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Research Article

THE POLITICAL ECONOMY OF ISLAM: ANALYZING THE INTERSECTION OF POLITICS, ECONOMICS, AND FAITH IN MUSLIM SOCIETIES

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Abstract

The interaction between politics, economics, and faith continues to shape institutional development, governance practices, and socioeconomic outcomes across Muslim societies. Islamic principles influence public policy, economic behavior, social welfare systems, and perceptions of political legitimacy, This study aims to analyze the intersection of political institutions, economic structures, and Islamic values in contemporary Muslim societies and to examine how these dimensions collectively influence governance effectiveness and social development. A mixed-methods comparative research design was employed, integrating quantitative indicators of governance, economic performance, Islamic finance penetration, and institutional trust with qualitative analysis of policy frameworks, religious institutions, and development practices across selected Muslim-majority countries. Findings reveal that governance effectiveness plays a central role in mediating the relationship between faith-based institutions and socioeconomic outcomes. Results further indicate that religious values contribute positively to development when supported by accountable political and economic institutions. The study concludes that the political economy of Islam is best understood as a dynamic interaction among governance structures, economic systems, and faith-based values, where institutional capacity.

Keywords: Economic Development, Governance Effectiveness, Islamic Finance

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INTRODUCTION

Islam represents one of the most influential civilizational traditions in human history, shaping not only spiritual beliefs and ethical values but also political institutions, economic systems, and social relations across diverse societies. More than a religion confined to personal devotion, Islam offers normative principles concerning governance, wealth distribution, social justice, market conduct, and public accountability (Costa, 2025; X. Yang, 2024). Contemporary Muslim societies continue to engage with these principles while simultaneously confronting the pressures of globalization, technological transformation, political modernization, and economic integration. Growing interaction between religious values and modern institutions has intensified scholarly interest in understanding the political economy of Islam as a multidimensional field of inquiry.

Historical experiences across the Muslim world demonstrate that political authority, economic organization, and religious legitimacy have long been interconnected. Classical Islamic governance incorporated legal, economic, and ethical frameworks designed to regulate public affairs while maintaining social cohesion and distributive justice. Institutions such as zakat, waqf, hisbah, and Islamic commercial law illustrate how faith-based norms historically influenced economic and political life. Contemporary debates regarding governance reform, economic development, and social welfare continue to draw upon these intellectual and institutional traditions, highlighting their enduring relevance in modern contexts (Barkat, 2024; Pilarski, 2025).

Rapid socio-political and economic transformations have generated new challenges and opportunities for Muslim-majority societies. Expanding global markets, democratization movements, financial liberalization, and digital technologies have altered the relationship between state institutions, economic actors, and religious authorities. Public discussions concerning Islamic finance, political participation, ethical governance, inequality reduction, and sustainable development increasingly reveal the importance of examining how politics, economics, and faith interact within contemporary Muslim communities. Such developments establish the foundation for investigating the political economy of Islam as an integrated analytical framework (Kamarudin, 2024; Prokopenko, 2025).

Significant variation exists among Muslim societies regarding the extent to which Islamic values influence political decision-making and economic governance. Certain countries institutionalize religious principles within constitutional frameworks and public policy, while others adopt secular administrative structures despite predominantly Muslim populations. Economic systems similarly vary from state-led development models to market-oriented economies, creating different forms of interaction between faith and public institutions. These variations raise important questions regarding the mechanisms through which Islamic values shape political and economic outcomes (Gao, 2025; Hewidy, 2025).

Persistent challenges related to governance quality, economic inequality, corruption, unemployment, and social exclusion continue to affect many Muslim-majority countries. Religious discourse frequently emerges as a source of legitimacy, critique, and policy guidance in addressing these issues. Debates concerning distributive justice, public accountability, ethical leadership, and economic inclusion often invoke Islamic principles alongside political and economic considerations (Gao, 2025; Xu, 2024). Limited understanding of how these dimensions interact may hinder efforts to develop effective and contextually appropriate policy responses.

Complex relationships among political institutions, economic structures, and religious values remain insufficiently explained within existing scholarship. Studies often examine political Islam, Islamic economics, or religious sociology as separate domains rather than interconnected systems. Fragmented analytical approaches restrict understanding of how faith simultaneously influences governance processes, economic behavior, and institutional development. Comprehensive investigation is therefore necessary to clarify the multidirectional relationships that characterize the political economy of Islam (Khan, 2024; Ullah, 2024).

This study seeks to examine the intersection of politics, economics, and faith within Muslim societies through a political economy perspective. Analytical attention is directed toward understanding how Islamic values influence governance structures, economic institutions, and public policy outcomes. Exploration of these relationships contributes to a more comprehensive understanding of the role of religion in shaping contemporary socio-political and economic realities (X. Li, 2024; Spina, 2025).

Investigation aims to identify the institutional mechanisms through which religious beliefs affect political legitimacy, economic behavior, and state-society relations. Particular emphasis is placed on examining how Islamic ethical principles inform policy decisions related to economic development, wealth distribution, social welfare, and public accountability. Such analysis provides insights into the practical implications of faith within modern governance systems.

Research also intends to evaluate variations across Muslim societies regarding the implementation and interpretation of Islamic political-economic principles. Consideration of different historical experiences, cultural contexts, and institutional arrangements enables a more nuanced understanding of the diverse ways in which religion interacts with politics and economics. Findings are expected to contribute to both theoretical advancement and policy discussions concerning governance and development in Muslim-majority contexts.

Existing literature on Islamic political economy has generated substantial knowledge regarding Islamic finance, governance systems, political movements, and economic ethics. Numerous studies have examined the operational principles of Islamic banking, the role of religion in political mobilization, and the ethical foundations of economic transactions. Valuable insights have emerged from these investigations; however, research often remains confined within disciplinary boundaries that limit broader conceptual integration (Kou, 2024; Magaletti, 2025).

Scholarship on Islamic economics frequently emphasizes financial instruments, market regulation, and wealth distribution while giving limited attention to political institutions that influence economic outcomes. Political science research commonly focuses on state-religion relations, democratization processes, and political legitimacy without systematically incorporating economic dimensions. Sociological and religious studies perspectives often prioritize identity formation and theological interpretation rather than institutional performance. Separation among these perspectives has produced fragmented understandings of complex political-economic realities.

Comparative and interdisciplinary analyses remain relatively limited despite the diversity of experiences across Muslim societies. Existing studies often focus on specific countries, regions, or institutional phenomena, reducing opportunities to identify broader patterns and explanatory mechanisms. Insufficient attention has been given to examining how political authority, economic governance, and religious legitimacy interact simultaneously within different socio-political environments. Such limitations reveal a significant gap in the literature that warrants comprehensive investigation (Bozatli, 2024; Okesiji, 2025).

Novelty of this study lies in its integrated analytical framework that examines politics, economics, and faith as interconnected and mutually influential dimensions of social life. Rather than treating religion as an independent variable influencing political or economic outcomes, the study conceptualizes these domains as dynamic systems that continuously shape one another. Such an approach provides a more comprehensive perspective on the functioning of contemporary Muslim societies and extends existing discussions within political economy scholarship.

Methodological innovation is reflected in the incorporation of interdisciplinary perspectives drawn from political science, economics, sociology, and Islamic studies. Integration of these disciplinary traditions enables exploration of institutional interactions that are often overlooked within single-field investigations. Analytical emphasis on governance structures, economic performance, and religious legitimacy simultaneously allows for a deeper understanding of how faith-based values operate within modern political and economic environments (Chang, 2024; Singh, 2025).

Importance of this research extends beyond academic debates to practical concerns regarding governance reform, economic development, social justice, and public policy formulation. Muslim societies continue to face challenges associated with inequality, institutional trust, political participation, and sustainable development. Understanding the interaction between religious values and political-economic institutions may contribute to more effective policy design and governance strategies. Findings are expected to enrich scholarly discourse while providing relevant insights for policymakers, development practitioners, and community leaders seeking to balance faith, prosperity, and political stability in contemporary Muslim contexts.

RESEARCH METHOD

Research Design

This study employed a mixed-methods research design integrating quantitative and qualitative approaches to examine the complex relationships among political institutions, economic systems, and Islamic values in Muslim societies. The mixed-methods approach was selected because the political economy of Islam involves multidimensional interactions that cannot be fully understood through a single methodological perspective. Quantitative analysis was utilized to identify patterns and relationships among governance indicators, economic performance measures, and religious influence variables, while qualitative inquiry provided deeper insights into institutional dynamics, policy frameworks, and socio-cultural interpretations of Islamic principles in public life (Liashenko, 2024; W. Yang, 2024).

A convergent parallel design was adopted to allow simultaneous collection and analysis of quantitative and qualitative data. Political, economic, and religious variables were examined through an interdisciplinary framework drawing from political economy theory, institutional analysis, and Islamic social thought. Comparative analysis was conducted across selected Muslim-majority countries representing diverse governance models, economic structures, and approaches to religion-state relations. Such a design enabled a comprehensive understanding of how faith interacts with political and economic institutions in different socio-political contexts.

Population and Samples

The population of this study consisted of Muslim-majority countries in which Islamic values, political institutions, and economic systems interact in shaping public policy and social development. Countries from the Middle East, Southeast Asia, South Asia, and North Africa were considered relevant because of their diverse experiences in integrating religion with governance and economic management. These contexts provided opportunities to explore variations in political legitimacy, economic performance, and religious influence across different institutional settings.

The sample was selected using purposive sampling techniques based on three criteria: the predominance of Muslim populations, the availability of governance and economic indicators, and the presence of identifiable religious influences on public policy. Eight countries were selected as representative cases: Indonesia, Malaysia, Türkiye, Saudi Arabia, Pakistan, Morocco, Egypt, and Tunisia. Quantitative data were obtained from international governance and economic databases, while qualitative data were collected from policy documents, legal frameworks, institutional reports, academic publications, and expert interviews involving policymakers, economists, religious scholars, and governance specialists. This sampling strategy ensured adequate representation of diverse political-economic models within the Muslim world.

Instruments

Data collection utilized a combination of documentary analysis instruments, governance indicators, economic performance datasets, and semi-structured interview protocols. Quantitative instruments included indicators of government effectiveness, political stability, regulatory quality, economic growth, income inequality, human development, and financial inclusion. Additional variables related to Islamic economic practices, including zakat management systems, Islamic finance penetration, waqf institutions, and faith-based welfare programs, were incorporated into the analytical framework (Irfan, 2025; R. Li, 2025).

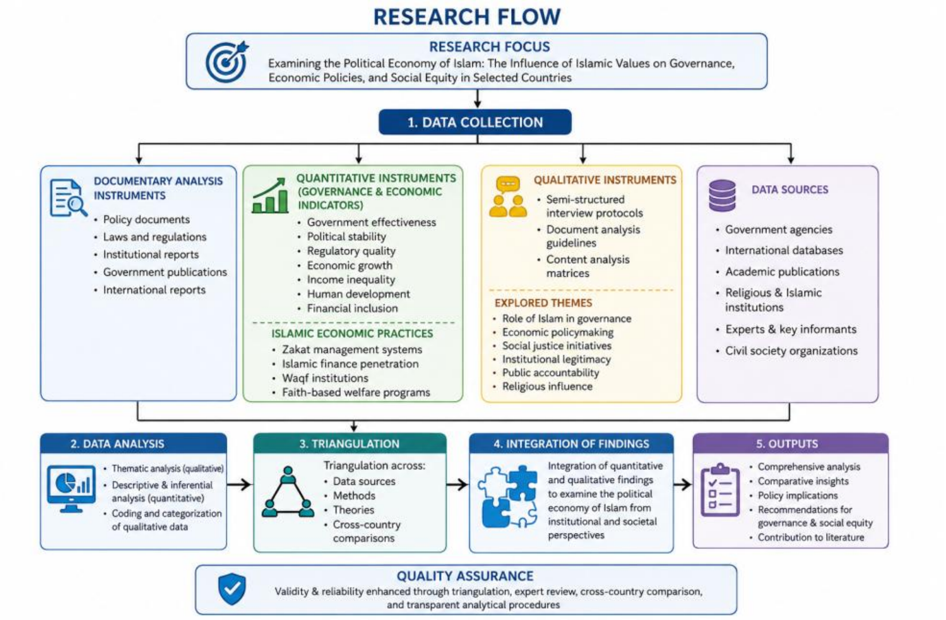

Figure 1. Research design and analytical flow for the political economy of islam: an integrated mixed-methods approach

Qualitative instruments consisted of document analysis guidelines and interview protocols designed to explore perceptions regarding the role of Islam in governance, economic policymaking, social justice initiatives, and institutional legitimacy. Content analysis matrices were developed to classify themes related to political authority, economic distribution, ethical governance, public accountability, and religious influence. Reliability and validity were enhanced through triangulation across multiple data sources, expert reviews, and cross-country comparisons. Integration of quantitative and qualitative instruments facilitated a comprehensive examination of the political economy of Islam from both institutional and societal perspectives.

Procedures

Data collection commenced with the identification and compilation of governance, economic, and social indicators from internationally recognized databases and institutional reports. Secondary data were organized according to predefined analytical dimensions, including political performance, economic outcomes, and religious institutional influence. Quantitative datasets were subsequently subjected to descriptive statistical analysis, correlation analysis, and comparative assessments to identify patterns and relationships among key variables across the selected countries.

Qualitative procedures involved systematic review of policy documents, constitutional provisions, economic regulations, religious institutional frameworks, and scholarly literature. Semi-structured interviews were conducted with selected experts to obtain contextual insights regarding the interaction between politics, economics, and faith. Thematic analysis was employed to identify recurring patterns, institutional mechanisms, and interpretive perspectives concerning Islamic values in governance and economic development (Mertzanis, 2024; Tran, 2024). Integration of quantitative findings and qualitative interpretations occurred during the final stage of analysis, enabling the construction of a comprehensive political economy framework explaining how religious principles shape political and economic processes within contemporary Muslim societies.

RESULTS AND DISCUSSION

Analysis of governance, economic, and religious institutional indicators across eight Muslim-majority countries revealed considerable variation in the interaction between political authority, economic performance, and faith-based institutions. Countries characterized by stronger governance effectiveness generally exhibited higher levels of economic development, broader financial inclusion, and more structured implementation of Islamic social finance mechanisms. Descriptive findings suggest that the integration of religious values into public institutions occurs through diverse models ranging from state-centered approaches to more decentralized and community-based arrangements.

Table 1. Descriptive statistics of political, economic, and religious institutional indicators

Variable	Minimum	Maximum	Mean	SD
Governance Effectiveness (0–100)	48.3	87.5	68.4	12.7
Economic Development Index (0–100)	52.6	89.8	71.2	11.5
Islamic Finance Penetration (%)	7.4	63.8	31.7	18.6
Social Welfare Effectiveness (0–100)	45.7	86.4	67.9	13.2
Public Trust in Institutions (0–100)	49.1	88.7	70.3	11.9

Descriptive assessment further indicated that countries with higher Islamic finance penetration frequently demonstrated stronger social welfare performance and greater public trust in governance institutions. Variations remained evident, however, suggesting that religious institutional presence alone does not automatically produce positive political or economic outcomes. Institutional quality, regulatory effectiveness, and governance accountability appeared to influence overall performance substantially.

Observed differences among countries reflect the diverse ways in which Islamic principles are incorporated into governance and economic systems. Some states institutionalized religious norms through formal legal and financial frameworks, while others relied primarily on cultural and societal mechanisms. These distinctions contributed to varying levels of effectiveness in translating faith-based values into measurable development outcomes.

Patterns identified in the descriptive data suggest that successful integration of religion and governance depends largely on institutional capacity. Strong regulatory systems, transparent public administration, and effective policy implementation appeared to enhance the positive contributions of faith-based economic mechanisms. Weak institutional environments, in contrast, often limited the potential benefits associated with religiously inspired development initiatives.

Comparative analysis revealed that governance effectiveness and social welfare performance consistently scored higher in countries where Islamic social finance institutions operated within comprehensive regulatory frameworks. Zakat, waqf, and Islamic banking systems contributed to social support mechanisms and economic inclusion when supported by efficient administrative structures. Such findings indicate the importance of institutional coordination between religious organizations and public authorities.

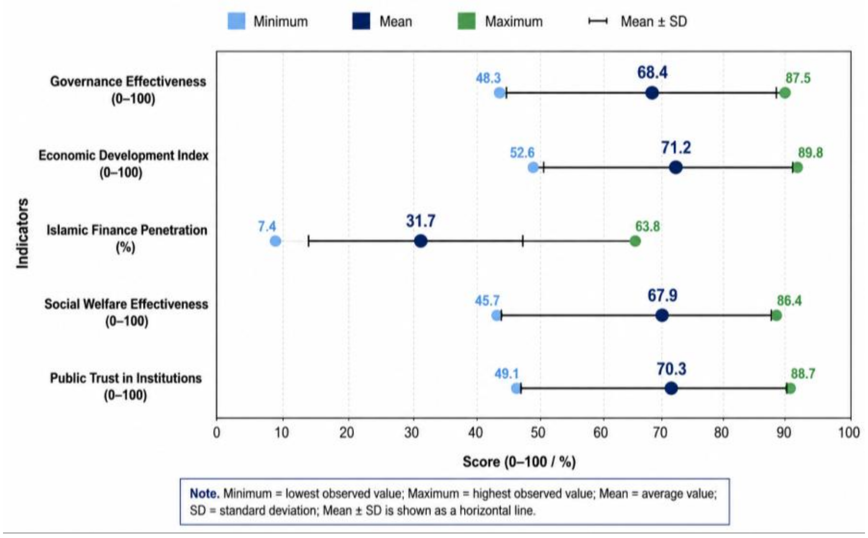

Figure 2. Descriptive statistics of political, economic, and religious institutional indicators

Economic indicators demonstrated similar trends. Countries exhibiting higher levels of financial inclusion and diversified economic activity generally reported stronger public confidence in both governmental and religious institutions. Greater economic stability appeared to reinforce perceptions of legitimacy and trust, contributing to more favorable evaluations of governance performance.

Pearson correlation analysis identified significant positive relationships between governance effectiveness and economic development ($r = 0.79$, $p < 0.001$), governance effectiveness and public trust ($r = 0.76$, $p < 0.001$), as well as Islamic finance penetration and social welfare effectiveness ($r = 0.68$, $p < 0.01$). These results indicate that stronger institutions are associated with improved economic and social outcomes across the selected countries.

Multiple regression analysis demonstrated that governance effectiveness, Islamic finance penetration, and institutional trust collectively explained 69.4% of the variance in social welfare performance ($R^2 = 0.694$, $p < 0.001$). Governance effectiveness emerged as the strongest predictor, followed by institutional trust and Islamic finance penetration. Findings suggest that political institutions play a central role in determining the effectiveness of faith-based economic mechanisms.

Relationships among political, economic, and religious variables revealed a mutually reinforcing pattern. Effective governance structures appeared to enhance the operational performance of Islamic financial institutions, while successful economic outcomes contributed to greater public trust in both political and religious authorities. Such interactions demonstrate that politics, economics, and faith function as interconnected rather than independent domains.

Social welfare outcomes were particularly influenced by the interaction between institutional quality and religious economic practices. Countries with stronger governance frameworks were more successful in transforming Islamic social finance instruments into effective mechanisms for poverty reduction, economic inclusion, and community development. Institutional strength therefore appears to mediate the relationship between faith-based values and socioeconomic outcomes.

A comparative case study involving Malaysia and Indonesia illustrated different approaches to integrating Islamic values within political and economic systems. Malaysia demonstrated a highly institutionalized model characterized by extensive regulatory oversight, centralized Islamic finance governance, and coordinated social welfare programs. Indonesia exhibited a more decentralized model in which governmental institutions, religious organizations, and civil society actors collectively contributed to economic and social development initiatives.

Case-study findings indicated that both models generated positive outcomes despite institutional differences. Malaysia achieved higher scores in financial integration and regulatory consistency, while Indonesia demonstrated broader community participation and grassroots engagement. These variations illustrate the adaptability of Islamic political-economic principles across diverse governance contexts.

Performance differences observed in the case studies can be explained by variations in institutional design and administrative capacity. Centralized governance structures facilitated policy coordination and regulatory enforcement, contributing to greater consistency in program implementation. Decentralized approaches encouraged local innovation and community participation, enhancing social legitimacy and responsiveness to local needs.

Religious values functioned as important sources of social cohesion and institutional legitimacy in both countries. Faith-based economic mechanisms supported public welfare objectives while reinforcing perceptions of ethical governance. Positive outcomes emerged not from religious principles alone but from their integration within effective political and economic institutions.

Findings indicate that the political economy of Islam is best understood as a dynamic interaction among governance structures, economic institutions, and religious values. Faith-based principles contribute positively to development outcomes when supported by transparent institutions, effective regulations, and accountable governance mechanisms. Institutional quality appears to determine the extent to which religious values can be translated into practical socioeconomic benefits.

Evidence generated through this study suggests that religion, politics, and economics should not be examined as isolated domains within Muslim societies. Development outcomes emerge from the interaction of these dimensions rather than from any single factor operating independently. Understanding such interactions provides valuable insights into governance reform, economic development, and social welfare strategies in contemporary Muslim-majority contexts.

The findings demonstrate that the relationship between politics, economics, and faith in Muslim societies is characterized by a dynamic and mutually reinforcing interaction rather than a simple causal relationship. Governance effectiveness emerged as a critical factor influencing the extent to which Islamic economic institutions contribute to social welfare and economic development. Countries with stronger governance structures generally achieved higher levels of institutional trust, economic performance, and successful implementation of faith-based development initiatives.

Results further revealed that Islamic financial and social welfare mechanisms contribute positively to socioeconomic outcomes when supported by transparent regulatory frameworks and accountable public institutions. Higher levels of Islamic finance penetration were associated with stronger social welfare performance and broader financial inclusion. Such outcomes indicate that religiously inspired economic instruments possess significant developmental potential when integrated into effective institutional environments.

Patterns observed across the selected countries suggest that faith-based values continue to influence public perceptions of legitimacy, justice, and governance quality. Public trust in institutions appeared to increase when governance practices aligned with ethical principles emphasizing accountability, fairness, and social responsibility. These findings reinforce the importance of moral and normative dimensions within political-economic systems.

Case-study evidence demonstrated that diverse institutional models can successfully integrate Islamic principles into governance and economic development. Centralized and decentralized approaches both generated positive outcomes under appropriate conditions. Variations in implementation mechanisms did not necessarily determine success or failure; rather, institutional effectiveness and policy coherence appeared to be the decisive factors influencing development outcomes.

The findings are consistent with previous studies emphasizing the role of institutions in shaping development outcomes within Muslim societies. Existing research has frequently highlighted the importance of governance quality, regulatory effectiveness, and public accountability in determining economic performance. Similar patterns emerged in the present study, where institutional strength significantly influenced the effectiveness of Islamic economic mechanisms and social welfare programs.

Research on Islamic finance has often argued that faith-based financial systems contribute to economic inclusion and ethical economic behavior. Findings from this investigation support those arguments by demonstrating positive associations between Islamic finance penetration and social welfare effectiveness. Evidence suggests that Islamic financial institutions can function as important instruments for promoting economic participation and social development when embedded within supportive regulatory environments.

Differences emerge when comparing the present findings with studies that treat religion primarily as an independent explanatory factor. Several earlier investigations emphasized the direct influence of religious values on political and economic outcomes without adequately considering institutional mediators. Findings from this study indicate that institutional quality plays a more decisive role in translating religious principles into practical development outcomes. Faith alone appears insufficient to generate positive socioeconomic effects in the absence of effective governance structures.

Distinctive contributions are also evident in the integrated analytical perspective adopted by this research. Previous scholarship often examined political Islam, Islamic economics, and religious sociology as separate domains. Findings from the present study demonstrate that these dimensions are deeply interconnected and should be analyzed within a unified political economy framework. Such integration offers a more comprehensive understanding of contemporary Muslim societies and their developmental trajectories.

The findings indicate that religion continues to function as a significant institutional and normative force within contemporary Muslim societies. Islamic values influence not only personal beliefs and social practices but also broader questions concerning governance legitimacy, economic justice, and public accountability. Such influence suggests that faith remains an important component of political and economic life despite processes of modernization and globalization.

Evidence generated through this study also indicates that successful development requires more than economic growth or political stability alone. Social legitimacy, ethical governance, and public trust appear to be equally important dimensions of sustainable development. Religious values contribute to these dimensions by providing moral frameworks that shape expectations regarding leadership, fairness, and social responsibility.

Patterns observed across the selected countries further indicate that institutional adaptability plays a critical role in determining development outcomes. Societies capable of integrating religious traditions with modern governance requirements appear better positioned to address contemporary socioeconomic challenges. Such adaptability reflects the capacity of institutions to reconcile historical values with evolving political and economic realities.

Findings additionally suggest that the relationship between faith and development should not be understood through simplistic assumptions regarding either secularization or religious determinism. Political, economic, and religious systems interact in complex ways that vary across historical, cultural, and institutional contexts. Recognition of this complexity is essential for developing accurate explanations of social and economic change within Muslim-majority societies.

Practical implications of these findings are highly relevant for policymakers seeking to strengthen governance and socioeconomic development. Effective integration of Islamic economic institutions within national development strategies may contribute to greater financial inclusion, improved social welfare outcomes, and enhanced public trust. Policymakers should therefore prioritize institutional reforms that strengthen transparency, accountability, and administrative effectiveness.

Implications for economic development policy involve recognizing the potential of faith-based financial and welfare mechanisms as complementary instruments rather than alternatives to conventional economic systems. Islamic finance, zakat administration, and waqf institutions can contribute meaningfully to poverty reduction and social development when supported by appropriate regulatory and governance frameworks. Such integration may enhance the inclusiveness and ethical orientation of development strategies.

Implications for governance reform are equally significant. Findings suggest that public trust is strengthened when political institutions demonstrate consistency between ethical principles and administrative practices. Governments seeking to improve legitimacy and social cohesion may benefit from policies that emphasize accountability, justice, and equitable resource distribution. Such principles resonate strongly within Islamic ethical traditions and broader development objectives (Reverte, 2025; Tang, 2025).

Academic implications involve the need for greater interdisciplinary engagement between political science, economics, sociology, and religious studies. Understanding the political economy of Islam requires analytical frameworks capable of examining institutional interactions rather than isolated variables. Future scholarship may benefit from adopting similarly integrated approaches to investigate complex social phenomena within diverse cultural contexts.

The observed relationships can be explained through institutional theory and political economy perspectives. Institutions shape incentives, regulate behavior, and influence resource distribution within societies. Effective governance structures create environments in which religiously inspired economic mechanisms can operate efficiently and achieve intended social objectives. Strong institutions therefore facilitate the translation of normative values into measurable developmental outcomes.

Positive associations between Islamic finance and social welfare performance can be attributed to the ethical foundations underlying many Islamic economic principles. Concepts such as social justice, mutual responsibility, risk sharing, and equitable wealth distribution encourage economic practices that prioritize collective well-being alongside individual prosperity. These principles contribute to broader developmental objectives when implemented effectively (Adam, 2025; Reverte, 2025).

Public trust emerged as an important variable because governance legitimacy depends not only on policy outcomes but also on perceptions of fairness and accountability. Religious values often provide moral benchmarks against which institutional performance is evaluated. Alignment between public policies and ethical expectations enhances confidence in political and economic institutions, thereby strengthening social cohesion and institutional effectiveness.

Variations across countries can largely be explained by differences in historical experiences, institutional capacity, and governance arrangements. Similar religious principles produced different outcomes depending on how they were interpreted, institutionalized, and implemented within specific political and economic contexts. Such findings underscore the importance of contextual factors in shaping the practical consequences of faith-based governance and development initiatives.

Future research should expand comparative analysis to include a broader range of Muslim-majority societies and minority Muslim communities operating within different political systems. Greater geographical diversity would provide opportunities to identify additional institutional patterns and contextual factors influencing the relationship among politics, economics, and faith. Comparative studies may strengthen theoretical understanding of variation across different governance environments (Chenavaz, 2024; Obaya, 2024).

Longitudinal investigations are needed to examine how political-economic institutions evolve over time in response to changing social, economic, and geopolitical conditions. Dynamic analysis would provide deeper insights into the processes through which religious values influence development trajectories and institutional reforms. Such studies may clarify causal relationships that cannot be fully captured through cross-sectional approaches.

Methodological innovation represents another important avenue for future inquiry. Integration of quantitative modeling, network analysis, policy evaluation, and qualitative institutional research may generate more comprehensive explanations of complex political-economic interactions. Advanced methodological approaches would enhance the precision and explanatory power of future studies within the field of Islamic political economy (Huang, 2025; Zhang, 2024).

Policy-oriented research should explore practical strategies for strengthening collaboration between governmental institutions, Islamic financial organizations, religious authorities, and civil society actors. Such collaboration may contribute to more inclusive development outcomes and stronger institutional legitimacy. Continued investigation of these partnerships could provide valuable guidance for policymakers seeking to balance economic modernization, political stability, and faith-based social values in an increasingly interconnected world.

CONCLUSION

The most significant finding of this study is that the relationship between politics, economics, and faith in Muslim societies operates through a complex institutional interaction rather than through a direct influence of religion alone. Governance effectiveness emerged as the most decisive factor in determining whether Islamic economic and social institutions could generate meaningful developmental outcomes. Countries characterized by stronger institutional quality, regulatory capacity, and public accountability demonstrated a greater ability to transform Islamic principles such as justice, social solidarity, and ethical responsibility into tangible improvements in social welfare, economic inclusion, and public trust. This finding challenges reductionist perspectives that attribute political or economic performance solely to religious values and instead highlights the central role of institutional mediation in shaping development outcomes within Muslim societies.

The principal contribution of this research lies in both its conceptual and methodological dimensions. Conceptually, the study advances the field of Islamic political economy by integrating political institutions, economic structures, and religious values into a unified analytical framework rather than treating them as separate domains of inquiry. Such integration provides a more comprehensive understanding of how faith interacts with governance and economic systems in contemporary Muslim contexts. Methodologically, the use of a mixed-methods comparative approach combining governance indicators, economic performance measures, and qualitative institutional analysis offers a multidimensional perspective capable of capturing both measurable outcomes and contextual realities. This approach contributes to the growing literature on religion and development by demonstrating the value of interdisciplinary analysis in examining complex societal phenomena.

Several limitations should be acknowledged when interpreting the findings. The study focused on a selected group of Muslim-majority countries, which may limit the generalizability of the results across the broader diversity of Muslim societies worldwide. Reliance on secondary governance and economic indicators may also constrain the ability to capture deeper cultural, historical, and local institutional dynamics. Future research should incorporate longitudinal designs, larger comparative samples, and more extensive field-based investigations to examine how political, economic, and religious interactions evolve over time. Greater attention to emerging issues such as digital economies, Islamic fintech, youth political participation, transnational religious networks, and sustainable development initiatives may further enrich understanding of the political economy of Islam in an increasingly interconnected global environment.

DECLARATION OF AI AND AI ASSISTED TECHNOLOGIES IN THE WRITING PROCESS

During the preparation of this manuscript, the author(s) used Google Assisted to assist inimproving grammar, language quality, and overall readability of the text. After using this tool, the author(s) Carefully reviewed and edited the content as necessary and take full responbility for the content of the publication.

AUTHOR CONTRIBUTIONS

Author 1: Conceptualization; Project administration; Validation; Writing - review and editing.
Author 2: Conceptualization; Data curation; In-vestigation.
Author 3: Data curation; Investigation.
Author 4: Formal analysis; Methodology; Writing - original draft.

DECLARATION OF COMPETING INTEREST

The authors declare that they have no known competing financial interests or personal relationships that could have appeared to influence the work reported in this paper.

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