The Evolution of the Concept of the State and Its Reflection in the Transformation of Conventional Budgeting Methods

(An Approach to the Budgeting System in Iran with an Islamic Orientation)

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Abstract

This This article examines the persistent failure of public financial management reforms in Iran, particularly the mandated transition to "Performance-Based Budgeting" (PBB). While conventional analyses focus on technical deficiencies or political resistance, this research argues that these are merely symptoms of a more deep-rooted pathology. The central question is: why and how are globally prevalent managerial tools like PBB, within the Iranian context, reduced to symbolic adoption (decoupling) and technical failure instead of genuine implementation? This research explains this phenomenon using a critical-analytical methodology and a hybrid theoretical framework that synthesizes Institutional Theory, the Political Economy of the Rentier State, and the Political-Economic Philosophy of the Islamic State. The core finding is that the reform's failure is rooted in an irreconcilable "paradigmatic conflict." Performance-Based Budgeting, as a product of a neoliberal worldview (centered on economic efficiency and market logic), exists in ontological tension with the normative and economic framework of the Islamic state (centered on justice, maslahat [public interest/expediency], and falah [collective welfare]). This conflict manifests itself through mechanisms such as symbolic adoption (decoupling) to gain legitimacy and bureaucratic resistance to preserve the de facto logic of resource distribution, thereby neutralizing reform efforts. Furthermore, moving beyond mere critique, this article proposes an alternative, indigenous, and normative model. This model, rooted in the Islamic concept of public resources as a "trust" (Amanah), adapts innovative tools like "Public Value Accounting" (PVA) and "Social Return on Investment" (SROI). By aligning them with key domains of public value based on Islamic principles, it suggests a pathway for systematically integrating "value" and maslahat into the public resource allocation process.

Keywords: Performance-Based Budgeting (PBB), Paradigmatic Conflict, Institutional Decoupling, Rentier State, Public Value, Social Return on Investment (SROI), Trust (Amanah), Islamic Economics