

The Political Economy of NPLs in the Iranian Banking System

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ABSTRACT

The Islamic Republic of Iran has different policies in economic, social, cultural, and international aspects since the Islamic Revolution in 1979. This new political economy has had many socioeconomic challenges for the Iranian people since its emergence. Recently, the government of Iran has focused on the Iranian banking system, especially the problem of a high rate of NPLs, and their relationships with the current socioeconomic problems of Iran. The purpose of this research is to explain the political economy behind the non-performing loans (NPLs) of the Iranian banking system. This research has a qualitative design as a content analysis of Iranian officials' disclosures by triangulations of the country's leadership, governmental powers, and Iranian economic-politic pundits for 1961-2023. Our findings show that NPLs in the Iranian banking system have five feeding pillars: the government's anomalies, foreign policies, economic identity, social anomaly, and geographic demography of Iran. These pentagon pillars of the political economy increase socioeconomic pressure on Iranian banking systems to spend low-quality lending towards the government's socioeconomic strategies. However, the political economy significantly disturbs the country's small markets and fuels social crises. The results provide insights about why Iran doesn't have a steady economic development yet.

1. Introduction

The political economy underpins monetary policies and banking systems (Winston, 1916; Buller and Whisker, 2021). Powerful constituencies of a

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money market shape assets and lending policies to govern the economic growth and political interests of powerful classes of society. So, banks are clearly political institutes (Rajan and Ramcharan, 2011; Boer, 2023). Iranian political regime has followed a different political economy since the Islamic Revolution in 1979. Imam Khomeini, the supreme leader of the Islamic Revolution clearly emphasized restructuring the Iranian banking system towards a non-interest regime, social justice, and self-sufficiency in industrial, agricultural, and military productions (Mehran, 1990; Kurzman 2004). Also, the constitution of the new regime transferred the ownership of all strategic and important industries to the government including banks. These political events dominated the state economy and employment in Iran (Randjbar-Daemi, 2013; Harris 2017). Early political crises and the military attack by Iraq forced the new regime to spend the country's economic resources on defense and food security. After the war era, the Iranian government used huge numbers of international borrowings and oil revenues to accelerate infrastructural development by building many construction projects such as roads, new cities, schools, hospitals, housing, military bases, nuclear power, oil-related industries, etc. These activities made the state economy and employment larger (Salehi-Isfahani, 2011; Behdad and Nomani, 2009).

Since about 2010, by fastening the global sanctions against the Iranian regime, the growth of the state part of the Iranian economy has been disrupted, and hyperinflation, recession, currency shortage, unemployment, the threat to food security and health security of the public, and the contagion of corruption, have stimulated the banking crises and tremendous growth of non-performing loans in Iranian monetary system (O'Sullivan, 2010; Ianchovichia *et al.*, 2016). The economic policies of the Islamic Republic make a vital dependency between oil revenue as well as bank loans and economic development in Iran. The state economy of Iran uses the main parts of oil revenues and bank loans, while it does not enhance economic growth and equality. On the other hand, this type of political economy

vacuums private ownership via the vast spread of state employment and state production (Esfahani *et al.*, 2013; Maloney, 2015; Shaykhmahmodi and Massoudnia, 2023). However, state economic planning has generally resulted in a vast spread of unemployment and production shortage. In recent years, different Iranian governments have tried to handle the economic problems through expansionary monetary and fiscal policies such as increasing banking loans, import prohibition, encouraging exports, tax bonuses, and the buzzword of *Iranian made*. The policies increasingly intensify the economic crises of Iran as well as push the banking system into a financial crisis and push people toward the poverty line (Naini and Naderian, 2019; Gohardani and Tizro, 2022).

Banks are influential social, political, and economic institutes that have an unquestionable impact on the social and economic welfare of a country (Seyed-Javadin *et al.*, 2015; Rajan and Ramcharan, 2011). In both developing and developed countries banks are an important financing pillar with a huge amount of liquidity as much as they are called “too big to fail”. In other words, any disruption in the cash flows of a banking system operates like a disruption in the circulatory system of a human body and it results in economic attacks on the social and political organs of a nation (Stavrakeva, 2020; McDermott, 2007). NPLs as the blood clots in the arteries of an economic system induce unstoppable shocks to critical economic indices including interest rate, money demand and supply, GDP, currency rate, national income, balance of trade, etc. and the damaging fluctuations incur durable and unrecoverable harms on national welfare and security (Batooli *et al.*, 2024; IRNA, 2022; Khansari, 2019). In Iran, a high rate of NPLs has been an ongoing characteristic of the Iranian banking system since the 2000s that has intensified major consequences in the Iranian economy such as hyperinflation and a harsh crash of national currency value, increasing temptations for speculations in real estate and stock markets, housing crisis, production shortage, closure of productive industries, vast unemployment, budget deficits of the government and severity of imports

dependency (Batooli et al., 2024; IRNA, 2022; Iran's Ministry of Economic Affairs and Finance, 2022 Khansari, 2019).

The crucial role of the banking system in regulating economic stability and development motivates many researchers to investigate the impacts of banks' lending and non-performing loans on political and economic crises (e.g., Cetorelli and Goldberg, 2012; Danielsson *et al.*, 2018; Stavrakeva 2020). In a supplementary direction, the purpose, question, and innovation of this research is to conduct an explanation of how the Islamic Republic of Iran's political economy fosters the NPLs expansion in Iran's economy. NPLs are a unique phenomenon for providing a comprehensive explanation of the political economy of Iran with a broad explanatory realm because they contain many complicated important socioeconomic dimensions of this country (e.g., Zahedi and Azadi, 2018; Salehi-Isfahani, 2011) and uncover antecedents and consequences of the socioeconomic context of Iran (see Rajan and Ramcharan, 2011). The explanation also presents rich and deep insights into the socioeconomic roots of the political economy as well as the banking policy-making of this country (Winston, 1916; Mazarei, 1996). On the other hand, NPLs are the most well-known externality of government policy in the banking industry (Stavrakeva, 2020; McDermott, 2007), and their politicoeconomic explanation sheds light on the strengths, weaknesses, opportunities, and threats of the political economy in the banking context (Shin and Chang, 2005; McDermott, 2007). This research provides several important contributions and innovations to political economy and banking research. First, we show how the political identity of Iran uses the banking system for social and political purposes. Second, we explain how the Iranian government uses or abuses banks leading to low-quality loans toward the regime's interests. Third, we indicate which political steadies fuel social unrest in Iran. Fourth, we suggest that the political interventions in the banking system damage the socio-economic development of Iran. Fifth, we develop a comprehensive roadmap for designing an effective political economy for stabilizing and aligning a banking system toward the

sustainable social and economic development of a country with its contextual attributes from five pillars: governmental characteristics, foreign policies, social issues, economic identity, and geographic demography. This roadmap provides a flexible and adaptable integrated early warning system and key performance indicators to set economic development plans either in developing countries or developed ones.

In the following parts of this research, we describe the theoretical literature and research background. The next part is research methodology and research design. Then, the research findings are presented, and finally, we provide the research conclusion and remarks.

2. Theoretical literature and research background

Political economy shapes banking in society and the banking system injects socio-political powers into the stability, growth, and development of the economy (Braun and Raddatz, 2010; Winston, 1916). The political economy changes the credit behaviors of banks and has a determining role in social and economic justice. A political regime uses the banking system to increase social and economic justice and to empower its legitimacy and social approval (Braun and Raddatz, 2010; Winston, 1916). NPLs are the main disruptive phenomenon in a banking system that brings negative economic, social, and political consequences for a country and its political regime (Benmelech and Moskowitz, 2010; McDermott, 2007). It shows a political economy is unable to regulate and create an optimal equilibrium among the socioeconomic powers of a country (Akhondi, 2021a, b; Saber, 2018; Azimi, 2011). Moreover, NPLs show the political economy is unable to induce, protect, and preserve socio-economic justice and this increases threats to the economic and social security of a nation (Batooli et al., 2024; Akhondi, 2021a, b; Khansari, 2019). The arguments clearly show that NPLs determine the vulnerability of a political economy system and its influential impact on the socioeconomic conditions of a nation (Batooli et al., 2024; Akhondi, 2021a, b; Khansari, 2019). In this regard, increasing NPLs in an economy

signals a warning about critical weaknesses or threats in its political economy design (Batooli et al., 2024; Akhondi, 2021a, b; Khansari, 2019). A socio-political context is a dynamic, complex, and multidimensional system that increases the necessity of continuous and systematic information gathering and analysis for designing completely responsible political-economic policies to mitigate socioeconomic risks and threats of the socio-political context (Saber, 2018; Azimi, 2011). NPLs as systemic consequences of a political economy provide a rich ground for analyzing socioeconomic dimensions of a political economy to propose novel insights that uncover potential opportunities and threats to bring up needful innovative ideas for its empowerment to increase its resilience, security, and sustainability.

In recent years, the Iranian banking system as well as its economic conditions have experienced many warning conditions. Previous governments of Iran heavily financed their developmental plans with bank resources (Akhondi, 2021a, b), and also, they used both a constrained interest rate and expansionary policies to rescue the Iranian economy from its simultaneous inflation and recession (Naini and Naderian, 2019; Khansari, 2019). However, the ineffective and inefficient governmental economy and regulation of Iran has forwarded this liquidity toward speculations in stock, real states, currency exchange, gold, and automobile markets as much as the government had to intervene in most markets of necessary products and increase the minimum labor salary and state employees for several times during past years (see The Expediency Discernment Council, 2022; IRNA, 2022; Cordesman, 2022). On the other hand, many financial corruptions in the Iranian banking system, expansion of shadow banking, credit shortage in the Iranian money market, and abuses in the privatization of governmental companies have increased public awareness of the vulnerability of the political economy and have disseminated a public perception about a significant economic insecurity of the country (Batooli et al., 2024). These conditions have decreased public

trust in the effectiveness of economic policy-making of the government and by the destruction of the Iranian social capital, have brought considerable civil opposition, unrest, and even disobedience and riots that significantly have threatened the national security of Iran (Batooli et al., 2024; Cordesman, 2022). In this regard, the attention of the current government of Iran and the general policies of the Iranian leadership has been devoted to the correction of the Iranian banking system and increasing the economic security and resilience of this country (see The Expediency Discernment Council, 2022; IRNA, 2022).

The Iranian banking system has been regulated by Islamic rules, socialist doctrine, and nationalist directions (Ahmadi, 2020; Pesaran, 1982). This makes a complex and specific ground for the monetary policies of Iran. Also, what becomes the content more complex is the anti-Westernism leadership of the Islamic Republic of Iran (Shakibi, 2018; Pesaran, 2008; Rieck, 2000; Khan and Mirakhor, 1990). The banking system is the heart of an economy and a canon to disseminate ideological values and supreme policies to the whole of the economy (Seyed-Javadin et al., 2015; Yousefi and Abizadeh, 1992). The importance of healthy banking in Islamic rules and socialist doctrine motivated the revolutionary leaders of Iran to reform the western banking system of the Shah's regime as one of the top priorities of the revolution (Jones, 1987; Amuzegar, 1992; Zahedi and Azadi, 2018). Moreover, many strategic companies and industries owned by foreign investors and private investors of the monarchist people were seized by the revolutionary government (Eskridge, 1981; Moaddel, 1991; Aminian and Ghaffari, 2020). The Constitution of the Islamic Republic of Iran puts all the main properties of the country under the control of governmental ownership, and all strategic industries such as banking, energy, transportation, telecommunication, broadcasts, etc. Instead of the huge economic power, the revolutionary constitution committed the government to the accomplishment of a huge obligation: providing everything for every Iranian, i.e., "supplying equal and appropriate possibilities for all individuals and satisfying their all-

necessary needs toward their continuous evolutionary movement is an obligation of the Islamic regime” (see the introduction of the Constitution of the Islamic Republic of Iran in The Constitutional Council, 1979, 1989, p. 11; also see the interpretations of Moaddel, 1991; Amuzegar 1992, 1998).

The surge of opposition against the constitution by the communist and nationalist parties of Iran brought the country into a decade of terrors and violence, and then the Iran-Iraq war began (Abrahamian, 2021; Katouzian, 2020a, b). During the war from 1980 until 1988, the Iranian economy and banking devoted themselves to the war’s frontlines and the food security of Iranians (Amuzegar, 1992; Esfahani and Pesaran, 2009). Afterward, the Iranian government paid attention to internal and external borrowing for the reconstruction of damaged infrastructure and the development of the country for industrialization and increasing the life quality standards of Iranians (Karshenas and Pesaran, 1995; Karbassian, 2000). However, the flood of liquidity and governmental intervention in the small markets of Iran brought hyperinflation in the 1990s, a currency crisis, and social riots (Mazarei, 1996; Salehi-Isfahani, 2011). However, the rich income from oil exports gave fragile stability for two decades to Iran's economy (Farzanegan and Markwardt, 2009). But during the 2010s, the nuclear crisis of Iran and Western sanctions against the country again influenced major parts of Iranian lives (Chubin and Litwak, 2003; Aloosh et al, 2019). The primary economic prescriptions of economic officials against the paralyzing sanctions were expansionary monetary policies, the development of housing construction and early return businesses by state lending, reforming the patterns of energy consumption, and targeting subsidies. Indeed, with these substantial political and economic interventions of the government, Iran experienced continuous hyperinflation, political and economic corruption, banking crises, and social protests in the 2020s (Amuzegar, 2007; Borszik, 2014).

Since the end of the 2020s, the Iranian leadership has been offered a new prescription for stabilizing the country’s economy: a resistive economy. The general policy of the resistive economy is really a retrospective return to

Imam Khomeini's doctrine and the constitution of the Islamic Republic of Iran, building a self-sufficient economy without any strategic dependency (Expediency Discernment Council, 2005, 2014, 2022). But the general policy has an important difference with the political economy of the regime's constitution alongside the general policy of principle 44 that says the government should privatize strategic industries including banking and foreign business excluding oil and natural gas, for enhancing social justice, acceleration of economic growth, development of private ownership, increasing complete employment and competition as well as decreasing state expenditures, interventions, and obligations (Expediency Discernment Council, 2005, 2014, 2022). Although these general policies have a logical paradox because a closed resistive economy cannot have open markets for private trades (Clift and Woll, 2012), these prescriptions also spread a surge of speculation in capital and money markets, deterioration of national production, ongoing hyperinflation and currency booming, and unemployment and housing crisis in Iran (Brookes et al., 2020). Since the beginning of the 13th government of the Islamic Republic of Iran, the banking system and large amounts of non-performing loans have been blamed as the political-economic factors that cause economic instabilities and crises in the country (Iran's Ministry of Economic Affairs and Finance, 2022).

Political economy shapes the fundamental general policies of a regime alongside a banking system and monetary policies (Bénabou and Tirole, 2006; Acemoglu et al., 2013). Political economy also sets the degrees of competition and competencies around the economy (Kessler et al., 2002). When we put these pieces together, a political regime emerges that determines "who can" and "who cannot". In other words, a political regime changes assets' distributions and productions by its own general policies (Benmelech and Moskowitz, 2010). These policies contain social and political values and convey unequal resources to different classes of a society and economy (Bénabou and Tirole, 2006). In this regard, governments use different channels as political strategies to influence target

parts of the socio-economic system of a country (Kessler et al., 2002; Benmelech and Moskowitz, 2010). If the socio-politic values of general policies have a homogenous distribution with socioeconomic attributes of the public, these policies come to the expected results steadily (Bénabou and Tirole, 2006). If the embedded values in the policies are different from the public potentialities, the government systematically induces socioeconomic entropy in social institutes that generate socioeconomic crises and fluctuation that brings acute social unrest (Bianchi and Mondragon, 2021; Bonomi et al., 2021; Levy et al., 2022).

Non-performing loans (NPLs) are an informative concept to analyze the variances of a government's political economy from the capabilities and potentialities of a socio-economic context (Mookherjee and Visaria, 2012; Jiménez et al., 2014). NPLs are an entropy construct of a government's political economy because they increase heterogeneity between assets' distribution and assets' production and also increase destructive entropy in the whole economy and its markets (Levy et al., 2022). Moreover, NPLs indicate unhealthy competition among socioeconomic institutes of society because of inequality to access fair finance and fair markets (Acemoglu et al., 2013; Bonomi et al., 2021). Accordingly, academic literature emphasizes the role of the political economy in economic development (e.g., Rajan and Ramcharan, 2011; Grindle, 1999). Pourgerami (1988) said a political economy sprinkles the seeds of values as smart substances of economic development. Levy et al., (2022) showed misspecified politics have a positive effect on the recurrence of populism. Schelkle and Bohle (2021) argued that Anglo-American counterparts and Scandinavian welfare states promote an open market of finance and financialization to increase the size and sustainability of the world economy and its free markets. Howarth and Quaglia (2015) indicated that the sovereign debt crisis has a relationship with political economy and governance on national and international scales. Hardie (2011) found excessive pressure of governments on the banking system brings economic punishments as cost and availability of money.

Trentmann (1998) found that the political economy of free trade was generated in Victorian and Edwardian Britain, the major cultural eras that significantly influenced national identity, social self-development, and the moral ideas of consumers. He concluded these cultural revolutions significantly transformed Britain's economy to free market capitalism. Lockwood (2021) explained how the international political economy results in an unequally global distribution of income and spreads national inequalities.

We argue that NPLs provide a rich context to investigate the roots of Iran's economic crises in the government's political economy. The political economy research evidenced that politicians use political strategies to shape the national economy through monetary policies and banking reforms (e.g., McDermott, 2007; Shin and Chang, 2005). Iranian governments have used several general policies and many economic strategies to steady socioeconomic crises since the victory of the Islamic Republic of Iran in 1979. However, these strategies not only do not stabilize Iranian economic conditions but also bring the country's banking system to an intensive crisis of NPLs. This inappropriate situation motivates us to investigate the regime's political economy to find the political strategies that feed the NPLs in Iran's economy.

3. Methodology

We use a qualitative approach as a content analysis (see Batooli et al., 2024; Driski and Maschi, 2015; Schreier, 2014) of a triangulated data set of statements, reports, and ideas from the Iranian leadership, the triple powers of Iran's government (executive, legislature, and judiciary powers), and the Iranian politico-economic pundits for 1961-2023¹. The manifestation of the Islamic Republic of Iran is Imam Khomeini's doctrine which is collected in a 22-volume set and his divine-political will² (see Imam Khomeini, 2023a, 2023b). The Constitution of the Islamic Republic of Iran³ put the supreme

leadership under the title of *Velayateh Faghih* or the Guardianship of the Islamic Jurist at the top of the political power in this country. The supreme leadership has four major political parts: (1) the supreme leader, that is Imam Khamenei, (2) the Expediency Discernment Council, which is a consultative body for the supreme leader and elected with him, (3) the Guardian Council, a confirmatory body for legislature power and national election that half of its members are elected by the supreme leader and other half is elected by the boss of judiciary power, (4) Assembly of Experts for Leadership, a body for monitoring and electing the regime's supreme leaders (see The Constitutional Council, 1979, 1989).

Iran's executive power is a very large administrative-political body including the presidency, ministries, national organizations, state corporations, banks, the central bank, exchanges, universities, etc. The legislature power also called *Majleseh Shorayeh Eslami* is a middle-class legislation body of Iran that includes representatives from all provinces of the country, its research center, and *Divaneh Mohasebat*, a monitoring body for auditing the executive power's annual budget accomplishment. The judiciary power is a monitoring body for observing the government's laws and regulations and includes courts, the organization of prisons, and the responsibility for enforcement of judicial orders (see The Constitutional Council, 1989).

In this research, we use the official Iranian government websites, news agencies, Iranian journals, and books that contain reports, assessments, opinions, and ideas of politicoeconomic officials and pundits¹. In this regard, we use purposive sampling and the theoretical saturation rule to collect data. Content analysis converts textual data to open conceptual codes, and then assembles and articulates them to make an explanatory systematic integrated theory for a considered ambiguous problem and its components (see Batooli et al., 2024; Driski and Maschi, 2015; Schreier, 2014). Table I exhibits demographic information of the research data.

Table 1. Demographic information of the research data

Sources	Total	2023-21	2020-11	2010-01	Older
a. Imam Khomeini	257	0	0	0	257
b. Supreme leader	1385	103	628	363	291
c. Expediency Discernment Council	609	270	321	13	5
d. Guardian Council	282	73	149	60	0
e. Executive power	2806	877	1712	204	13
f. Legislature power	1632	29	1552	47	4
g. Judiciary power	1023	455	568	0	0
h. Pundits	1612	259	990	311	52
Total	9606	2066	5920	998	622

Note: This table shows the triangulated sources of the research data collection. The sources a, b, c, and d cover the Supreme Leadership Institute, the sources e, f, and g are triple legal powers of Iran, and the source h is the popular research and opinions of Iranian pundits.

We build triangulations of textual evidence to confirm the validity of the research findings (see Driski and Maschi, 2015). For coding of the textual evidence, we use a-1001 to a-1257 for Imam Khomeini, b-1001 to b-2385 for the supreme leader, c-1001 to c-1609 for Expediency Discernment Council, d-1001 to d-1282 for Guardian Council, e-1001 to e-3806 for the executive power, f-1001 to f-2632 for the legislature power, g-1001 to g-2023 for the judiciary power, and h-1001 to h-2612 for pundits. In this research, the qualitative data is analyzed with several steps to build our triangulated evidence. In the beginning, we search our keywords purposefully through the online websites of the official authorities of the Islamic Republic of Iran, their official news agencies, and Iranian books and journals about the political economy of Iran. In the second step, we title, classify, and integrate our found documents and define their open conceptual codes. This step is conducted via Microsoft Windows 11, Microsoft Word 2022, supplementary online searches, and thoroughly reading the collected documents. In the third step, we select our meta concepts which provide a conceptual umbrella for other minor concepts. In the fourth step, we extend

our umbrella concepts to more abstract dimensions to develop our main theoretical framework. Finally, we fill our conceptual gaps with supplementary online searches and thorough reading of found documents to produce a consistent, integrated, comprehensive, and meaningful theory and conceptual structure to answer our research questions (see qualitative data analysis in Batooli et al., 2024; Christensen et al., 2015 and Driski and Maschi, 2015; Schreier, 2014). We use several strategies for confirming the validity and reliability of research findings including triangulation of data sources, pluralism and frequency of documentaries, external audit by four external experts, observer's triangulation, and low-inference descriptors (see Batooli et al., 2024; Christensen et al., 2015; Schreier, 2014).

4. Findings

4.1. Government anomalies

Although the political economy of the Islamic Republic of Iran provides a stable basis for the government, the state's strategies have very high uncertainty that induces fluctuations and vulnerability in Iran's economy. These uncertainties damage the national economic security because of promoting risk and mismanagement in the economy. In this regard, we explain the phenomena as the government's anomalies that reduce the efficient allocation of banks' money resources and inject governmental inefficiency into the whole of Iran's economy. Our evidence shows the government anomalies have seven perspectives: (1) budget weakness, (2) natural resources dependency, (3) unstable monetary and currency policies, (4) market interventions, (5) irregular tax and tariff, (6) lack of competency, (7) rentier economy.

From the first perspective, we see Iran's government being infected to budget anomalies based on its largeness, systematic uncertainty, inflation, unsteadiness, etc. The budgeting weaknesses stem from structural problems of Iran's economy including state economy, inefficiency of state apparatus, oil dependency, and centralized regulation. The problems reduce state

solvency, technological development, private motivations, corruption, and modern production systems. The budgeting weakens banks' ability to collect their cash from an uncertain economy and it results in increasing NPLs in Iran's economy. From the second perspective, natural resource dependency increases unsustainability in Iran's economy and decreases economic value-added and intellectual investments. These conditions not only weaken banks' assets but also encourage them to provoke speculative climates in other markets to create higher profits while these speculations not only are without enough sustainability but also incur durable and unrecoverable harms to the economy. From the third perspective, unstable monetary and currency policies greatly suffer Iran's economy as currency rates have changed over 1000% during the two past decades. Moreover, interest rates have a speculative identity in Iran as many as they reach 50% for start-ups and private entities in inter-bank and shadow markets. The unsteady policies greatly increase market bubbles, recessions, inflation, unemployment, and credit default risks in the economy. From the fourth perspective, market interventions of the government outmuscle private ownership and increase public poverty in the country. State productions, state pricing of private businesses, inequalities of private versus state entities, and unstable state policies on exports and imports, do not allow to shape any natural equilibrium and steadiness in Iran's markets. Accordingly, the conditions not only disable private investors from settling their banking obligations but also increase the bargaining power of state corporations to receive unlimited access to banking resources. The unequal monetary market decreases the motivations of state entities to perform their financial obligations to the banking system and increases the financial indiscipline of the government. From the fifth perspective, Iran has very high tax and tariff rates than the Middle East and even developed countries. It aims to decrease the dependency of the government on oil revenue, hinder inflation, and support national production and employment. However, these policies increase economic corruption such as smuggling, tax avoidance, and bribery as well

as stimulate hyperinflation, recession, capital flight, and shortage of production and employment. These conditions decrease the productive demands of banking facilities and increase speculative interest. From the sixth perspective, Iran's government greatly suffers from the lack of competencies because of the effect of the developing society and the centrifugal effects of brain drain. It causes to contagion of populism, favoritism, unaccountability, and marginalization in the political system. Moreover, the lack of competency mirrors in inability of statesmen to predict and govern the economy and the remoteness of steady developmental planning. It increases speculation and corruption in economic and political aspects that destroy the cash flow sustainability of Iran's banking system. From the seventh perspective, the foundation of Iran's political economy has been a rentier system for about the past 100 years and its main financial power has depended on exporting oil and other natural resources. This system deepens the expectations gap between state planning and its people's needs and sinks the political economy of Iran into underdevelopment. Accordingly, the banking system cannot perform in a rational-legal climate and it increases the vulnerability of banking resources. Supplementary findings about the government anomalies are presented in Table 2.

Table 2. The government's anomalies testify to NPLs

Dimension 1. The Government's anomalies
<p>1. Budgeting weakness</p> <p>Selected concepts: {largeness}, {deficit}, {centralized}, {subsidies}, {jumping numbers}, {lack of macroscopic view}, {war finance with banks}, {lack of research and development}, {oil oriented}, {financial indiscipline}, {non-compliance with general policies}, {public consultation}, {structural issues}, {lack of transparency}, {lack of information systems}.</p> <p>Selected resources: {a-1229}, {a-1239}, {b-1787}, {b-2305}, {b-2306}, {c-1053}, {c-1191}, {c-1195}, {c-1559}, {d-1251}, {d-1282}, {e-1725}, {e-1843}, {f-1290}, {f-1033}, {g-1825}, {h-2580}, {h-2581}.</p>
<p>2. Natural resources dependency</p> <p>Selected concepts: {Large wastes}, {dependency}, {cheap selling}, {jobbery}, {unsustainability}, {environmental pollutions}, {extinction of species}, {underdevelopment},</p>

<p>{health risks}, {colonialism}, {poverty}, {climate change}, {intensifying energy consumption}, {underdevelopment technology}, {food insecurity}, {dependency}, {economic vulnerability}.</p> <p>Selected resources: {a-1067}, {a-1085}, {a-1186}, {b-1307}, {b-1308}, {c-1112}, {c-1184}, {c-1206}, {c-1208}, {c-1358}, {d-1001}, {d-1008}, {e-1186}, {e-1296}, {f-1035}, {f-1041}, {g-1129}, {h-1056}.</p>
<p>3. Unstable monetary and currency policies</p> <p>Selected concepts: {banking without interest}, {Islamic banking}, {anti-poverty banking}, {the spread of corruption}, {hyperinflation}, {recession}, {unemployment}, {currency crisis}, {high interest rate}, {unsteady}, {promoting speculation}, {promoting rent}, {housing crisis}, {production crisis}, {promoting arbitrage}.</p> <p>Selected resources: {a-1117}, {a-1172}, {b-1001}, {b-2230}, {b-2243}, {c-1003}, {c-1256}, {c-1350}, {c-1257}, {d-1006}, {d-1078}, {e-1018}, {e-1042}, {f-1001}, {f-1070}, {g-1001}, {h-1036}, {h-1044}.</p>
<p>4. Market interventions</p> <p>Selected concepts: {agriculture promotion}, {state pricing}, {prohibition of mercantilism}, {prohibition of speculation}, {prohibition of imperialism}, {prohibition of self-interest}, {unsteady capital market}, {fluctuations of prices}, {irregular exports and imports}, {housing interventions}, {energy interventions}, {national development fund}, {supplying essential products}, {state debts}, {state productions}.</p> <p>Selected resources: {a-1139}, {a-1154}, {a-1174}, {a-1181}, {b-1583}, {b-1691}, {b-2309}, {b-2310}, {c-1001}, {c-1003}, {d-1018}, {d-1144}, {e-1131}, {e-1193}, {f-1036}, {g-1016}, {h-1010}, {h-1024}.</p>
<p>5. Irregular tax and tariff</p> <p>Selected concepts: {exceptions}, {tax avoidance}, {dependency to natural resources}, {budget fluctuations}, {uneconomic cost}, {declined purchase power}, {decreased investment}, {capital flight}, {brain drain}, {underdevelopment}, {inequalities}, {bribery}, {recession}, {decreased competitive power}, {weakening standards of life}.</p> <p>Selected resources: {a-1057}, {a-1242}, {b-1075}, {b-1679}, {b-2311}, {b-2332}, {c-1022}, {c-1023}, {d-1236}, {e-1040}, {e-1092}, {f-1458}, {f-1546}, {g-1158}, {g-1164}, {h-1638}, {h-2053}, {h-2580}.</p>
<p>6. Lack of competency</p> <p>Selected concepts: {lack of integrity}, {populism}, {lack of experience}, {favoritism}, {deregulation}, {lack of ethics}, {unaccountability}, {lack of transparency}, {lack of speciality}, {lack of expertise}, {lack of education}, {disability in the field}, {inability to predict}, {inefficiency}, {ineffectiveness}, {uneconomic decisions}, {lack of self-knowledge and self-confidence}, {marginalization}, {division}.</p> <p>Selected resources: {a-1083}, {a-1166}, {b-2033}, {b-2230}, {b-1312}, {c-1146}, {c-1147},</p>

{c-1151}, {c-1313}, {d-1052}, {d-1059}, {e-1310}, {e-1391}, {f-1021}, {f-1031}, {g-1146}, {g-1309}, {h-1043}.

7. Rentier economy

Selected concepts: {oil revenue}, {weakening of production}, {weakening of human capital}, {wasting national wealth}, {dependency}, {instability}, {weakening of economic development}, {irregularity in imports}, {unemployment}, {inefficiency}, {speculation}, {corruption}, {inequalities}, {rent}, {arbitrage}, {public hopelessness}.

Selected resources: {a-1059}, {a-1247}, {b-2313}, {b-2314}, {b-2315}, {c-1585}, {c-1586}, {d-1062}, {d-1251}, {e-1047}, {e-1193}, {f-1047}, {f-1149}, {g-1106}, {g-1129}, {h-1133}, {h-1994}, {h-2349}, {h-2580}.

Source. The research findings, the part 1.

4.2. Foreign policies

Foreign policies are the most problematic dimension of Iran's political economy that since the Islamic Revolution in 1979 have importantly transformed the country's social and economic conditions. The new political regime with slogans of independence, freedom, and the Islamic republic, reduced its friendly relationships with the Western block, especially the United States. The new political economy insisted on self-sufficiency, politicoeconomic independence, and social justice that had been damaged by the imperial regime of the former Shah and colonialist interventions of the foreign states in Iran. We explain foreign policies' roots of NPLs in Iran from seven perspectives: (1) isolationism, (2) long-standing sanctions, (3) anti-Westernism, (4) fragile regional security, (5) anti-colonialism, (6) underdevelopment of neighbors, and (7) historical battles. After the Islamic Revolution in 1979, Iran pursued isolationist politics against the world to recover and restructure the political and economic freedom and independence of the country and embedding and revealing Islam in its society and administration. The isolationism provoked many internal and foreign tensions and ceased friendly foreign policies of Iran as well as brought many foreign investment flights and brain drains. The result of this policy was that Iran remained alone against the problems of institutionalized deprivation and backwardness in the society. The isolationism melted down

the western young private banking system of the country and it was replaced by an underdevelopment traditional state banking with a complete dependency on the national budget. The borrowers of the new banking were also the new government, state corporations, and quasi-governmental entities. The limited money market destroyed private economic growth and misplanning and mismanagement of governmental institutes provoked many socioeconomic crises. During the recent two decades, the government has moved toward privatization while weak bodies of Iran's banks and industries do not have enough development and ability to circulate the economy, and the new policy has resulted in a pandemic of economic corruption and surges of NPLs. From the second perspective, long-standing sanctions not only challenge the country's development but also increase threats to the weak economy as much as increasing risk and uncertainty lead businesses to insolvency and bankruptcy.

From the third perspective, anti-westernism is the cornerstone of the Islamic Revolution because Western block especially the United States uses politicoeconomic hegemony, imperialism, and frightening against developing countries to subdue them and bring them under control. The political economy of Iran's government has slowed down the economic growth and development of the country as Iran is not industrialized or even self-sufficient in agricultural products yet. Shortage of production, technology, and employment forces the government to finance low-credit economic projects that result in voluminous NPLs and banking losses. From the fourth perspective, fragile regional security forces the government to invest a large amount of economic power of the country in military projects. This strategy not only decreases the economic power of Iran for development but also increases inflation, unemployment, and poverty in the country. Accordingly, Iran's banking system becomes unable to find profitable opportunities in the country's economy, and their financial resources melt down with systematic misallocation and NPLs. From the fifth perspective, Iran as a revolutionary country has a high anti-colonialist fever.

The political economy also become more severe in Iran in recent years because of intensified economic embargoes by the US. These conditions have a perceived damage to Iran's exports and GDP. So, the political economy has increased the vulnerability of Iran's industries as well as the banking system to launch profitable economic collaborations. From the sixth perspective, Iran's neighbors are underdevelopment countries and the home of international terrorism and radical thoughts. While the multiplicity of neighbors provides a vast market for Iranian exports, the presence of dictatorial regimes, Westernism spreads, and foreign military bases in the Middle East hinder the economic advantages of international trade for Iran. On the other hand, regional violence and wars bring many refugees to Iran which increases poverty, unemployment, and health risks in the country. These conditions operate like a firewall for Iran's development and decrease investment opportunities and regional advantages affecting the risk to the banking system. From the seventh perspective, the contemporary history of Iran contains many internal and external battles by various motivations such as nationalism, colonialism, racism, separationism, and Islamism. These battles not only have decreased Iran's territories but also have seeded many current enemies of the countries. These geopolitics make Iran an alone nation with very risky security. It not only has increased the military expenditures of Iran but also has provoked many capital flights and brain drains. By decreasing economic investment and increasing economic threats, Iran's banking system has been condemned to underdevelopment and risky assets. Further findings about the foreign policies dimension of NPLs' political economy of Iran are exhibited in Table 3.

Table 3. Foreign policies that fuel NPLs in Iran

Dimension 2. Foreign policies
1. Isolationism
Selected concepts: {freedom of foreign interventions}, {independency}, {prohibition of weapon dependency}, {prohibition of army dependency}, {prohibition of foreign bases}, {self-sufficiency}, {freedom of imperialism}, {freedom of globalization}, {independence}, {freedom

<p>of the west hegemony}, {freedom of colonialism}.</p> <p>Selected resources: {a-1009}, {a-1012}, {a-1086}, {a-1087}, {a-1093}, {a-1111}, {b-1916}, {b-2316}, {b-2317}, {c-1147}, {c-1152}, {d-1222}, {e-1509}, {e-2632}, {f-1982}, {g-1095}, {h-2580}, {h-2597}.</p>
<p>2. Long-standing sanctions</p> <p>Selected concepts: {sanction of western exports}, {growth in war}, {economic blockade}, {promoting Iran made products}, {intensifying mismanagement}, {health risks}, {casualties}, {secondary embargoes}, {national currency declining}, {budget uncertainty}, {intensifying corruption}, {lack of technology}, {shortage of products}, {poverty}, {inequalities}.</p> <p>Selected resources: {a-1028}, {a-1148}, {a-1149}, {b-1685}, {b-2135}, {b-2311}, {c-1589}, {c-1590}, {d-1257}, {d-1258}, {e-1358}, {e-1378}, {f-2621}, {f-2622}, {g-1469}, {h-1428}, {h-2580}, {h-2590}.</p>
<p>3. Anti-Westernism</p> <p>Selected concepts: {religious values}, {national heritage}, {anti-capitulation}, {rejection of liberal obligation}, {frightening for hegemony on nations}, {prohibition of western parties}, {anti-propaganda}, {rejection of islamophobia}, {prohibition of imperialism}, {distrust}, {betrayal}, {capital flights}, {lack of technology}, {underdevelopment}.</p> <p>Selected resources: {a-1027}, {a-1028}, {a-1044}, {a-1046}, {a-1093}, {b-1808}, {b-2205}, {b-1239}, {c-1064}, {c-1482}, {d-1259}, {e-1476}, {e-2355}, {f-1310}, {f-1257}, {g-1383}, {h-2595}, {h-2602}.</p>
<p>4. Fragile regional security</p> <p>Selected concepts: {Iraq-Iran war}, {anti-Zionism}, {militarily threats}, {terrorism threats}, {presence of the US}, {Persian Gulf}, {fragile investment security}, {anarchy}, {weak states}, {lawlessness}, {violence}, {authoritarian regimes}, {foreign military bases}, {capital flight}, {underdevelopment}.</p> <p>Selected resources: {a-1033}, {a-1149}, {b-2318}, {b-2319}, {b-2320}, {c-1068}, {c-1307}, {d-1258}, {d-1259}, {e-2926}, {e-3345}, {f-1071}, {f-1312}, {g-1398}, {h-2167}, {h-2168}, {h-2602}, {h-2607}.</p>
<p>5. Anti-colonialism</p> <p>Selected concepts: {protection of national wealth}, {foreclosure of underdevelopment}, {prohibition of foreign borrowing}, {foreclosure of poverty}, {foreclosure of inequality}, {foreclosure of corruption}, {dethronement of authoritarian regimes}, {protection of social justice}, {endogenous growth}, {independence}, {foreclosure of dollar}, {foreclosure western language}, {foreclosure climate change}.</p> <p>Selected resources: {a-1026}, {a-1046}, {b-2239}, {b-2321}, {b-2322}, {b-2323}, {c-1220}, {c-1332}, {d-1260}, {d-1261}, {e-3793}, {e-3794}, {f-2623}, {f-2624}, {f-2625}, {g-2013}, {h-2580}, {h-2585}.</p>

6. Underdevelopment of neighbors

Selected concepts: {radical beliefs}, {dictatorial regimes}, {westernism spreads}, {foreign military bases}, {refugees}, {division and difference}, {health risks}, {natural disasters}, {poverty}, {war and insecurity}, {separatism of Iran}, {a vast market}, {populous}, {rich of natural resources}, {cultural conflict}.

Selected resources: {a-1124}, {a-1247}, {b-1324}, {b-1325}, {b-1326}, {b-2253}, {b-2327}, {c-1591}, {c-1592}, {d-1262}, {d-1263}, {e-2795}, {e-2796}, {f-1626}, {g-1017}, {h-2153}, {h-2157}, {h-2597}.

7. Contemporary battles

Selected concepts: {seized the US embassy}, {retrieval of Iran's wealth}, {Iran-Russia wars}, {Iran-Afghanistan wars}, {Iran-Iraq war}, {Iran-Arab's war}, {Azerbaijan riots}, {Kurdistan riots}, {Khuzestan riots}, {World War I and II}, {the breakup of Iran}, {racism}, {nationalism}, {tribalism}, {heredity}, {regional battles}.

Selected resources: {a-1139}, {a-1149}, {b-1318}, {b-1328}, {b-1329}, {b-1330}, {c-1034}, {c-1148}, {d-1257}, {d-1259}, {e-2476}, {e-3795}, {f-1142}, {g-2117}, {h-2134}, {h-2580}, {h-2607}, {h-2609}.

Source. The research findings, the part 2.

4.3. Economic identity

Economic identity refers to how an individual or group defines and experiences their economic situation and role in society (Davis, 2003). This can include factors such as occupation, income level, social class, and financial goals and values. It is an important aspect of personal and societal well-being, as it can impact access to resources, opportunities, and social mobility. Understanding and developing a strong economic identity can help individuals navigate the complex economic landscape and achieve their financial goals (Akerlof and Kranton, 2000). Our evidence depicts Iran's economic identity based on seven general underdevelopment perspectives: (1) underdevelopment of markets, (2) underdevelopment of institutes, (3) underdevelopment of technology, (4) underdevelopment of education, (5) underdevelopment of private ownership, (6) underdevelopment of infrastructures, and (7) underdevelopment of legislation.

From the first perspective, Iran has local and traditional markets, monopolistic industries, and state ownership of the main parts of the

economy. In these markets, the main preferences of people are never reflected in prices and supplies, and the cost of products is uneconomic because of the inefficiency of governmental governance and lack of technology. The markets instinctively have weak predictability and low transparency. So, Iran's banking system faces an unstructured market for lending loans.

From the second perspective, Iranian banks suffer from internal and external institutional underdevelopment. Institutional underdevelopment refers to a situation where the political and economic institutions within a country are weak, inefficient, and unable to provide the necessary services and support for their citizens. This can lead to a lack of trust in government, corruption, poor economic growth, and limited access to basic resources like banking facilities, legal rights, and business security. It is a complex issue that requires a multifaceted approach to address, including improving governance, strengthening the rule of law, and promoting economic development. Institutional underdevelopment weakens banking abilities to recognize, support, and monitor productive and rational economic activities and these conditions provoke NPLs in Iran.

From the third perspective, Iran generally suffers from technological underdevelopment. Technological underdevelopment refers to the lack of access or resources to advanced technologies and innovations that are available in more developed countries or regions. This can lead to a wide range of issues, such as limited economic growth, lower quality of life, and a lack of opportunities for individuals and communities. Technological underdevelopment can occur for a variety of reasons, including political instability, economic challenges, and a lack of investment in education and infrastructure. Addressing these issues and promoting access to technology can help to bridge the gap between developed and underdeveloped areas, leading to greater prosperity and progress for all including banking NPLs. In other words, technological underdevelopment increases the risk of economic growth and profitability of businesses. As a result, the economy usually

experiences a high rate of banking NPLs.

From the fourth perspective, educational underdevelopment is very prevalent in Iran. Educational underdevelopment refers to the lack of access to education and resources necessary for individuals to acquire knowledge and skills. This can occur in various forms, such as limited access to schools, inadequate funding, and poor quality of education. Educational underdevelopment can have serious consequences for individuals, communities, and societies as a whole, as it can perpetuate poverty, inequality, and social unrest. It is important to address educational underdevelopment through policies and initiatives that promote access to quality education and support lifelong learning. Educational underdevelopment not only has weakened banking governance in the country but also has dominated traditional and efficient business management in Iran, which has produced inefficient allocation of economic resources and has resulted in NPLs.

From the fifth perspective, the underdevelopment of private ownership in Iran. This political economy has emerged since the Islamic Revolution of 1979 to enhance social justice and deprivation. However, in recent decades the government has moved toward a modern economy with the privatization and development of the Tehran Stock Exchange to increase capitalization, production, and public motivation in Iran. The toddler political economy has increased the vulnerability of the banking system by contagion of economic corruption and mismanagement in Iran's money market. From the sixth perspective, the underdevelopment of infrastructures is an irrefutable economic identity of Iran. Modern infrastructures are essential for sustainable economic growth and development. The obsolescence of the transport fleet, the high cost and slowness of the Internet, the lack of access to the same educational quality for everyone, the high intensity of energy, the unstable legislative system, the lack of international foreign relations, the inefficiency of regulatory and judicial institutions, the underdevelopment of markets, smallness and statehood of money and capital markets, lack of

entrepreneurial motivation and private investment, lack of foreign investment, lack of access to renewable energy, lack of advanced industries and products, lack of up-to-date service markets, and environmental pollution are among the most important infrastructure problems in Iran. The infrastructural underdevelopment limits business value-added, empowers systematic risks and arbitrage, promotes divestment and capital flight, and promotes rents and speculations that stimulate banking NPLs and get ruined the industry.

From the seventh perspective, Iran has a legislative underdevelopment that is unaccountable, non-transparent, unpredictable, and inefficient. The legislation has promoted corruption and discrimination in the political economy and it cannot govern the efficient allocation of capital and money in Iran's economy. More findings about the economic identity of NPLs in Iran are shown in Table 4.

Table 4. Economic identity of NPLs in Iran

Dimension 3. Economic identity
<p>1. Underdevelopment of markets</p> <p>Selected concepts: {low income}, {capital shortage}, {imperfect}, {arbitrager}, {information asymmetry}, {over supply of labour}, {monopolistic}, {smuggling}, {speculation}, {small and medium}, {labor-intensive}, {high uncertainty}, {local and national scopes}, {high supply and low demand}, {weak purchase power of customers}, {high sales margin}, {foreign products}, {lack of online markets}, {high fluctuation}, {weak marketing}, {lack of availability}, {weak marketing}, {weak brands}, {weak after sales service}.</p> <p>Selected resources: {a-1141}, {a-1123}, {b-1019}, {b-1798}, {b-2331}, {b-2021}, {c-1593}, {c-1594}, {c-1595}, {d-1212}, {d-1264}, {e-1359}, {e-1538}, {f-1053}, {g-1001}, {h-2580}, {h-2581}, {h-2582}.</p>
<p>2. Underdevelopment institutes</p> <p>Selected concepts: {prohibition of cultural dependency}, {exploitation of labours}, {weak ethical climate}, {inefficiency}, {lack of updating}, {lack of being revolutionary}, {lack of effectiveness}, {lack of outstanding quality}, {absence of circuit regulation}, {non-religious}, {island}, {autonomous}, {lack of private interest}, {corruption}, {mismanagement}, {public obligations}, {disagreement}.</p> <p>Selected resources: {a-1087}, {a-1141}, {b-1334}, {b-1722}, {b-2333}, {b-2335}, {c-1213},</p>

{c-1313}, {c-1107}, {d-1265}, {d-1266}, {e-1039}, {e-1134}, {f-1612}, {g-1532}, {h-2582}, {h-2585}, {h-2586}.

3. Underdevelopment of technology

Selected concepts: {traditional agriculture}, {traditional industries}, {uneconomic cost of products}, {weak competitiveness}, {low quality of products}, {technological sanctions}, {weakness of R&D}, {environmental pollution}, {health risks}, {low value-added}, {poverty}, {weak standards of life}, {insecurity}, {lack of technological transfer}, {lack of technological budget}.

Selected resources: {a-1118}, {a-1123}, {b-1740}, {b-2239}, {b-1981}, {b-2336}, {b-2337}, {c-1389}, {c-1596}, {c-1597}, {d-1258}, {d-1267}, {e-1462}, {e-2629}, {f-1112}, {g-1243}, {h-2580}, {h-2605}.

4. Underdevelopment of education

Selected concepts: {prohibition of university dependency}, {prohibition of western enlightenment}, {education as the highest worship}, {prohibition of foreign thoughts}, {self-recognition}, {learning by virtue}, {education towards a religious society}, {cultural independence}, {Islamic realism}, {revolutionary climate}, {removal of corruption}, {lack of technological education}, {out of date}.

Selected resources: {a-1087}, {a-1144}, {a-1148}, {a-1177}, {a-1183}, {a-1189}, {a-1191}, {a-1192}, {b-2338}, {b-2339}, {b-2340}, {b-2341}, {c-1030}, {d-1268}, {e-2797}, {f-1460}, {g-1080}, {h-2607}.

5. Underdevelopment of private ownership

Selected concepts: {small ownerships}, {family ownerships}, {lack of investment}, {traditional organizations}, {labour-intensive}, {lack of technology}, {lack of market}, {high business risks}, {acute systematic risks}, {lack of inputs}, {market fluctuations}, {defaults}, {bankruptcy}, {nationalization}, {economic embargoes}, {irregular imports}, {high tax and tariff}, {unexpected laws}, {state economy}, {lack of growth}, {hegemony of banks}, {monetary and financial discrimination}, {legal discrimination}.

Selected resources: {a-1012}, {a-1020}, {a-1058}, {b-1700}, {b-2342}, {b-2343}, {b-2344}, {c-1054}, {c-1589}, {d-1269}, {d-1270}, {e-1101}, {e-1217}, {e-1401}, {f-1771}, {g-1160}, {h-2609}, {h-2610}.

6. Underdevelopment of infrastructures

Selected concepts: {oil dependency}, {tax avoidance}, {low value-added}, {commons authorities}, {non-expertism}, {non-consultant}, {weak monitoring}, {lack of appropriate policy-making}, {weak educational infrastructure}, {lack of scientific and research infrastructure}, {deterioration of transportation infrastructure}, {lack of modern energies}, {lack of modern industries}, {institutionalized poverty}, {corruption}.

Selected resources: {a-1062}, {a-1139}, {b-1512}, {b-2345}, {b-2346}, {b-2347}, {c-1029},

{c-1363}, {d-1271}, {d-1272}, {e-1321}, {e-1685}, {e-1731}, {f-2360}, {g-1451}, {h-2580}, {h-2586}, {h-2587}.

7. Underdevelopment of legislation

Selected concepts: {unaccountability}, {non-transparency}, {naïve voters}, {representatives' conflict of interest}, {lack of expertise}, {instability of laws}, {lack of modern laws}, {lack of effectiveness}, {spreading inequalities}, {weakness against corruption}, {law overload}, {capital flight}, {legal risks}, {increasing lawsuits}, {inefficient legislation}, {lack of improvement}, {irrelevancy}, {disagreement}.

Selected resources: {a-1139}, {a-1174}, {b-1643}, {b-1861}, {b-2045}, {b-2348}, {b-2349}, {c-1031}, {c-1062}, {d-1035}, {d-1038}, {e-1551}, {e-1445}, {f-1019}, {f-1020}, {g-1033}, {h-2587}, {h-2588}.

Source: The research findings, the part 3.

4.4. Social anomy

Social anomy refers to a state of society where there is a breakdown of social norms and values. It is a situation where there is a lack of moral guidance and social cohesion, leading to confusion and disarray among members of the community. In such a state, people may feel disconnected from one another and lack a sense of purpose or direction in life. This can lead to social unrest, crime, and other negative consequences. It is important because individuals and society need to work as a whole toward maintaining social order and promoting values that foster social unity and well-being (see Merton, 2017; Zhao and Cao, 2010). Social anomy is a dimension of the political economy of NPLs in Iran (see Batooli et al., 2024). Our evidence explains the concept from seven perspectives: (1) separation of people and government, (2) corruption, (3) poverty, (4) inequalities, (5) terrorism, (6) riots, and (7) young generations.

From the first perspective, there is a perceived separation between the Iranian people and the government that is rooted in demagoguery and not fulfilling promises. This is an outcome of the political economy's pressure on the Iranian people that spread social inequalities and poverty in the nation. The status has increased centripetal and centrifugal power in socioeconomic aspects that result in irresponsibility and social distrust in the

economy which increasingly induces financial and operational risk in the banking industry of Iran. From the second perspective, in recent years the Islamic Republic has suffered from widespread corruption in the economy. Most of these economic corruptions return to Iran's banking system, while supervision and regulations are unable to deal with them.

From the third perspective, Iranian people have a perceived public poverty in their socioeconomic lives. Because of this public imagination, the Islamic Revolution of 1979 emerged to protect vulnerable classes of poor people in Iran. However, the revolution has had many successful services to increase the general welfare of people, the poverty is still a motivational obstacle for fulfilling banking obligations in the economy.

From the fourth perspective, Iran has a long history of kingdoms, colonized by global powers, and feudalism. These past political economies have caused a stable social inequality in Iranian society. The goal of the Islamic Revolution was to save the Iranian people from internal and external colonialism and exploitation to end the historical inequality in Iranian society. However, the invasions and hostilities of foreigners, especially the United States, have failed this new political economy in achieving ideal social equality. Now, Iran's economy faces a triangle of substantial inequalities: monopolism, rent-seeking of foreigners, and information asymmetry. These structural problems decrease the allocational efficiency in the capital and money markets of Iran and result in incomplete contracts and NPLs. From the fifth perspective, Iran's national security is very fragile in front of internal and foreign terrorism. This insecurity decreases investment in the economy and Iranian banks face a risky condition for lending to provinces with low security, especially to border companies and projects. From the sixth perspective, the high frequency of riots in Iran and protesters' threats to national security, increasingly damage the economic stability of the country. Accordingly, Iranian companies always face a high fluctuation in their supply chains and target markets that increase the probability of credit defaults in the banking system of Iran. From the seventh perspective,

Iran has a very young population with high rates of unemployment, poverty, and many social problems. This condition potentially damages social capital and adherence of the society and decreases the productivity of the productive population of the country. The government has increased facilities availability for start-ups, fast-growing businesses, and knowledge-intensive companies to curb the social and security problems caused by them by increasing employment and income generation for the young community. This vulnerable political economy has exposed Iranian banks to the increase of NPLs. More detailed evidence about the social anomy dimension of NPLs in Iran is presented in Table 5.

Table 5. Social anomy dimension of NPLs in Iran

Dimension 4. Social anomy
<p>1. Separation of people and government</p> <p>Selected concepts: {robbery of work and tax}, {centripetal and centrifugal powers}, {irresponsibility}, {separatism}, {weakness of life standards}, {violation of democracy}, {anti-revolution}, {anarchism}, {prohibition of oppositions}, {hopelessness}, {social distrust}, {unaccountability}, {inequalities}, {injustice}, {poverty}, {underdevelopment}.</p> <p>Selected resources: {a-1010}, {a-1011}, {a-1129}, {a-1141}, {a-1159}, {a-1190}, {b-1836}, {b-2251}, {b-2350}, {b-2351}, {c-1002}, {c-1590}, {d-1052}, {e-1148}, {f-1153}, {g-1017}, {h-2595}, {h-2597}.</p>
<p>2. Corruption</p> <p>Selected concepts: {embezzlement}, {graft}, {defalcation}, {smuggling}, {tax avoidance}, {bribery}, {fake deals}, {speculation}, {monopoly}, {pseudo-privatization}, {peculation of state property}, {moral hazard}, {fake auction and tender}, {political rent}, {abuse of capital market}, {politicians' business}, {rape and murder}, {drug}, {political delegitimization}, {lack of monitoring}.</p> <p>Selected resources: {a-1076}, {a-1082}, {b-1510}, {b-1776}, {b-2352}, {b-2353}, {b-2354}, {c-1021}, {c-1385}, {d-1184}, {d-1212}, {e-1157}, {e-1355}, {f-1029}, {g-1001}, {g-1014}, {h-2597}, {h-2598}.</p>
<p>3. Poverty</p> <p>Selected concepts: {religious protection}, {anti-capitalism}, {reconstruction by charity}, {working for God}, {prohibition of luxuries}, {popular mobilization}, {permanent rescue committee}, {weak purchase power}, {ineffective planning}, {illiteracy}, {unemployment}, {underdevelopment}, {dependency}, {insecurity}, {class struggle in society}, {revolution},</p>

<p>{weak productions}, {lack of commodities}.</p> <p>Selected resources: {a-1028}, {a-1030}, {a-1043}, {a-1047}, {a-1137}, {a-1140}, {a-1181}, {b-1309}, {b-1796}, {b-1874}, {b-2355}, {b-2356}, {c-1436}, {d-1273}, {e-1685}, {f-1543}, {g-2019}, {h-2598}.</p>
<p>4. Inequalities</p> <p>Selected concepts: {negation of monarchism}, {reconstruction}, {housing by charity}, {conflict of classes}, {negation of tyrant}, {social injustice}, {negation of aristocracy}, {social conflicts}, {health risks}, {insecurity}, {exploitation}, {colonialism}, {corruption}, {monopolism}, {rent-seeking of foreigners}, {information asymmetry}, {illiteracy}.</p> <p>Selected resources: {a-1030}, {a-1032}, {a-1038}, {a-1194}, {b-1698}, {b-1981}, {b-2357}, {b-2358}, {c-1328}, {c-1442}, {d-1273}, {d-1274}, {e-3798}, {e-3799}, {f-2627}, {g-2018}, {h-2580}, {h-2598}.</p>
<p>5. Terrorism</p> <p>Selected concepts: {political violence}, {traditional violence}, {religious violence}, {violence against femmes}, {violence against militarism}, {insecurity in borders}, {regional terrorism}, {riots}, {coup}, {radical beliefs}, {capital flight}, {insecurity}, {poverty}, {injustice}, {intensifying inequality}, {underdevelopment}, {state terrorism}, {economic terrorism}.</p> <p>Selected resources: {a-1069}, {a-1070}, {a-1072}, {a-1073}, {a-1075}, {a-1076}, {a-1081}, {b-2359}, {b-2360}, {b-2361}, {b-2362}, {c-1427}, {d-1275}, {e-2968}, {f-1130}, {f-2037}, {g-1678}, {h-2587}.</p>
<p>6. Riots</p> <p>Selected concepts: {objection to the high price}, {objection to the elections}, {unauthorized financial institutions}, {gasoline price protest}, {femmes' right}, {human's rights}, {social injustice}, {national interest}, {underdevelopment}, {poverty}, {freedom of violence}, {inequalities}, {unsteady economy}, {unemployment}, {low income}, {sit-in}, {water crisis}, {electricity crisis}, {labor strikes}.</p> <p>Selected resources: {a-1143}, {a-1183}, {a-1197}, {b-1301}, {b-2231}, {b-2364}, {b-2365}, {c-1220}, {c-1590}, {d-1230}, {d-1232}, {e-2800}, {e-2801}, {f-1002}, {f-1044}, {g-1602}, {h-2585}, {h-2602}.</p>
<p>7. Young generations</p> <p>Selected concepts: {high unemployment}, {health insecurity}, {poverty}, {early marriage of girls}, {food insecurity}, {addiction}, {increasing divorce}, {lack of livelihood}, {lack of appropriate income}, {decreasing population}, {increasing immigration}, {separation from Islam}, {separation from the Islamic Revolution}, {cultural vulgarity}, {social unrest}.</p> <p>Selected resources: {a-1141}, {a-1181}, {b-1586}, {b-2191}, {b-2366}, {b-2367}, {c-1168}, {c-1178}, {c-1368}, {d-1271}, {d-1274}, {e-1738}, {e-1105}, {f-1197}, {g-1167}, {h-2585}, {h-2586}, {h-2587}.</p>

Source: The research findings, the part 4.

4.5. Iran's geographic demography

Geographic demography is the branch of demography that focuses on the spatial distribution of the population and its characteristics such as age, gender, race, and socioeconomic status. It involves analyzing the demographic patterns and trends of different geographic areas such as cities, states, and countries. This information can be used to understand the distribution of resources, plan for future population growth, and identify areas of need for social and economic development. Overall, geographic demography provides valuable insights into the diversity and complexity of human populations and their interactions with the environment (see Thomas, 2018; Murdock and Ellis, 1992). Our evidence shows that Iran's geography is one explanatory dimension of NPLs in this country and we indicate seven perspectives of its political economy: (1) drought, (2) rural expansion, (3) hot weather, (4) refugees, (5) immigration, (6) Human Development Index (HDI), and (7) natural disasters.

From the first perspective, Iran has experienced severe drought conditions in the past decades, particularly in recent years. This has resulted in significant losses in agriculture and livestock, as well as water shortages for many communities that severely threaten food security in the country. The government has implemented various measures to address the issue, including water conservation and management programs, as well as investing in new technologies to improve irrigation and crop yields. It's important to note that drought is a complex and multifaceted issue, and many factors contribute to its occurrence and severity. Because of the industrial underdevelopment in Iran, a considerable part of labor and fixed assets has been invested in agriculture. On the other hand, the government has increased mandatory facilities for agriculture to support Iran's food security during drought periods. However, agriculture is traditional and uneconomic in Iran and farmers consider banking facilities as a state compensation, grant, or subsidy for drought and they do not want to repay their facilities.

From the second perspective, Iran has a largely rural society that over 30 million people contain into itself. Agriculture is the primary source of income for many rural families, and the sector contributes significantly to the country's overall GDP. Traditional farming practices, such as irrigated farming, dryland farming, and horticulture, are prevalent in rural areas. The rural sector of Iran faces many challenges, including water scarcity, rural-urban migration, and limited access to credit and technology. However, the government has implemented various policies and programs to support rural development and improve the livelihoods of rural communities. These efforts include investments in infrastructure, education, healthcare, and social services. Overall, the rural sector plays a crucial role in Iran's economic and social development, and its sustainability is essential for the country's future. Its high importance forces the government to spend a large part of banking facilities to develop rural employment. Epidemic deprivation, shortage of intellectual capital, and economic underdevelopment of these areas incur a high default risk to banking rural facilities. From the third perspective, Iran is known for having a hot and dry climate, particularly in the summer months. Temperatures can often exceed 100 degrees Fahrenheit in many areas of the country. Hot weather can have both positive and negative effects on the economy. On one hand, industries such as tourism and outdoor recreation can see a boost in business during the summer months. Additionally, agricultural sectors may see increased crop yields due to the warmer temperatures. However, on the other hand, hot weather can also lead to decreased productivity and increased health risks for workers. Heatwaves can cause power outages and damage to infrastructure, leading to costly repairs and potential economic losses. Moreover, hot weather increases the cost of production in the economy, the uncompetitiveness of the market, the contagion of unemployment and internal immigration to urban areas, and socioeconomic conflicts in Iran. Accordingly, the banks face much housing finance for unemployed immigrant people, start-ups in urban areas, and state demands for developing

urban infrastructures. The unsteady political economy potentially contains a high rate of NPLs for Iran's banking system.

From the fourth perspective, Iran is one of the most acceptable destinations for immigrants in the Middle East. The country boasts a rich cultural heritage, a strong economy, and a welcoming atmosphere that attracts people from all over the region. These good conditions bring many refugees, especially from the neighbors to Iran. The illicit human movements have increased the unemployment crisis, housing crisis, smuggling, and drug and terrorism transit that intensify insecurity and low standards of life in the country. The political economy potentially provokes social dissatisfaction and divestment in Iran which faces banks with lower quality in their asset's portfolio.

From the fifth perspective, since the Islamic Revolution of 1979, Iran has faced a high rate of immigration as brain drains and capital flights. More important than that Iran has experienced a high brain drain in recent years due to several factors too. One of the primary reasons is the country's unstable political and economic climate, which has led many highly skilled professionals to seek out more stable and lucrative opportunities abroad. Additionally, the government's restrictive policies and regulations regarding education, employment, and research have further contributed to the brain drain problem. Other factors include limited career opportunities, low salaries, and a lack of intellectual and academic freedom. Overall, these factors have made it difficult for Iran to retain its top talent and have led to a significant loss of human capital. There are also several reasons why Iran has experienced high levels of capital flight in recent years. One of the primary factors is the country's unstable political and economic climate, which has led many investors and wealthy individuals to seek out more stable investment opportunities abroad. Additionally, the Iranian government's policies and regulations regarding foreign investment have been seen as restrictive and inconsistent, further discouraging foreign investment and exacerbating the problem of capital flight. Other factors contributing to the

problem include high levels of corruption, a lack of transparency in the country's financial sector, and concerns about the safety and security of assets held within Iran. Overall, these factors have created a challenging environment for investors and have made it difficult for Iran to attract the foreign investment it needs to support sustainable economic growth. The conditions exacerbate underdevelopment in the socioeconomic aspect of the country and threaten its growth and development. Weakened human capital and economic capital threaten the banking system because of high capital shortages and the lack of profitable business ideas and sustainable innovative productions.

From the sixth perspective, socioeconomic troubles have weakened the HDI in Iran. There are several reasons why Iran's HDI is low. One of the main factors is the country's economic situation, which has been affected by sanctions and political instability. This has resulted in high unemployment rates and a lack of access to basic resources, such as clean water and healthcare. Additionally, Iran has a high rate of inequality, with a small percentage of the population controlling a large portion of the country's wealth. Finally, there are also cultural factors that contribute to the low HDI, such as gender inequality and limited opportunities for education and personal development. Overall, addressing these issues will be crucial in improving socioeconomic development and ensuring a better quality of banking operations. In other words, banking stability is a function of the good operation of the economy due to its high HDI.

From the seventh perspective, natural disasters occur at a high frequency in Iran. There are several reasons for the geographic demography of the country. Firstly, Iran is located in a seismic zone, which makes it highly prone to earthquakes. In this regard, Iran experiences an average of one earthquake per day. Additionally, the country is also prone to flash floods, landslides, and sandstorms due to its arid climate. Deforestation and overgrazing have also contributed to the increased occurrence of natural disasters in Iran. Moreover, Iran's infrastructure is not equipped to handle

natural disasters, which exacerbates their impact and makes recovery efforts more difficult. The political economy of the Iranian government forces the banking system to reconstruct the damaged regions with payment of facilities. However, the poverty, deprivation, and vulnerability of injured people cause them not to repay the loans taken as aid, compensation, or subsidy from the government. Further information about the geographic demography of NPLs in Iran is presented in Table 6.

Table 6. Geographic demography of NPLs in Iran

Dimension 5. Iran's geographic demography
<p>1. Drought</p> <p>Selected concepts: {food insecurity}, {agricultural imports}, {rural poverty}, {air pollution}, {unemployment}, {foreign dependency}, {water violence}, {water riots}, {foreign tensions for water}, {uneconomic costs of products}, {financial crisis of farmers}, {state agriculture}, {closure of related industries}, {water mismanagement}.</p> <p>Selected resources: {a-1008}, {a-1059}, {b-1481}, {b-2091}, {b-2368}, {b-2369}, {b-2370}, {c-1598}, {c-1599}, {c-1600}, {d-1276}, {e-1073}, {e-1172}, {e-2147}, {f-1464}, {g-2019}, {h-2581}, {h-2605}.</p>
<p>2. Rural expansion</p> <p>Selected concepts: {health insecurity}, {educational inequalities}, {uneconomic products}, {traditional productions}, {cheap labour}, {low standards of life}, {natural disasters}, {tribal violence}, {capital shortage}, {poorness of infrastructure}, {unemployment}, {mismanagement}, {underdevelopment}.</p> <p>Selected resources: {a-1248}, {a-1249}, {b-1897}, {b-2059}, {b-2371}, {b-2372}, {c-1015}, {c-1601}, {c-1602}, {d-1277}, {d-1278}, {e-1745}, {e-2188}, {f-1474}, {f-1873}, {g-1035}, {h-2586}, {h-2595}.</p>
<p>3. Hot weather</p> <p>Selected concepts: {desertification}, {weakening agriculture}, {water crisis}, {energy crisis}, {health risks}, {uneconomic cost of products}, {immigration}, {poverty}, {disinvestment}, {underdevelopment}, {industrial shortage}, {low income}, {deprivation}, {environmental crisis}, {food dependency}, {riots}, {weakening the regime's legitimacy}, {insecurity}.</p> <p>Selected resources: {a-1250}, {a-1251}, {b-2229}, {b-2373}, {b-2374}, {b-2375}, {c-1183}, {c-1184}, {c-1377}, {d-1276}, {e-1073}, {e-1172}, {e-2147}, {f-1464}, {f-2000}, {g-2019}, {h-2584}, {h-2605}.</p>

4. Refugees

Selected concepts: {intensification of unemployment crisis}, {intensification of housing crisis}, {intensification of low income}, {intensification of product crisis}, {intensification of insecurity}, {intensification of low standards of life}, {intensification of terrorist}, {intensification of nationalism}, {intensification of smuggling}, {intensification of social dissatisfactions}, {riots}, {divestment}.

Selected resources: {a-1252}, {a-1253}, {b-2376}, {b-2377}, {b-2378}, {b-2379}, {c-1603}, {c-1604}, {d-1279}, {d-1280}, {e-3802}, {e-3803}, {f-2628}, {f-2629}, {f-2630}, {g-2020}, {g-2021}, {h-1188}.

5. Immigration

Selected concepts: {brain drain}, {capital flight}, {the fall of entrepreneurship}, {development limitation}, {university evacuation}, {lack of physicians}, {lack of specialists}, {lack of talents}, {lack of management}, {weakening inventions}, {weakening GDP}, {weakening social capital}, {weakening national security}, {lack of technology}, {lack of modernism}, {lack of industrialization}, {lack of productivity}.

Selected resources: {a-1062}, {a-1091}, {b-2176}, {b-2380}, {b-2381}, {b-2382}, {c-1590}, {c-1605}, {c-1607}, {c-1608}, {d-1281}, {e-3804}, {f-2631}, {g-2022}, {h-2584}, {h-2595}, {h-2602}, {h-2604}.

6. HDI

Selected concepts: {shortage of human capital}, {distributional injustice}, {general deprivation}, {poverty threshold}, {institutional causes}, {expensiveness}, {lack of social security}, {disparity}, {disabilities}, {homelessness}, {food security}, {health expenses}, {lack of specialists}, {environmental pollutions}, {urban congestion}.

Selected resources: {a-1166}, {a-1254}, {a-1255}, {b-1463}, {b-1685}, {b-1735}, {b-1892}, {c-1215}, {c-1216}, {c-1217}, {d-1243}, {e-1023}, {f-1197}, {g-1026}, {h-2587}, {h-2599}, {h-2601}, {h-2602}.

7. Natural disasters

Selected concepts: {flood}, {earthquake}, {cold wave}, {tornado}, {heat wave}, {drought}, {avalanche}, {tropical cyclone}, {dust storm}, {drying up of rivers and lacks}, {wildfire}, {casualties}, {animal damage}, {agricultural losses}, {overexploitation}, {drying up of aquifers}, {extreme urban sprawl}, {deforestation}, {pandemic}.

Selected resources: {a-1256}, {a-1257}, {b-1002}, {b-2383}, {b-2384}, {b-2385}, {c-1476}, {c-1587}, {c-1588}, {d-1255}, {d-1256}, {e-2041}, {e-3367}, {f-1518}, {f-1464}, {g-1012}, {h-2580}, {h-2605}.

Source: The research findings, the part 5.

5. Conclusion and suggestions

We explain the political economy of NPLs in Iran's banking system. Our results show how a weak and vulnerable political economy induces socioeconomic externalities in a country. We use qualitative expressions of official authorities and pundits of Iran about NPLs to depict a pentagon-pillar map of the political economy of the Islamic Republic of Iran that changes the socioeconomic foundations of the country. We show that the government anomalies stimulate an unsteady conditions space that has caused bank resources to be diverted towards stable and developmental economic activities, thereby destroying the social welfare of the country. These results are consistent with the findings of Levy et al. (2022), which say uncertain politics provoke populism in a government. Also, our findings show that Iran has fragile security because of its disagreement with the prevailing world order. These conditions not only discourage the stabilization of the economy but also provoke capital flights and brain drains that significantly deepen socioeconomic underdevelopment as well as threaten the economic security of the banking system. In other words, the political economy promotes closed markets with very high entropy that incurs high uncertainty and risk to the economy and the banking system. We can compare the result with Schelkle and Bohle (2021) who argue that Anglo-American counterparts and Scandinavian welfare states could build stable favorable economic growths when they promoted global open markets.

We explain the economic Identity of Iran and how it induces NPLs in the economy. Iranian people generally perceive socioeconomic development from technological and institutional aspects. The historical underdevelopment not only provokes social unrest but also spreads socioeconomic inefficiencies that cause disruption, turbulence, and fragility in the economic and banking system. Consistent with these results, Trentmann (1998) indicates that the political economy has a crucial role in shaping national identity, social self-development, and moral ideas, what an

economy needs to transform itself toward an evolutionary development. On the other hand, Iranian people suffer from social anomie, a complex socioeconomic problem that melts down the social capital of the nation. These conditions face the banking system with unconditional socioeconomic powers that threaten and weaken the politicoeconomic stability of the country. Finally, the geographic demography of Iran is also very susceptible to socioeconomic crisis because of its poor climate and weakening human geography. These conditions cause the political economy of the country to increasingly pressure the banking system towards saving the regime's interests and it threatens the economy and the banking system with the surges of hyperinflation and NPLs. According to these results, Hardie (2011) says that if a political economy abuses the banking system, this society will be doomed to monetary collapse and financial crises.

We contribute to the NPLs literature by uncovering hidden socioeconomic layers of the banking system of Iran. The new results provide determinable indices to reformulate the political economy and public policies. The evidence also has rich insights into modern economic underdevelopment and financial crises for both developed and developing societies. Based on the research findings, we propose several and various important propositions. First, this research shows the government, foreign policy, economy, society, and geography of Iran have context-specific attributes that not only are not comparable with other countries but also are not a separable attribute from each other, i.e., this country needs an integral long-term strategic planning for creating a comprehensive systematic roadmap for the pentagon pillars of the Iranian banking system. Second, we explain NPLs as a summary index of the political economy of Iran and the effectiveness of governmental policies about it. This contribution provides an early warning system for the general policies of the government. Third, our multidimensional framework presents a comprehensive multi-criteria system for governmental decision-making and policy-making to mitigate their externalities and unfavorable consequences. Fourth, the present

research explains an economy and its sub-systems in a united framework that shows the critical policy-making and evaluation keys of a government, foreign policy, economy, society, and geography of a country that has flexibility to become context-specific for analyzing the political economy of other countries' banking systems.

These suggestions provide a roadmap toward increase the economic security of Iran and its banking system with strategic planning around the dimensions of the critical cores of the Iranian political economy. The findings not only extend the research of Batooli et al. (2024), but also provide complementary explanations for the Iranian economic security from a novel view, the banking political economy of this country.

The limits of the present research are a lack of transparency and high confidentiality in official organizations and the banking system of Iran to conduct direct deep-field inquiries and to receive more detailed reliable evidence about the quantity and quality of NPLs, the political economy, and its socioeconomic externalities.

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Authors' contributions

All authors had contribution in preparing this paper.

Conflicts of interest

The authors declare no conflict of interest.

Notes

1. The data of this research is publicly available from the official websites of Iran. The data resources are detailed in a supplementary file of this research at the Mendeley Data, <https://doi.org/10.17632/8rt4kwt979.1>
2. The *Imam Khomeini's Book* is a comprehensive collection of the Imam's speeches, lectures, letters, and discourses. This collection contains all the oral and written statements of Imam Khomeini in twenty-two volumes. This collection begins with the first existing letter of his written on March 21, 1933, and ends with the last letter written on May 18, 1989, about two weeks before his death (see Imam Khomeini, 2023a, 2023b).
3. The Constitution of the Islamic Republic of Iran was first approved in 1979 and revised two months after the death of Imam Khomeini in 1989 (see The Constitutional Council, 1979, 1989).

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