

The Role of Corruption Control and Geopolitical Risks in Shaping Economic Growth of Low-Income OIC Economies

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Abstract

This study investigates the relationship between control of corruption, geopolitical risks, and economic growth among low- and lower-middle-income economies within the Organisation of Islamic Cooperation (OIC). Despite the OIC's abundance of natural and human resources, 33 out of 57 member countries remain trapped in the middle-income stage, struggling to achieve the Sustainable Development Goals (SDG 8 and SDG 16), which emphasize inclusive growth and strong institutional governance. Using annual data for 21 OIC countries from 1996 to 2023, the study employs descriptive and correlation analyses within the framework of endogenous growth theory and the political-economy growth model. The findings reveal that control of corruption, human capital, and trade openness are positively correlated with economic growth, while geopolitical risks show an insignificant relationship, suggesting that institutional and structural factors are more critical to growth than external instability. Moreover, the strong link between governance and GDP underscores the vital role of institutional quality in sustaining economic progress. Policy recommendations include strengthening anti-corruption frameworks, investing in education and human capital development, and promoting trade integration to enhance resilience against global uncertainties. Future studies should extend the analysis using dynamic panel estimation to capture the long-term effects of governance and risk on growth direction.

Keyword: *Corruption Control; Geopolitical Risks; Low-Income OIC Economies*



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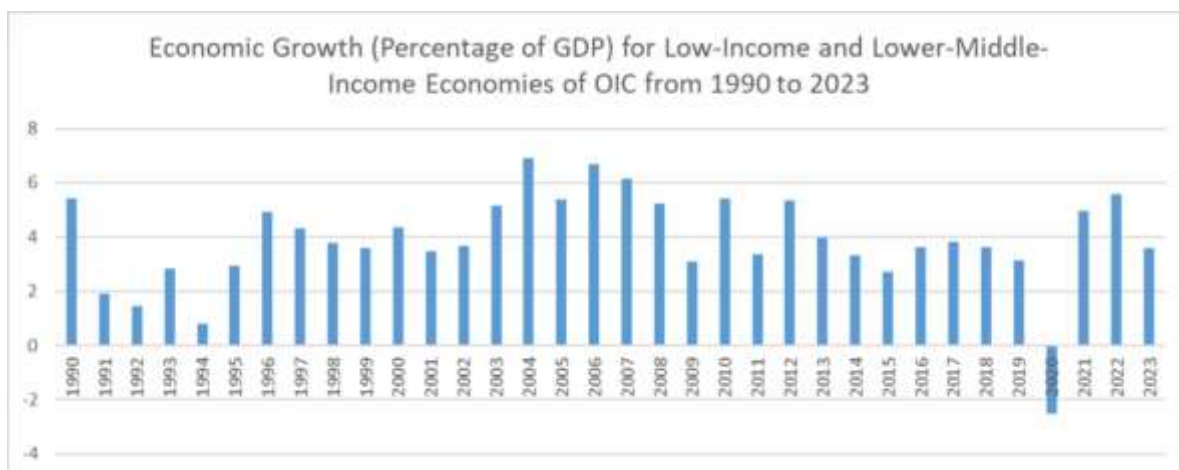
Introduction

The member states of the Organisation of Islamic Cooperation (OIC) collectively possess abundant natural resources, a large young and Muslim-majority population,

and significant potential for growth and structural transformation. However, despite these endowments, a large proportion of OIC members continue to face developmental constraints. According to the Statistical, Economic and Social Research and Training Centre for Islamic Countries (SESRIC) 2024 report, 33 of the 57 OIC countries remain trapped in the middle-income bracket, unable to achieve the transition to high-income status.

Moreover, the OIC as a group continues to lag behind on key targets of the Sustainable Development Goals: for instance, SDG 8 "Decent Work and Economic Growth", envisages least developed countries achieving sustained growth of at least 7 percent per annum, a threshold many OIC low-income members have yet to approach. Based on Table 1, none of the percentage of GDP for low-income and lower-middle-income economies of OIC have reach 7 percent for the past 33 years. At the same time, SDG 16 which focuses on peace, justice and strong institutions, underscores the critical role of governance and institutional quality in enabling growth. Recent analyses of OIC countries highlight persistent gaps in institutional effectiveness, transparency and corruption control that hinder inclusive development.

Table 1: Percentage of Economic Growth for Low-Income and Lower-Middle-Income Economies of OIC from 1990 to 2023



Sources: World Development Indicator, 2024

Against this backdrop, three broad issues emerge that merit deeper investigation in the OIC context. The first is the growing prevalence of geopolitical risk (GPR) across many OIC states, conflicts, regional instability and external shocks have become recurrent features, undermining investor confidence, disrupting trade and destabilising growth direction. The second issue is the pervasive weakness of institutional governance, especially control of corruption (CC), which remains low in many OIC low-income and lower-middle income countries and continues to hamper investment, innovation and productivity. The third category of issues relates to core structural growth determinants, specifically trade openness, human capital accumulation (HC) and gross capital formation (GCF), which, according to endogenous growth theory, underpin longer-term growth. Structural constraints in

these control variables mean that many OIC countries struggle to fully benefit from their endowments and the global economy.

The problem statement of this study is thus rooted in the persistent underperformance of low-income and lower-middle income OIC economies despite their resource base and demographic advantages. The motivation for this research stems from the empirical gap: while there is considerable literature on growth, institutions and shocks in developing countries, few studies focus exclusively on OIC low-income and lower-middle income states, and even fewer examine how geopolitical risk and corruption relate to growth in this specific group through correlation and descriptive analysis. Therefore, this study seeks to contribute to the literature by narrowing the focus to these OIC economies, offering fresh insights and policy-relevant findings.

To this end, this study has two main objectives. First, it aims to conduct a comprehensive descriptive statistical analysis of the key variables which are GDP, GPR, CC, trade openness, human capital and gross capital formation for low-income and lower-middle income OIC countries, thereby delineating patterns, distributions and structural heterogeneity within this group. Second, it aims to explore the correlation relationships between economic growth and the aforementioned determinants (geopolitical risk, corruption control, trade, human capital and investment) within the selected OIC sample, thereby shedding light on the associations (positive or negative) that may inform further investigations or policy dialogue.

The remainder of this paper is organised as follows. The next section presents the theoretical underpinnings and literature review, followed by the data sources and methodology. The ensuing section offers the results and discussion of the **descriptive and correlation analyses**. **Finally, the paper closes with a summary of findings, policy implications and suggestions for future research.**

Underpinning Theories and Literature Review

Underpinning Theories

The theoretical foundation of this study is primarily anchored in the endogenous growth model, which emphasizes the role of internal factors—such as human capital accumulation, technological progress, institutional quality, and investment—in driving long-term economic growth. Unlike the neoclassical model, which assumes diminishing returns to capital and exogenous technological change, the endogenous growth framework, pioneered by Romer (1986) and Lucas (1988), posits that productivity improvements are the result of purposeful investments in education, innovation, and institutional development. Within this framework, variables such as human capital (HC) and gross capital formation (GCF) act as the main engines of sustained economic expansion by enhancing the efficiency of production and innovation. Meanwhile, trade openness (TRADE) facilitates knowledge diffusion and technology transfer across borders, further strengthening endogenous productivity gains. Institutional quality, represented in this study by control of corruption (CC), also plays a crucial role in shaping the incentives for investment and innovation—

weak governance and high corruption levels distort resource allocation, discourage private investment, and ultimately constrain the process of self-sustained growth envisioned by endogenous growth theory.

Complementing this perspective, the study also draws on the political-economy growth theory developed by Alesina and Perotti (1996), which highlights the impact of political stability, governance, and distributional conflicts on economic performance. According to this theory, political instability and weak institutional structures, often reflected through high levels of corruption, policy uncertainty, and social unrest undermine investor confidence and reduce the effectiveness of capital accumulation. Conversely, stable and transparent political institutions foster credibility, attract investment, and promote efficient policy implementation, which are essential for long-term growth. The inclusion of geopolitical risk (GPR) within this framework allows the model to capture how external instability and regional conflicts can interact with domestic political and institutional environments, amplifying or dampening their effects on economic performance. Therefore, by integrating the endogenous growth model with the political-economy theory, this study provides a comprehensive explanation of how internal structural factors and external political conditions jointly determine the growth trajectory of low- and lower-middle-income OIC economies.

Literature Review

Economic growth has long been examined through multiple theoretical lenses, but the endogenous growth theory remains the most relevant for explaining internal drivers of development such as innovation, human capital, trade, and institutional quality (Romer, 1990; Barro, 1991). This theory emphasizes that policy and governance choices determine a nation's capacity to sustain productivity and technological advancement. A vast body of research supports this framework, showing that macroeconomic and institutional variables—including geopolitical stability, corruption control, trade openness, capital formation, and human capital—shape the growth trajectory of nations. Studies such as Rodrik (2002), Omran and Bolbol (2003), and Tridico (2006) have confirmed that structural reforms, liberalization, and domestic investment are critical for long-term growth. Similarly, Redmond and Nasir (2020), Hayat et al. (2021), and Sultana et al. (2022) reinforce that countries with sound governance and robust domestic investment experience higher and more stable economic expansion, validating the policy-driven mechanisms emphasized by the endogenous growth model.

Among these determinants, institutional quality, especially control of corruption (CC) has received growing empirical attention due to its decisive role in shaping productivity and investment incentives. Alesina and Perotti (1996) argue that political instability and weak institutions suppress private investment and growth, while strong corruption control enhances market efficiency and capital allocation. Empirical work by Ajide (2014), Daniel and Chasco (2016), and Cieslik and Goszek (2018) provides consistent evidence that governance reforms significantly strengthen growth

outcomes in developing economies. These findings imply that the institutional environment acts as a key transmission channel between macroeconomic policies and long-run development. However, corruption remains pervasive in many developing and OIC economies, weakening policy credibility and deterring foreign and domestic investors, an issue particularly relevant for low- and lower-middle-income OIC members where institutional capacity remains fragile.

Recent studies have extended growth analysis to include geopolitical risk (GPR) as a major external factor affecting economic stability. Research by Soybilgen et al. (2019), Adedoyin (2020), and Akadiri et al. (2020) finds that heightened geopolitical tension reduces growth through declining investor confidence, lower trade volumes, and fiscal diversion toward defense spending. Nevertheless, the effects are uneven across countries, some resource-dependent economies exhibit resilience, while others experience prolonged stagnation. Studies by Cao et al. (2023) and Sweidan and Elbarghati (2023) further emphasize that the impact of GPR is conditional on institutional strength; economies with weak governance suffer amplified shocks, whereas those with robust institutions mitigate risks effectively. This reinforces the argument that political and institutional quality moderates the relationship between external risks and domestic economic performance, an aspect critical for OIC nations frequently exposed to geopolitical instability.

In line with the endogenous growth theory, several structural variables such as trade openness (TRADE), human capital (HC), and gross capital formation (GCF)—continue to serve as fundamental growth drivers. Empirical evidence shows that open economies grow faster by accessing foreign technology, knowledge spillovers, and global markets (Sachs & Warner, 1997; Romer, 1990). Studies such as Cinyere et al. (2022), Guo et al. (2018), and Pang et al. (2023) confirm that trade openness fosters growth in both resource-rich and emerging economies, while human capital development enhances productivity and innovation (Sunde & Vischer, 2012; Cinnirella & Streb, 2017; Zhang & Wang, 2021). Similarly, research on gross capital formation as a proxy for physical investment, shows a consistently positive effect on growth (Etokakpan et al., 2020; Hardy et al., 2023; Khan et al., 2023). Collectively, these studies highlight the reinforcing roles of trade integration, education, and investment in sustaining growth within developing contexts.

Despite these advances, empirical findings remain mixed, particularly for low-income and lower-middle-income economies. Some studies report that trade openness or education does not always yield positive outcomes, especially when institutional frameworks are weak, inequality is high, or absorptive capacity is limited (Güngör, 2010; Balog, 2021). Similarly, geopolitical instability and corruption may offset the benefits of openness and investment, implying that growth-enhancing effects depend heavily on governance quality and political stability. For many OIC members, such as those in Sub-Saharan Africa, the Middle East, and Central Asia, the interaction between external shocks and institutional weaknesses remains underexplored.

Overall, while the literature establishes strong theoretical and empirical links between growth and its determinants, a clear research gap exists concerning low- and lower-

middle-income OIC countries. Most previous studies either focus on broader developing-country panels or specific high-income OIC members, leaving limited evidence for how geopolitical risk and corruption jointly influence growth in resource-rich but institutionally constrained economies. Moreover, little attention has been given to purely descriptive and correlational examinations that capture the structural variability and interdependence of these variables within the OIC context. Addressing this gap is vital to understanding why many OIC members remain trapped in low or middle-income status despite resource abundance and to inform policies that strengthen institutional resilience and sustainable growth.

Method

Sources of Data

This study employs secondary panel data encompassing a sample of low- and lower-middle-income member countries of the Organisation of Islamic Cooperation (OIC). The dataset covers the period 1996 to 2024, depending on the availability of indicators for each variable. The economic growth (GDP) data were obtained from the World Development Indicators (WDI) published by the World Bank, where GDP is measured by Gross Domestic Per capita Income in 2015 constant U.S. dollars to ensure comparability across time and countries. The trade openness (TRADE) and gross capital formation (GCF) variables, expressed as percentages of GDP, were also extracted from the WDI database, representing the ratio of total exports and imports to GDP and the share of investment in fixed assets, respectively. Human capital (HC) data were sourced from the Penn World Table (Version 11.0), which constructs the human capital index based on years of schooling and returns to education, while the Control of Corruption (CC) indicator was drawn from the Worldwide Governance Indicators (WGI) compiled by the World Bank, with higher scores indicating stronger institutional control of corruption.

The Geopolitical Risk Index (GPR) was derived from the database developed by Caldara and Iacoviello (2018), maintained by the Federal Reserve Bank of Dallas, which quantifies geopolitical uncertainty based on the frequency of newspaper references to political tensions, wars, and terrorism. All data were transformed into panel format to align with the study's cross-country, time-series structure. To mitigate the effect of short-term volatility, missing years in the GPR and CC series were interpolated where appropriate using the most recent available value. Each variable was harmonized by ensuring consistent units of measurement: indices (GPR, CC, HC) and percentages of GDP (TRADE, GCF), while GDP was expressed in logarithmic form for empirical estimation. The dataset thus combines macroeconomic, institutional, and geopolitical dimensions to investigate the multifaceted drivers of growth in the OIC economies.

Methodology

This study adopts a quantitative descriptive research design using secondary panel data to examine the relationship between geopolitical risks (GPR), control of

corruption (CC), trade openness (TRADE), human capital (HC), gross capital formation (GCF), and economic growth (GDP) among low- and lower-middle-income member countries of the Organisation of Islamic Cooperation (OIC). The analysis was conducted using Stata 17 software, focusing on two main statistical techniques: descriptive analysis and correlation analysis. Descriptive analysis was first employed to summarize the central tendency and dispersion of the variables through their mean, standard deviation, minimum, maximum, skewness, and kurtosis values. This step provided an overview of the data's statistical distribution, highlighted the degree of variability across countries and years, and identified any asymmetry or concentration in the data.

The descriptive statistics revealed substantial heterogeneity among OIC countries in both economic and institutional indicators. GDP and trade openness exhibited high variation and positive skewness, reflecting structural imbalances in the sample, where a few larger and more diversified economies, such as Egypt, Pakistan, and Morocco, dominate regional output and trade activities, while smaller economies like The Gambia, Niger, and Togo contribute marginally. Likewise, the wide range in GCF and HC indicated differences in investment capacity and educational advancement across countries. The inclusion of skewness and kurtosis further enhanced the analysis by identifying deviations from normality, which are essential for understanding data dispersion and potential outliers before conducting correlation analysis.

Following the descriptive stage, a Pearson correlation analysis was performed to measure the strength and direction of linear relationships between GDP and its key determinants (GPR, CC, TRADE, HC, and GCF). The correlation matrix provided insight into whether changes in one variable tend to be associated with changes in another, thus offering a preliminary understanding of the economic dynamics within the OIC group. Statistical significance was assessed at the 5 percent level to determine the robustness of these associations. The results indicated significant positive correlations between GDP and CC, HC, and TRADE, implying that higher levels of institutional integrity, education, and trade openness are closely associated with stronger economic performance.

The correlation analysis also helped identify potential interdependencies among the explanatory variables themselves. For instance, the positive relationship between TRADE and HC suggested that countries with more skilled labor forces are better positioned to participate in global trade, while the moderate correlation between TRADE and GCF highlighted that open economies attract greater investment. Conversely, the weak correlation between GDP and GPR confirmed that geopolitical uncertainty exerts limited short-term influence on growth among the sampled countries. Overall, the combined use of descriptive and correlation analyses provided a clear, systematic understanding of the data structure and relationships among variables, forming a strong empirical foundation for further inferential or causal investigations in future research

Result and Discussion

Result for Descriptive Analysis

This is unbalanced data set for each variables. The descriptive analysis presented in Table 2 highlights considerable variation among the economic indicators of low- and lower-middle-income OIC economies. The average real GDP value of 1,231 million (SD = 929) shows that output levels differ widely across the sample, confirming structural disparities in production capacity. The smallest GDP (0.5 billion) occurred in The Gambia (1996), whereas the highest (4,155 billion) was observed in Egypt (2023), reflecting the contrast between small domestic markets and diversified economies such as Egypt, Pakistan, and Morocco. This large dispersion and the high positive skew (1.46) further indicate that only a few countries dominate total OIC economic activity, while most remain small and less industrialized.

Table 2: Descriptive Analysis

Variable	N	Mean	Std. D	Min	Max	Skew.	Kurt.
GDP	580	1 231.20	929.04	0.50	4 155.0	1.46	4.64
GPR	580	101.13	31.49	50.91	176.30	0.90	3.08
TRADE	577	56.87	27.81	2.46	181.59	1.35	5.03
HC	560	1.78	0.58	1.05	3.57	1.26	3.79
GCF	577	22.37	8.63	0.29	56.40	0.67	4.16
CC	500	-0.73	0.39	-1.60	0.28	0.17	2.35

The Geopolitical Risk (GPR) index averaged 101.13 points (SD = 31.49) with a maximum of 176.30 in 2022, corresponding to the post-pandemic global tensions and Russia-Ukraine conflict that disrupted supply chains and commodity prices. The minimum of 50.91 in 1997 aligns with the relatively stable post-Cold-War environment. The moderate skew (0.90) implies that high-risk years are less frequent but have a pronounced effect on the mean. Overall, the GPR pattern suggests that OIC countries, though not all directly involved in global conflicts, remain exposed to external geopolitical shocks through trade and investment channels.

Trade openness averaged 56.87 % of GDP, showing that these economies are moderately integrated with global markets. However, the wide dispersion (SD = 27.81; range \approx 2.46 – 181.59) underscores major differences in international engagement. The lowest trade ratio (2.46 %) was recorded in Sudan (1998), reflecting sanctions and limited export diversification, while the highest (181.59 %) occurred in Morocco (2019), a result of active trade liberalization and integration with the EU. Similarly, gross capital formation (GCF) averaged 22.37 % of GDP, with a minimum of 0.29 % in Sierra Leone (1999) and a maximum of 56.40 % in Uzbekistan (2020), indicating that investment capacity varies substantially across the OIC group. The right-skewed distributions of both variables imply that a few countries drive most of the trade and investment activity within the sample.

Institutional indicators show persistent governance and human-capital gaps. The Human Capital Index (HC) averaged 1.78 (points, SD = 0.58), with the lowest value (1.05) in Niger (1998) and the highest (3.57) in Tunisia (2023), confirming that education and skills accumulation remain concentrated in a few reform-oriented

states. The Control of Corruption (CC) index averaged -0.73 ($SD = 0.39$), far below the global average of 0, signifying systemic governance weaknesses. The weakest score (-1.60) was observed in Sudan (1996), while the strongest (0.28) belonged to Morocco (2023). The overall pattern indicates that despite gradual institutional improvement, corruption control remains limited in most low-income OIC members—potentially constraining the positive effects of human capital, trade openness, and investment on economic growth.

Result for Correlation Matrix

The correlation matrix in Table 3 provides a preliminary overview reveal distinct patterns across the variables that explain the growth–institutional nexus in low- and lower-middle-income OIC economies. The most robust association was found between economic growth (GDP) and control of corruption ($r = 0.3776^*$), suggesting that countries with stronger governance frameworks and lower levels of corruption experience higher and more stable economic performance. This result underscores the importance of institutional quality as a critical driver of economic efficiency and investor confidence. In contrast, geopolitical risk (GPR) exhibited only a weak and statistically insignificant correlation with GDP ($r = 0.0286$), implying that short-term geopolitical instability has a limited direct effect on aggregate output. Meanwhile, trade openness ($r = 0.1964^*$) and human capital ($r = 0.3175^*$) both show significant positive correlations with GDP, highlighting their importance as structural enablers of productivity and integration into the global economy. Gross capital formation (GCF) is also positively related to growth, albeit weakly, whereas the correlation between human capital and control of corruption ($r = -0.3281^*$) suggests a complex relationship in which rising education levels may increase the public’s awareness of governance weaknesses rather than reflect deteriorating institutional quality.

Table 3: Correlation Matrix

Variables	GDP	GPR	TRADE	HC	GCF	CC
GDP	1					
GPR	0.0286	1				
TRADE	0.1964 *	-0.0055	1			
HC	0.3175 *	0.0283	0.4996 *	1		
GCF	0.0762	-0.0010	0.3778 *	0.1184 *	1	
CC	0.3776 *	0.0333	0.0920 *	-0.3281 *	0.0908 *	1

Notes: * Significant at 5 % level

These findings are consistent with the endogenous growth theory, which posits that human capital, investment, and institutional strength are key internal drivers of long-term growth (Romer, 1990; Barro, 1991). The strong GDP–CC link mirrors the conclusions of Alesina and Perotti (1996) and Ajide (2014), who demonstrated that institutional stability and effective governance foster investment efficiency and innovation. Similarly, Daniel and Chasco (2016) and Cieslik and Goszek (2018) emphasize that corruption undermines resource allocation and reduces the growth

potential of developing economies. Within the OIC context, where governance challenges remain pervasive, this positive relationship reinforces the argument that strengthening corruption control mechanisms is essential for transforming natural and financial resources into sustained economic expansion. The finding also resonates with Redmond and Nasir (2020), who noted that institutional effectiveness amplifies the growth effects of other policy variables such as trade and capital accumulation.

The weak correlation between geopolitical risk (GPR) and GDP contradicts earlier works by Soybilgen et al. (2019) and Akadiri et al. (2020), which found significant negative effects of geopolitical instability on growth. However, this discrepancy can be explained by the structural resilience of certain OIC economies that continue economic activity despite chronic instability. For example, Adedoyin (2020) observed that in low-income nations with high aid inflows or informal economic sectors, short-term disruptions caused by conflicts or regional tensions may not immediately appear in GDP statistics. Furthermore, Cao et al. (2023) and Sweidan and Elbarghati (2023) contend that GPR effects are often nonlinear and conditioned by governance strength, economies with stronger institutions can buffer against geopolitical shocks, whereas fragile states experience magnified impacts. Hence, the weak correlation in this study supports the hypothesis that institutional quality mediates the link between external instability and growth, consistent with the political-economy growth theory by Alesina and Perotti (1996).

The positive correlations between trade openness, human capital, and gross capital formation confirm the endogenous growth literature's emphasis on structural factors. The significant link between trade and human capital ($r = 0.4996^*$) supports Sachs and Warner (1997) and Guo et al. (2018), who found that open economies benefit from technology diffusion and skill enhancement through global integration. Similarly, Sunde and Vischer (2012) and Cinnirella and Streb (2017) highlight that human capital acts as a conduit for innovation and technology absorption, magnifying the productivity gains from trade liberalization. The observed positive association between trade openness and GCF ($r = 0.3778^*$) aligns with Etokakpan et al. (2020) and Khan et al. (2023), who reported that trade expansion stimulates domestic investment by improving market access and competitiveness. However, the inverse relationship between HC and CC ($r = -0.3281^*$) reflects a perception paradox, as discussed by Khalfaoui and Derbali (2021), whereby higher education and awareness increase public scrutiny of corruption, leading to lower perceived governance scores despite institutional progress.

Finally, the weak yet positive relationship between gross capital formation, human capital, and control of corruption supports Romer's (1986) proposition that both physical and human capital accumulation are essential for self-sustaining growth, but their efficiency depends on governance quality. This finding aligns with Hardy et al. (2023) and Pang et al. (2023), who found that investment and education jointly enhance productivity, though the magnitude of their effects varies by institutional strength. Collectively, the results of this study reinforce the theoretical premise that growth in low- and lower-middle-income OIC economies is primarily driven by

internal structural and institutional factors, rather than by external geopolitical conditions and that improving governance, expanding human capital, and promoting trade openness are crucial for achieving long-term economic resilience and sustainable development.

Summary and Conclusion

The findings of this study reveal that economic growth in low- and lower-middle-income OIC economies remains modest and highly volatile over the period 1990–2023. The descriptive analysis indicates substantial disparities in GDP performance, with only a few countries, such as Egypt, Pakistan, and Morocco, recording consistent upward trends, while smaller economies like The Gambia, Niger, and Sudan experienced slower or fluctuating growth. Although these countries possess abundant natural resources, the variation in governance quality and structural capacity constrains their ability to convert resource wealth into sustainable development. The correlation analysis further supports this conclusion, showing that economic growth is significantly and positively associated with trade openness, human capital, and control of corruption, but only weakly related to geopolitical risk. This suggests that internal institutional and structural factors are more influential than external shocks in determining economic performance among OIC low- and lower-middle-income members.

Based on these findings, several policy implications can be drawn. OIC countries, particularly those in the low-income and lower-middle-income categories, should prioritize strengthening governance systems and institutional quality, as improved control of corruption strongly correlates with higher growth. Governments need to enhance transparency, accountability, and judicial independence to build investor confidence and improve resource allocation efficiency. At the same time, policies that expand trade openness, such as regional integration initiatives and the reduction of non-tariff barriers, should be coupled with long-term investments in education and skills development to build human capital. Encouraging gross capital formation through targeted fiscal incentives, infrastructure expansion, and private-sector participation will also accelerate productivity and innovation. Furthermore, proactive diplomatic engagement and conflict-resolution mechanisms within the OIC framework could mitigate geopolitical risks that indirectly hinder economic stability and cross-border investment.

For future research, this study can be extended in several ways. First, while this paper focuses on descriptive and correlation analyses, future studies should apply advanced econometric techniques, such as panel regression, dynamic GMM estimation, or nonlinear models, to establish causality and examine long-run versus short-run effects. Second, incorporating additional institutional variables, such as political stability, government effectiveness, and rule of law, would enrich the understanding of governance–growth dynamics. Third, researchers may consider disaggregating the OIC sample by subregions (e.g., MENA, Sub-Saharan Africa, Central Asia) to capture spatial heterogeneity in economic performance. Lastly, exploring the interaction

between natural resource dependency and governance quality could provide deeper insights into how resource wealth can be transformed into sustainable growth across OIC economies.

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