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New Public Management (NPM) in the Iranian higher education; a moral analysis

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**ABSTRACT**

The purpose of this paper is to criticize the New Public Management (NPM) in the higher education of Iran with a moral lens. Qualitative content analysis was used for this purpose and the fourth to sixth National Development Plans as well as the Comprehensive Scientific Map of Iran were investigated. The model of NPM that is promoted in the Iranian higher education mostly emphasizes corporatization and the diversification of financial resources, while less attention has been paid to the other dimensions, such as customer-orientation and accountability. The findings revealed that the NPM in Iranian higher education (a kind of pseudo-neoliberalism) is not only incompatible with the Islamic moral goals, but there are also significant contradictions. NPM is based on the commodification of knowledge and the homo economicus, while in Islam, emphasis is on the value of knowledge too, and the truth-seeking is the important mission of knowledge.

**KEYWORDS**

New Public Management (NPM); Neoliberalism; Higher Education; Iran

**Introduction**

Nowadays, the marketized university has become one of the most important phenomena in the world of higher education. Especially after the 1980s, we are witnessing an increasing wave of concepts and reforms related to marketization in higher education institutions (HEIs). In recent years, concepts and policies such as quality control, competition, university rankings, quality assurance, accountability, performance indicators, efficiency, auditing, and monitoring have become undeniable parts of the life world of higher education worldwide (Broucker, De Wit, and Leisyte 2015; Bessant, Robinson, and Ormerod 2015). These reforms can be summed up under the title of New Public Management (NPM), which has been developing since the 1980s under the ideology of neoliberalism. Broucker, De Wit, and Leisyte (2015) consider NPM as a conceptual umbrella, which includes various reforms and strategies for the marketization and...
corporatization of universities and turning them to pseudo-business institutions. This ‘march of the market’ (Brown 2011) in the HEIs seeks to transform university fundamentally with regard to three *virtuous E’s* (economy, effectiveness, and efficiency) and to make it accountable, flexible, competitive, and cost-effective (Shore and Wright 2000). Advocates claim that in the process of the NPM, universities have to descend from the *ivory tower* and find themselves accountable for the needs of the market and customers (Amit 2000; Robertson 2000). The NPM not only transforms the structure and management in universities, but also changes the nature of knowledge, educational relationships, state–university relationship, and even the identity of the students and professors (Ball 2003; Mirzamohammadi and Mohammadi 2017).

*Accountability* is considered as an important part of the NPM, which seeks to make the HEIs accountable for the customers’ needs through continual and external assessment (Shore and Wright 2000). Accountability is based on the self-assessment, self-governance, standardization, and transparency of the HEIs in a corporative style (Giri 2000). The global Quality Assurance (QA) movement is also part of the NPM process, which seeks to enhance the quality and credibility of HEIs by standardizing and increasing global competition in higher education.

Today, in more than 50 countries, QA is being run directly with influences in many other countries (Amaral 2009).

In the NPM, the hierarchical and unequal relationship of the manager-employee replaces the horizontal and equal relationship known as *collegiality* (Olssen and Peters 2005). Broucker, De Wit, and Leisyte (2015) al. believe that NPM in HEIs has many characteristics, but in general, these features can be classified under four main axes: market-oriented reforms (increased

![Figure 1. Important elements of NPM (Broucker, De Wit, and Leisyte 2015).](image)
competition, private sector entry, etc.), budget reforms (government budget constraints, increased tuition fees for students, academic loans, etc.), performance assessment and accountability (output-orienting, standardization, quality assurance, continuous monitoring, etc.), and new managerial techniques (Hierarchization, increasing the power of managers, corporatization, etc.).

Some believe that NPM and accountability are not merely a kind of economic reform; rather they also have important anthropological, cultural, political, moral, and psychological dimensions (Ball 2003; Furedi 2011; Strathern 2000; Shore and Wright 2000; Harper 2000). Strathern (2000) believes that rituals of the verification and monitoring are not limited to economic dimensions and have important cultural and moral consequences. Furedi (2011) also believes that marketization and accountability ‘is as much a political/ideological process as an economic phenomenon … as much about social engineering as economic concerns’ (p. 2). Accountability in the HEIs creates a new kind of professional ethics which transforms the nature of educational relationships (Shore and Wright 2000) and thus as Giri (2000) and Strathern (2000) stated, moral language is required to talk about accountability.

Moral education and professional ethics are heavily influenced by NPM. The basic ideas and philosophical origins of neoliberalism have led to the emergence of a new understanding of moral education. Morality and education are intertwined in many dimensions; according to Frankna (1975), education is a normative activity, which needs value judgments on desirable goals and satisfactory methods. Therefore, education in its essence is a value-laden and moral activity. Moore (1982) reclaimed that some educational philosophers go even further and believe that the real value of things taught is based on their moral content, where the discovery of reality and order of the world are the main pillars of this moral content. In this regard, education will be moral, and the separation of education from ethics is unthinkable, as education always requires moral judgment.

The close and strong connection between education and ethics makes NPM and other educational phenomena important in the transformation of professional ethics and moral education. As Astroulakis (2014) asserted, neoliberal economy through new accounts of society and individuals based on the values and foundations of the capitalism provides a meta-language for ethical issues. The microeconomics of neoliberalism entails studying the nature of man and his choice, where according to Mises (1998), the failure to address the nature of human action is one of the main weaknesses of classical economics. In this sense, Hazlitt (1994) believes that there is a close relationship between economics and ethics, since both are observing human action and choice. Studying the process of human choice and valuing it inevitably links economics to ethics.
Given that any account of human nature and choice involve moral issues, one of the important aspects of research on NPM is the moral lens. NPM in the HEIs is currently being implemented in many countries of the world (Brown 2011; Mirzamohammadi and Mohammadi 2017; Leveille 2004; Olssen and Peters 2005; Tabulawa, Polelo, and Silas 2013). Although it has some common principles, its encounter with different cultural and social contexts has given it different colors. According to Broucker et al., NPM can be likened to a chameleon, constantly changing its appearance to blend with the local context. Therefore, studies on NPM should focus on their specific characteristics in different cultures.

Islamic countries, including Iran, have been somewhat inclined to implement NPM in recent years. According to some evidence, Iranian HE national documents and policies show signs of willingness towards practicing NPM (Mirzamohammadi and Mohammadi 2017). The combination of some aspects of NPM with Islamic educational goals has led to a specific notion of NPM and marketization in Iran. In the *Comprehensive Scientific Map (CSM)* and the five-year *National Development Plans* of Iran for modernizing the university, elements of NPM have been used with attempts made to interconnect these elements with the goals of Islamic education. In this way, in the context of Islamic education, an opportunity will be created for the development of universities to meet the needs of modern world.

Nevertheless, some major challenges seem to exist between the ‘basic ideas’ and moral foundations of NPM and Islam (Mirzamohammadi and Mohammadi 2017). Morality is an important aspect of Islamic education, and national HE plans of Iran emphasize the realization of moral goals. However, seemingly, there are some significant contradictions that exist between the NPM and the pattern of Islamic moral education. This research seeks to address the challenges of NPM in the context of Iran with a moral lens. To achieve this goal, it tries to examine the degree of coherence of the NPM elements and moral goals in Iran’s higher education supporting documents and laws including the *Five-Year National Development Plans* and *CSM*. Accordingly, the present research seeks to answer the following questions: what aspects of New Public Management (NPM) have been emphasized in Iran’s higher education supporting documents and laws? Is the NPM in Iran’s higher education compatible the Islamic Moral viewpoint?

**NPM; moral foundations**

NPM originates from different and sometimes contradictory philosophical foundations that can be placed into the camp of Neoliberalism. Foucault (2015) argues that the *homo economicus* is one of the important axes of neoliberalism, and NPM can be regarded as the application of the *homo economicus* and economic rationality in social spheres. Buchanan (1984) considers the *homo
As self-interested, rational, and utility maximizer, which acts in all social spheres based on the economic rationality. Although neoliberals like Hayek (2010), Becker (1993) and Buchanan (1984) disagree about some dimensions of the *homo economicus* and market, they all agree on the market as a superior model and rule for all rational human activities or so-called on the marketization of all social spheres. Foucault (2015) believes that marketization is the core elements of neoliberal *governmentality*, distinguishing it from traditional liberalism. In this sense, Stiglitz (2008), the economics Nobel Prize winner, defines neoliberalism as ‘grab-bag of ideas based on the fundamentalist notion that markets are self-correcting, allocate resources efficiently, and serve the public interest well.’ Methodological individualism, competition, small states, and opposition to a collectivist economy and *welfare state* are important features of neoliberalism.

As mentioned above, under neoliberalism, morality is intertwined with economic foundations and the free market. Therefore, protecting private property and the freedom of individuals to compete in free markets are the highest moral values in neoliberal ethics. The only moral duty of the state is to create conditions for free competition; there is no other moral mission (Astroulakis 2014). Thus, in this sense, as Hayek (2011) stated ‘we must show that liberty is not merely one particular value but that it is the source and condition of most moral values’ (p. 53).

According to Becker (1993), ethics, as other social fields, must rely on economic rationality. He even believes that in family relations, economic rationality is dominated, and the logic of cost-benefit is the basis: ‘the economic approach to the family interprets marriage, divorce, fertility, and relations among family members through the lens of utility-maximizing, forward-looking behavior’ (p. 386). Therefore, the man in the moral action is the same as *homo economicus*. Note that the neoliberal *homo economicus* fundamentally differs from the classical liberalists such as Smith. Smith confines *homo economicus* to economic activity, but for Becker (1993) and Buchanan (1984), *homo economicus* is a model for any human rational action.

The belief in the efficiency and moral superiority of capitalism is one of the important features of neoliberal ethics. In this sense, Mises believes that: ‘Liberalism was never permitted to come to full fruition. Nevertheless, brief and all too limited as the supremacy of liberal ideas was, it sufficed to change the face of the earth. A magnificent economic development took place. The release of man’s productive powers multiplied the means of subsistence many times over … The prosperity that liberalism had created reduced considerably infant mortality, which had been the pitiless scourge of earlier ages, and, as a result of the improvement in living conditions, lengthened the average span of life’ (Mises 1985, p. 2).

Therefore, *creating* opportunities for a competitive and individualist society and capitalism are important moral values that require liberation of individuals
from state interference and from the unnecessary responsibilities in the society. Thus, ‘the advance of morals should lead to a reduction of specific obligations towards others’, indeed, it “requires”, an unspecified extent, ‘the reduction of the range of duties we owe to all others, (Rodrigues 2013, p. 1013).

Hayek (2011) criticizes the Keynes welfare state, and believes that supportive policies and government intervention to reduce poverty in fact increase the responsibility of the other citizens and cause an unethical involvement in their freedom. This morality is more like Social Darwinism of Spencer rather than the classical liberalism ethics. Neoliberal ethics based on homo economicus promote the freedom to maximization of utility and self-interest as superior goals. Therefore, neoliberalism can be regarded as a kind of egoist theory of ethics. The challenge between egoism and other moral trends, such as altruism, is one of the key issues of the history of liberalism. The Adam Smith’s Problem is related to the same question: Is Smith’s ideas in the Wealth of Nations compatible with the Moral Theories of Sentiments? Passing through this issue, the neoliberals advocate a kind of possessive individualism and want to create space for human selfishness and do not consider it to be immoral.

Buchanan (1984) through Public Choice Theory seeks to apply homo economicus model and methodological individualism to the analysis of social and political issues. He calls his theory ‘politics without romance.’ In this sense, selfishness and utility maximization are axes of actions in all spheres, including social and economic spheres. Therefore, interference in the process of economy and politics under the pretext of moral consideration, human emotions, and reducing human selfishness is against the human nature and the real nature of market.

Under the NPM, all academic relationships and management patterns should be based on the homo economicus and the cost-benefit logic. Therefore, market fundamentalism and marketization in HEIs transform different areas of academic life, especially in the field of morality. The application of homo economicus to higher education and transforming the university into a business enterprise brings a new conception of freedom, democracy, and social justice thereby transforming academic morality. Although traditional liberalism has always been accompanied by a moral claim for the liberation and preservation of private property, the positive and interventionist policies of neoliberalism have many moral challenges and contradictions (Amable 2010).

Although neoliberalism, like liberalism, accounts for individualism and marketization as moral policies to protect the private property, their pseudo-Darwinian and competitive morality have led to many criticisms. Foucauldian analysis of the neoliberalism as governmentality and biopolitics reveals important moral contradictions including the contradiction between self-determination and indirect control of the accountability, between freedom of choice and audit culture, between the terror of performativity and the academic morality, as well as between
atomic individualism and the sense of social belonging (Foucault 2015; Ball 2003; Olssen and Peters 2005; Shore and Wright 2000).

The moral issues facing the positive policies are another challenging axis of neoliberal ethics. According to Foucault (2015), neoliberalism is not Adam Smith or laissez faire. With the influence of German Ordoliberalism, neoliberalism has a positive perception of politics and economics. In this sense, the government must be smart and active in order to create the conditions of competition and freedom. Buchanan (1984) conveys this to the productive state, which is in front of the protective state of the classical liberalism. Foucault and some of his followers (Shore and Wright 2000; Ball 2003; Olssen and Peters 2005) believe that these positive policies that are intertwined in NPM are a kind of hidden social engineering and a radical form of instrumentalism. The neoliberal governmentality is based on indirect control, while the traditional governing mainly relies on direct interference. Davies and Bansel (2007) argue that although neoliberalism seemingly emphasizes the freedom and autonomy, in action it leads to increased government and business control over civil society. Therefore, the positive policies of neoliberalism are an important moral challenge resulting in a radical instrumental view for man and the world.

New Public Management (NPM) of Iran’s higher education

In recent years, the elements of market-oriented reforms of NPM have become an important discourse in Iran’s higher education. Many Iranian researchers and policymakers consider these reforms as essential elements of economic and social development. Over the first decade after the Islamic revolution (about 1980s), the centralized and ideological pattern became the top model of university management, and with the claim of Islamization and providing educational justice, private and nongovernmental institutions in higher and public education were obliterated. However, since the second decade of the Islamic revolution (1990s), the trend towards market-oriented reforms in Iran’s higher education has increased, and the fourth to sixth development plans contain important elements of these reforms at the level of higher and public education (SCCR 2010). In the Fourth Development Plan, attention was paid to the global conditions of higher education and the knowledge-based economy became one of the most important goals (4th DP, 2004, articles 52–43). Establishing knowledge-based companies is one of the important steps to achieve this (4th DP, 2004, articles 47, 17). In the fourth to sixth development plans, the knowledge-based companies and the Science and Technology Parks have been repeatedly emphasized. Official reports indicate that the number of knowledge-based companies in Iran from 2013 to 2018 has risen from 55 to around 3,000 (SCCR, 2010).
The goal of establishing knowledge-based companies is to expand the industry–university relationship and increase demand-driven research. These pieces of research should be converted into salable goods and services in a competitive environment, which brings about employment and production and, in turn, gaining wealth and power. In this regard, the role of the private sector’s academic research funding must be expanded and they must play an important role in the process of converting ideas into commodities (Islamic Parliament Research Center Of the Islamic Republic Of IRAN (4th DP), 2004, article 45; Islamic Parliament Research Center of I. R. Iran (5th DP), 2010, article 17; Official Website of the Government of I. R. Iran, (6th DP) 2016, article 3).

In order to implement the articles of the fourth development plan, laws, and facilities were considered for expanding knowledge-based companies. The law of the ‘supporting the knowledge-based companies and institution and commercialization of the innovations’ was approved by the Parliament in 2008. This law emphasizes the development of the knowledge-based economy, the convergence of science and wealth, the commercialization of academic research, and the creation of added value for scientific activities. The law also emphasizes the provision of supportive packages for the expansion of the knowledge-based economy. Tax exemptions, providing financial facilities for establishing science and technology parks, providing insurance services, enjoying the benefits of free trade zones, and assigning all or part of public higher education to the private sector are some examples (SCCR, 2010).

The increasing competitiveness of universities and their participation in global competitions are other important dimensions of NPM in Iran’s higher education. In a competitive model, to attract financial resources and to provide educational and research services, universities not only compete with each other, but also with companies and institutions that provide such services. In the Development Plans, the use of competitive economic techniques in higher education has been emphasized. In the fourth plan, more emphasis has been laid on global participation and infrastructure reconstruction to achieve this goal (4th DP, 2004, articles, 39 and 43).

Increasing competitiveness is one of the key elements of the corporatization of HEIs, which is intertwined with the ‘increasing financial diversity’ and the expansion of the private sector share. One of the major goals of NPM is to promote the university’s outsourcing and to create active interaction between higher education and industry. In this model, the university does not have unconditional government funding and is forced to compete with other private and public sectors for finance.

The culture of innovation and entrepreneurship is another aspect of the corporatization of higher education, which has been emphasized in the Development Plans. Entrepreneurship in this sense is more about creativity and innovation in economic value creation and added value. In the 4th DP, the creativity, innovation, risk taking, and entrepreneurship have been considered as important dimensions of the education of the younger generation (4th DP, 2004, article 48). In this sense, entrepreneurship should not be considered merely
to create employment opportunities, but should also be considered as a culture, and in a more general sense, as a *lifestyle*. In this lifestyle, economic values and wealth production are of great importance, and the desired goal is educating responsible, risk-taking, and hard-working individuals to earn wealth as much as possible and to manage resources and time for that purpose. This culture of entrepreneurship is intertwined with the quasi-economic model of science and is one of the important steps for the realization of the knowledge-based economy and society (Nowotny et al. 2003). In the 5th DP, in a few cases (5th DP, 2010, Article 80), entrepreneurship has been taken into account, while in the 6th DP more articles containing elements of entrepreneurial culture have been included. (6th DP, 2017, Articles 53 and 64).

Another important dimension of NPM is expansion of the *supply-demand* and *demand-orienting* as one of the most important criteria in the scientific and academic activities. In the fourth to sixth Development Plans, the need for accountability of the university and other higher education institutions to the social demands has been emphasized. In this regard, in the 4th DP, the social demands in academic activities (4th DP, 2004, Article 43), support for custom-made research, performativity of research (4th DP, 2004, Article 45), and the evaluation of academic disciplines have been emphasized with applicability criteria (4th DP, 2004, Article 49). In the 5th DP (5th DP, 2010, Articles 16 and 17), and the 6th DP (6th DP, 2017, Article 64) emphasis has also been placed on demand-oriented and problem-centered academic research.

In the CSM, emphasis on implementing the elements of NPM in higher education in different articles as well as the evolution of the science and the university according to the new world demands is one of the most important goals. In the general strategies of science and technology development of the CSM, the spread of scientific discourse at the public level and the more effective role of science in the economy have been highlighted (SCCR 2010, p. 23). ‘Explaining and promoting religious teachings about the sacrament and the obligation of the knowledge-based business’ is one of the National Acts of the CSM in order to knowledge-based economy (SCCR 2010, p. 32). Thus, in the CSM, the Commodification of knowledge and the knowledge-based economy have been intertwined with the Islamic perspective in science while the compatibility has been taken for granted.

Overall, the National Development Plans and CMS have received a great deal of attention in the field of corporatization, which can be construed as a transformation in the structure of higher education in order to diversify into financial resources, reduce government expenditures, and increase competitiveness. In other words, the main market-oriented reforms in these documents include the transformation of the university into a pseudo-corporation. Commodification of knowledge has also been emphasized in relation to the category of corporatizations, and knowledge is regarded as a commodity for gaining political and economic power and increasing global competitiveness. The establishment of hybrid centers is one of the important steps in implementing the category of corporatizations, which has been
highly regarded in Iranian higher education in recent years, with several laws and policies being adopted in this regard. Hybrid centers, such as knowledge-based companies as well as science and technology parks, are one of the hallmarks of corporate logic in the university, which seek to market knowledge. In recent years, the number of such companies has multiplied in Iran, and their expansion has become one of the goals highlighted by decision-makers.

Other categories of NPM have also been considered in these documents, albeit with less emphasis. Internationalization is one of these categories to promote international interactions and cooperation with universities in the world, especially Islamic countries, and to increase the competitiveness of Iranian universities in global standard rankings. This category has been given more attention in the 4th DP and is also observed in subsequent documents. The issue of accountability and performance management has also been somewhat considered in these documents. The purpose of this category is to ensure the quality of HEIs processes in a quasi-market manner. Accountability, ranking, accreditation, and quantification are among the key elements of this category. This category has been considered in some articles of the Development Plans and CMS; however, this has remained somewhat overlooked in practice and there has been little control over the quality of education and research in universities especially in the nongovernmental HEIs. Consumer orienting is another dimension of NPM that has not received enough attention in the supporting documents of higher education in Iran. The purpose of this category is to set the grounds for providing complete information about the results and plans of the university and to provide a free choice for them. In the documents mentioned, this has been neglected.

A moral assessment

Before addressing this question, it is necessary to review some of the principles of moral education in higher education from the Islam point of view briefly. Morality is one of the important axes of the Islam, and the Noble Qur’an, as the holy book, contains many moral teachings. The holy Prophet (s. a. w) declared that ‘I have been sent (as the Messenger of Allah) only for the purpose of perfecting good morals’ (Abdul-Kabir 2013, p. 16). In Islam, spiritual virtues such as faith are not acceptable without connection with good morals. True faith (iman) should lead to good behavior and morals; otherwise, it will not be accepted.

Morality in Islam has four important dimensions: Self, Creation (including nature, animals, and other creatures), God, and People (including family and society). Therefore, Islamic morality includes the proper relationship between self, people, and creation in the light of Oneness of the God (Tawhid). In this sense, Islamic morality is trying to combine the worldly and afterlife dimensions.
and ‘to integrate words with deeds, and to balance between human needs in this life and his wishes in the other life’ (Nuriman and Fauzan 2017, p. 278).

Halstead (2007) divided Islamic Morality into three categories: ‘a) the obligations, duties and responsibilities set out in the shari’ah; (b) the values and manners associated with good upbringing; and (c) the personal qualities of character a Muslim is expected to demonstrate in everyday life’ (p. 287). Therefore, morality in Islam has a broader conception compared to its western conceptualization and includes various dimensions, such as the acquisition of good manners and etiquette (Adab). Therefore, in Islam there is a close link between morality and education. Collections of Hadiths (Instructive and largely moral quotes from the Prophet and Imams) in Islam as educational sources deal with the moral details of physical and spiritual habits such as honesty, benevolence, piety, eating, sleeping, marriage, health, and so on. The holy Prophet himself is the grandest moral character and model, where his acts and says (Sunna) along with the Qur’an are the main sources of Islamic ethics.

Islamic ethics as a divine command theory is fundamentally different with many western ethical theories such as Utilitarianism, Relativism, Egoism, and even Deontology, and virtue ethics theory. Al-Aidaros, Shamsudin, and Idris (2013) consider comprehension (covering all aspects of life), Realism (taking account of the people’s capacity to do duties) and moderation (considering both the need of body and spiritual soul), as the main characteristics of Islamic ethics.

In the supporting documents of higher education in Iran such as CSM and Development Plans, morality has been highlighted as one of the major educational pillars. In brief, the important principles of moral education can be summarized as follows:

1. **Human inherent dignity (Karamah):** The Holy Qur’an considers man to be dignified: ‘verily we have honored the children of Adam. We carry them on the land and the sea, and have made provision of good things for them, and have preferred them above many of those whom we created with a marked preferment’ (Qur’an, Isra, 70). It means that ‘human being is inherently a venerated, esteemed, and honored creature’ (Yadollahpour 2011, p. 551). In Islam, dignity has two inherent and acquired dimensions. Part of human dignity is due to being human and possessing the divine spirit. The next dimension is the result of a man’s effort to achieve virtues and move along the path to perfection (Kamal). Human dignity creates many rights for him: the right to life, the right to freedom, the right to religiosity, and the right to enjoying equal social advantages fairly (Yadollahpour 2011). Muniri and Golvardi (2017) reclaim that in Islam ‘dignity entails being free from meanness and baseness; therefore, one who has dignity is the one who is absolutely free from any meanness. Hence, Karamah is a lofty ethical and spiritual value’ (p. 55).
Human dignity is in contradiction with the radical instrumental morality of neoliberalism. If human being becomes an instrument for the political and economic intentions and apparent or hidden mechanisms bring him into conformity with certain particular values, his dignity has been ignored. Other important elements in human dignity are trust and optimism towards him. In the process of NPM and accountability, unlike human dignity, man becomes an instrument for consumption; the indirect mechanism of standard assessments pushes him into conformity with market values; the audit culture of accountability views him in a highly pessimistic view (Shore and Wright 2000), and thus responsibility is replaced by constant suspicion and monitoring.

(2) **Man as Moral Agent:** Bagheri Noaparast (2003) in the *Islamic Theory of Action* believes that, human agency is an inseparable part of Islam. The social system is unthinkable without the human agency, and although society is a complex combination of factors, this complexity does not prevent human agency. As mentioned in the Qur’an (Ar-r’d, 11): ‘Indeed, Allah will not change the condition of a people until they change what is in themselves’. Human agency has three origins: **cognition, desire, and will.** These three origins cause the ‘**action**’ of man to go beyond mere ‘**behavior**’ and can be ascribed to him. Therefore, in order to be able to take into account an internal or external behavior as an **action**, these three origins must exist, and their absence causing that behavior cannot be called **action** (Bagheri Noaparast 2003). Human agency should be considered in any political, economic, and other social plans and should be the basis for any public or higher education policies. Although at the community level, human agency is complex and a combination of different factors is involved, human agency is undeniable.

(3) **The pursuit of reality as a superior moral value:** Islam is compatible with a realistic theory of truth and considers the reality as achievable and external to the knower. In this regard, Bagheri Noaparast (2017) believes that the **constructivist realism** is more consistent with Islamic epistemology than raw realism is. Therefore, although human constructs have an effect on the process of knowing, the reality is independent of knower and can be achieved using reason, intuition, revelation, and experience. The reality in Islam is not limited to the epistemological and ontological dimensions, as it has a moral significance. In this perspective, God is the ultimate reality and in order to be on the divine path, the pursuit of reality is considered to be worship and superior moral value. Knowing and learning, as a way of achieving the reality, have a high moral value in Islam. In the Qur’an, many verses call man to rationalization and seeking knowledge.

That is why knowledge (**hikmah-Ilm**) in Islam is very important. Safiullah and Che Zarrina (2017) believe that in Islam ‘knowledge and understanding are a key to belief, with belief being linked to awareness and certainty’ (p. 137).
The *hikmah* does not simply mean knowledge; rather, it also includes transcendent and moral dimensions. The content *hikmah* is the knowledge about the reality of the world in the light of oneness (*tawhid*), whose outcome is the achievement of a degree of faith (*iman*) and certainty. Indeed, *hikmah* leads the man to step on the right path (*al-haqiqa*). It is a moral obligation for any Muslim to learn *hikmah*, to refrain from un-real (*al-batil*) and step on the right way. One of the important implications of this ethical principle is emphasizing the high importance of the pursuit of knowledge and the high value of the lettered and teacher. Islamic education is teacher-centered since the teacher has moral and scientific authority, and should always be a moral model for the students. Definitely, this does not mean ignoring the moral agency of students. In other words, in the process of education, the teacher should always interact with the students, but in this interaction, the level of agency will be different for teachers and student (*not-aligned interaction*) (Bagheri Noaparast 2017).

(4) **Janus-Faces of Knowledge**: Although in Islam, the truth is the main purpose of knowledge and knowledge has an intrinsic value from this perspective, this does not mean ignoring the benefits of knowledge. Bagheri Noaparast (2017) in analyzing the relationship between truth-seeking and benefit of knowledge calls these two as ‘Janus-faces of knowledge’. Throughout the history of education, the relationship between these two has always been a controversy. The advocates of truth-seeking emphasize the inherent value of knowledge or ‘*knowledge for knowledge*’. On the other hand, instrumentalists consider knowledge as an instrument for problem-solving. In this perspective, utility is a measure of the value of knowledge, and knowledge is not inherently valuable. In the quasi-economic conception of knowledge, the culmination of instrumentalism and knowledge has become a commodity whose value depends on its efficiency in competitive markets. In Islamic epistemology, the confrontation between profit and truth as two faces of knowledge is not acceptable. Not only are these two faces just alternatives, but they also complement each other. Definitely, profit should not be reduced merely to the economic utility of knowledge; in Islam, the notion of good (*Al-kheir*) is used to emphasize the benefits of knowledge. *Al-kheir* is based on the ultimate man’s aim, and it cannot be reduced to economic utility.

These were some of the principles of the moral education of Islam, especially in relation to higher education. Other principles include social justice, the protection of human freedom, and the divine nature of man.

Regarding the Islamic moral principles discussed above, in the following, NPM in the Iranian higher education will be criticized:
NPM and marketization of higher education have been criticized by various scholars with different approaches (for example Olssen and Peters 2005; Ball 2003; Davies and Bansel 2007; Shore and Wright 2000; Brown 2011; Amit 2000). The purpose of the present research is to criticize NPM in higher education in Iran. Some philosophical criticisms associated with the ‘basic ideas’ are visible in all cultural fields, but some are a particular cultural element of higher education in Iran.

The reforms that have been implemented in Iran’s higher education with a market approach are a one-dimensional picture of marketization, which can be interpreted as a kind of quasi-neoliberalism, with some elements and arguments of NPM (Mirzamohammadi and Mohammadi 2017). The combination of market-oriented reforms with the cultural elements has created a special form of NPM in higher education in Iran. Indeed, the main purpose of these reforms is the corporatization and transformation of the structure of higher education. In Iran, the expansion of Science and Technology Parks and knowledge-based companies has been considered as one of the essential dimensions of higher education. Driving students and professors towards these companies would be a step towards solving economic problems such as unemployment, national production growth, and international competitiveness. Knowledge-based companies are an important step towards reducing the government’s spending in higher education and reducing dependence on the oil economy.

Science and technology parks and knowledge-based companies are essential steps to transform knowledge into a commodity for strengthening political and economic power, enhancing the university–industry relations, and corporatization of the university. What can be criticized in Iran’s higher education is transforming science and technology parks into a superior model for utilizing knowledge in all fields thereby reducing the benefit faces of knowledge to mere economic utility. In the CSM, the emphasis has been placed on both the realization of science and technology parks in field such as biotechnology, nanotechnology, medicine, new technologies, etc., as well as on the field of humanities and the arts (SCCR, 2010, p. 57). This could endanger the mission of the humanities and social sciences in truth-seeking and may reduce their value. The reason is that in the commercialization, the wealth and good production are the main criteria for knowledge valuation, so philosophy, art, and the humanities will have a lower position, while they may be more valuable in the development of civilization compared to empirical and technical sciences.

Knowledge-based companies in various fields of science, such as empirical sciences, humanities, and art, show a tendency to expand the logic of commodification in all areas of knowledge. In this approach, knowledge loses its traditional and intrinsic value and is judged by the cost-benefit logic. Thus, there is an important contradiction between commodification and the Islamic notion of knowledge in the CSM. Although it is important to take advantage of the knowledge from Islamic perspective, the economic utility should not be the
superior criterion for judging the value of knowledge. In commercialization, truth-seeking as one of the *Janus-faces* of knowledge is ignored, and it is inconsistent with the ultimate mission of knowledge. Islam has a moral view of knowledge, and considers it as an important part of human existential perfection. Thus, the epistemological foundation of the knowledge-based economy involves a kind of radical utilitarianism, which is incompatible with Islamic viewpoints, and there are major contradictions. While the knowledge-based economy accounts for economic efficiency and utility as the super criterion for knowledge assessment, in Islam, both truth and utility as the *two Janus faces of knowledge* should be considered.

In CSM, in order to establish a public scientific discourse, the truth-seeking, questioning, and lifelong learning are mentioned as Islamic goals in the field of science. However, it seems that commodified and market-orientated knowledge fail to achieve these goals, and in some cases, they themselves are even major obstacles. Evidence suggests that research supported by the financial resources of corporations tends to be more profitable than truth-seeking. Cho and Bero concluded that 97% of pharmaceutical research supported by business firms emphasized the efficacy of the targeted drug, while this figure among non-supported research has been 79% (quoted by Aronowitz and Giroux 2000, p. 333).

Thus, at an epistemological level, academic capitalism and the NPM can challenge the truth-seeking and neglect the ultimate mission of the knowledge. Commodified knowledge is associated with possessive individualism and radical instrumentalism. Knowledge is simply judged based on the criterion of economic utility rate and wealth production, while in Islamic terms, the criterion of knowledge judgment is the ability to explain reality and guide man in both worldly and afterlife prosperity. The experience of the modern man in recent centuries reveals that commodified knowledge can become a major obstacle to human prosperity. As stated earlier, in Islam, the benefits of knowledge cannot be reduced merely to economic utility. Therefore, commercialization as a model of transforming knowledge into a commodity for economic utility is contrary to the Islamic notion of knowledge. The ultimate purpose of knowledge in the dimension of profit and truth must be the *al-kheir* of man in the world and the Hereafter. However, commodification, while disregarding moral and spiritual dimensions, can turn knowledge into a lethal weapon against humanity.

Another contradiction can be seen at an anthropological level, where the *homo economicus* which is the anthropological basis of neoliberalism and NPM (Read 2009) is inconsistent with the Islamic viewpoint. In the CMS, the emphasis has been on the education of ‘*human capital*’ and faithful, entrepreneurial, creative, and self-confident man commensurate with Islamic values (SCCR, 2010, p. 48). In this perspective, the concept of human capital and entrepreneurship has been linked with Islamic characteristics such as piety. Nevertheless, it
should be noted that the concepts of 'human capital' and 'entrepreneurship' are derived from the anthropological bases of the *homo economicus* and have certain semantic and cultural consequences. Human capital and entrepreneurial culture refer to a lifestyle in which man adopts all his activities with economic rationality (Becker 1993), and what is important in this pattern is the production of wealth in a competitive process to maximize the utility and supply self-interested needs. Cost-benefit logic and competition are the axis of this culture and it is intertwined with consumerism.

The application of the *homo economicus* model transforms the identity of the university and educational relations. In the context of market-oriented reforms, the professor–student relationship transforms into producer–consumer relations and this has significant moral implications. In a CMS, the emphasis has been placed on the promotion of the scientific and social prestige and authority of professors and teachers, while research has shown that in market-oriented reforms and accountability, professors, and teachers lose their traditional values and respect. As a producer and seller of knowledge, professors have to adapt to market-oriented values and compete in the higher education market where their job security is dependent on this competition (Ball 2003; Shore and Wright 2000). The supremacy of market-oriented logic in higher education reduces the authority and freedom of faculty members by strengthening the role of managers and promoting hierarchical management in the university and forces them to conform to values that may not believe in them.

At an anthropological level, NPM has also fundamental contradictions with *Man as Moral Agent*. In the NPM, professors and students are trapped in the indirect control of standard evaluations, and in order to survive in this system, they have to conform to the criteria. Therefore, the market-oriented university threatens the independence and freedom of individuals through the *unequal power hierarchy* (Olssen and Peters 2005) and *coercive audit culture* (Shore and Wright 2000). In Ball (2003) words, this can lead to a form of value schizophrenia and a lack of authenticity in the university.

Therefore, at an anthropological level, the philosophical context of the NPM has serious contradictions with Islamic anthropology. Furthermore, the consumerist culture associated with neoliberalism is also strongly criticized in Islam. The commodification of knowledge and defining the educational relationships based on the logic of cost-benefit and economic rationality transform man into a *competitive entrepreneur* who views all life as economic capital. In this system, what produces wealth is valuable, so the traditional value of knowledge and the sciences fade away.

The following table compares the views of NPM and Islamic perspective on both anthropological and epistemological levels:
Conclusion

Studies suggest that commercialization in higher education of Iran is regarded as an important part of the technical solution to economic crises, such as unemployment and oil-based economy. This aims to create conditions for the development of small businesses and the foundation of the knowledge-based economy through voluntary partnership of the private sector and government agencies. Over the last decade, the immethodical admission of students at state and nonprofit universities and the fear of an increase in the unemployment rate caused by the influx of young people into the labor market have led to a steep trend towards commercializing and expanding knowledge-based economics in Iran. Some free-market tendencies among some Iranian government officials have expanded the commercialization as part of the economic liberalization.

What follows from the results is incompatibility between market-oriented reforms and the philosophical foundations of the Iranian-Islamic model embodied in the national documents of Iran. Commercialization at universities does not support gaining political and economic power for realization of the Islamic civilization; it can also create important obstacles through promoting the consumerism. The process of implementing and promoting commercialization in Iranian higher education has created important ethical issues, which seem to be unprecedented in the world of higher education. The continuing expansion of nonprofit HEIs in the last years has led to the spread of the immoral look at knowledge and students. The analysis of supportive documents of Iranian higher education suggests that in these documents, market-oriented reforms are viewed as a kind of ‘pseudo-neoliberalism’ emphasizing some of the dimensions of marketization while ignoring others. In sum, these documents have received a great deal of attention for corporatization, which can be construed as
a transformation in the structure of higher education to be diversified into financial resources, to reduce government expenditures, and to increase competitiveness. In other words, the main purposes of the market-oriented reforms in these documents include the transformation of the university into a pseudo-institution and expanding entrepreneurship culture. Commodification of knowledge has also been emphasized in relation to the corporatization where the knowledge is counted as a commodity for gaining political and economic power. Market-oriented reforms in Iranian’s higher education national documents are facing major challenges and contradictions.

Note that the emphasis is laid on the commodification of science and commercialization, and even in the fields of humanities and art. However, this conception of science has an important contradiction with the Islamic view. Although in Islam, the role of science is emphasized for providing a good and prosperous life, the ultimate mission of science in the perspective of Islam is truth-seeking. From this perspective, knowledge should promote the existential level of humankind and bring him to the final truth. In the process of commodification, profit-making and efficiency are becoming a superior criterion, while the truth-seeking is seriously damaged.

Therefore, in the critical view, market-oriented reforms in Iran’s higher education can be considered as an incompatible composition. This incompatibility is clearly visible in the CSM. The CSM attempts to target a combination of a market-oriented view and an Islamic perspective, while the major contradictions of these two perspectives have not been addressed. Quasi-economic science and *homo economicus* have serious contradictions with Islamic anthropology and epistemology that have not been addressed in these documents.

Notes

1. This notion is discussed in Mirzamohammadi and Mohammadi (2017), under the title of ‘phantom of neoliberalism’.
2. CSM is ‘the most important guiding document of the HEIs[that has been written in recent years, which in one hand tries to make higher education accountable for the needs of the modern world and use it as the basis of the economic and political power, and on the other hand stays committed to the ideals of the religious education. *Iranian Supreme Council for Cultural Revolution* approved the CSM, as the guiding document for scientific and academic activities, in 2010–2011’ (Mirzamohammadi and Mohammadi 2017, 475).
4. *A Team of Evaluating and Verifying the Competence of Knowledge-based Companies and Monitoring Implementation* in Iran (TECKMI).

Disclosure statement

No potential conflict of interest was reported by the authors.
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