denotes that the type and manner of planning affect the ceding of activities of different wards at hospitals of Zanjan University of Medical Sciences to the non-governmental sector; thus, there is a relationship between planning in hospitals and the process of ceding hospitals to the private sector.

Conclusion

Findings revealed that lack of transparency, deficiencies and inconsistent rules and regulations about privatization, instability of privatization laws, absence of legal protection laws, lack of financial (banking money) support for the private sector on the one hand, as well as the existence of cumbersome private sector laws such as tax law, labor law, etc., on the other hand, have affected the private sector's willingness to accept the ceding process. Thus, weak and incomplete rules and regulations (e.g., policymaking, legislation and regulation, etc.) also affect the tendency of the private sector to accept the way hospitals are ceded. It is thus concluded that the type and quality of the rules and regulations affect the tendency of the private sector to accept the transfer of hospitals, and the first hypothesis is confirmed.

Findings revealed that employees' reactions and resistance could originate from such issues as lack of knowledge about the positive effects and consequences, employees' failure to participate in the ceding process, fear of possible manpower layoffs or redemption, and lack of knowledge of confidence in the private sector. In sum, the outcome of these reactions leads to employee resistance against privatization. It is thus concluded that the reaction of hospital employees (e.g., implicit and explicit resistance) affects the ceding of different parts of hospitals. Thus, the second hypothesis is supported.

Findings revealed that citizens' and patients' economic and social problems and their dissatisfaction with the privately held affairs could originate from reduced quality of health services because of declining manpower, increased treatment costs, people and patients' lack of financial affordability, citizens' negative attitude of the private sector and the private sector's hunger for profitability. It is thus concluded that citizens' and patients' economic and social problems and their dissatisfaction affects the private sector, and the third hypothesis is proven.

In sum, findings revealed that planning, its quality and relevant shortcomings are due to lack of initial studies, inconsistency of revenues and costs, training hospitality, lack of adequate necessary and sufficient planning by the government and policymakers, etc. It is thus concluded that the type and manner of planning (such as defects and shortcomings, etc.) affect the process

of ceding different parts of hospitals to the private sector, and the fourth hypothesis is thus confirmed.

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