

ABSTRACT

This study examines the influence of institutional quality, economic freedom, and technological development on fintech readiness in OIC countries. The dataset consists of 487 observations from 42 OIC countries covering the period 2008–2021. The Generalized Method of Moments (GMM) is employed to address endogeneity issues, while Principal Component Analysis (PCA) is used to construct composite indices for fintech readiness and institutional quality.

The findings reveal that institutional quality and economic freedom have a positive impact on fintech readiness. However, technological development, measured through high-tech exports, has a negative effect when interacting with institutional quality. This suggests that a technology development strategy focused on exports does not always support fintech adoption in OIC countries.

To enhance fintech readiness, OIC countries should strengthen institutional quality, promote economic freedom, and develop technology that aligns with the domestic financial ecosystem. This approach can accelerate fintech growth in the region.

Keywords: *Fintech readiness, Institutional quality, Economic freedom, Technological development, Generalized Method of Moments (GMM).*