

Building A Sustainable Economy Through Islamic Education And Knowledge

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ABSTRACT

Sustainable economic development is a global issue that emphasizes not only economic growth but also social, ethical, and environmental aspects. Islam, as a comprehensive religion, offers economic principles based on justice, balance, and social responsibility. Through Islamic education, these values can be instilled from an early age through university to produce human resources with integrity, knowledge, and a blessing-oriented mind. This article uses a qualitative approach based on literature review by analyzing related journals, books, and research reports. The results of the study indicate that Islamic education and knowledge have a significant role in creating a sustainable economic system through: (1) strengthening moral and ethical values in economic practices, (2) productive utilization of zakat, infaq, and waqf instruments, (3) integration of the maqashid sharia principles in green economic development, and (4) strengthening Islamic entrepreneurship in Islamic boarding schools and universities. In conclusion, Islamic education and knowledge can be a strategic foundation in building an economy that is just, environmentally friendly, and oriented towards the welfare of the people.

1. Introduction

Sustainable economic development is a major challenge in the era of globalization. Conventional economic systems often emphasize only material growth without considering social justice, environmental balance, and moral values. As a result, various problems arise, such as social inequality, environmental damage, and a crisis of confidence in the business world. Islam, as a religion of mercy for the universe, provides solutions through Islamic economic principles that emphasize justice, balance, and sustainability. These principles are reflected not only in the prohibitions on usury (riba), gharar (gharar), and gambling (maysir), but also in the obligations of zakat (zakat), infaq (infaq), sadaqah (charity), and waqf (waqf), which serve as instruments of economic distribution. In this context, Islamic education plays a crucial role as a foundation for instilling these values from an early age. Education not only transfers knowledge but also shapes character, enabling the younger generation to build a more just and sustainable economic system. This article aims to examine the role of Islamic education and knowledge in building a sustainable economy using an academic literature approach. The research focuses on how Islamic values can be integrated into modern economic practices and their contribution to sustainable development. This research examines how Islamic education and knowledge can be integrated in building a sustainable economy, with a focus on the role of Islamic

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educational institutions in shaping an economic paradigm that is in line with Islamic values and global sustainable development goals.

2. Literature Review

Sustainable economic development is a major challenge in today's era of globalization. Conventional economic systems often emphasize material growth without considering social justice, environmental balance, and moral values.¹ As a result, various problems arise, such as widening social gaps, life-threatening environmental damage, and a crisis of confidence in the business world. Islam, as a religion of *rahmatan lil 'alamin* (blessing for all the worlds), provides holistic solutions through Islamic economic principles that emphasize justice (*al-adl*), balance (*al-mizan*), and cessation (*al-istidamah*). In this context, Islamic education plays a fundamental role as a foundation for instilling sustainable economic values from an early age. Islamic education is not only about transferring knowledge, but also forming noble character and morals, so that the younger generation is able to build a more just and sustainable economic system. Islamic education has a strategic role in shaping sustainable economic character. According to Al-Attas (2019), Islamic education aims to create perfect humans (*al-insan al-kamil*) who are able to carry out their functions as caliphs on earth. The concept of *tarbiyah* (holistic education) proposed by Al-Naqib Al-Attas encompasses balanced intellectual, spiritual, and moral development. In an economic context, *tarbiyah* plays a role in shaping economic actors with integrity, honesty, and high social responsibility. Islamic Financial Instruments for Sustainability The Islamic financial system offers various instruments that support a sustainable economy. Zakat, as an instrument for wealth redistribution, has great potential to reduce social inequality and encourage inclusive economic growth. Research by Beik (2013) shows that optimal zakat management can reduce poverty levels by up to 40%. Productive waqf instruments also play a vital role in sustainable economic development. Waqf can be utilized for the development of educational, health, and economic infrastructure that provide long-term benefits to society.

3. Methodology

This study employed a qualitative method with a library research approach. Data were obtained from journals, books, scientific articles, and reports from relevant institutions. Data collection was conducted through documentation, while data analysis utilized content analysis. The analysis steps included data reduction, data presentation, and conclusion drawing. This study did not utilize field data but instead focused on a review of relevant literature. This method was chosen because the research focused on conceptual and normative studies aimed at gaining a comprehensive understanding of the contribution of Islamic education and knowledge to sustainable economic development.

- 3.1 Systematic Literature Review: Data were collected by searching literature from various trusted sources, including academic journals (such as those indexed in Scopus, ERIC, and Google Scholar), books, and relevant online news. This process aimed to identify patterns, similarities, and differences among existing studies.
- 3.2 Thematic and Content Analysis: The collected material from primary and secondary literature was then thematically analyzed to synthesize information, map trends, and construct a theoretical framework.
- 3.3 Case Study: This research integrates a real-world case study to illustrate how economics and Islamic religious education can also provide a more holistic understanding of environmental sustainability in an economic context. Concepts such as responsible natural resource management, environmental protection, and the application of green economic principles can be integrated with Islamic religious values, which emphasize the importance of preserving nature and the earth as a divine trust.

Integration of economics and Islamic religious education can encourage innovation and ethical entrepreneurship in the era of Society 5.0. Islamic economic principles such as fairness in transactions, business ethics, and social responsibility can be the foundation for socially responsible and ethical business practices.

4. Results and Discussion

4.1.1. Formation of Islamic Economic Values and Character

Islamic education plays a fundamental role in shaping sustainable economic values through the internalization of basic Islamic principles.¹ In the economic context, Islamic education instills the values of honesty (*as-sidq*), trustworthiness (*amanah*), justice (*al-adl*), and social responsibility (*mas'uliyah ijtimaiyah*), which serve as the foundation for sustainable economic practices.

4.2. Integration of Islamic Economics Curriculum in Educational Institutions

The integration of Islamic economics curricula into formal and non-formal education systems has shown significant results. In modern Islamic boarding schools (*pesantren*), Islamic value-based entrepreneurship programs have produced students capable of developing micro and small businesses based on sharia principles. State Islamic Universities (UIN) in Indonesia have developed Islamic economics study programs that integrate modern economic theory with sharia principles. Graduates of these programs have proven to possess a comprehensive understanding of a just and sustainable economic system.

4.2. Utilization of Islamic Financial Instruments for Sustainability

4.2.1. Optimization of Zakat, Infak, and Alms (ZIS)

Professional, technology-based management of the Zakat Alms Fund (ZIS) has demonstrated a significant impact on sustainable economic development. The Indonesian National Zakat Agency (BAZNAS) reported that distributing zakat for productive economic programs has increased the income of recipients by 200% within two years.² Productive zakat programs developed through Islamic educational institutions, such as those conducted by Darul Ulum University in Jombang, have successfully created economically independent young entrepreneurs.² This program combines the provision of business capital with mentoring and training in Islamic-based entrepreneurship.

4.2.2 Development of Productive Waqf for Education

Productive waqf has become a crucial instrument in supporting the sustainability of Islamic education and the economic development of the community. Professionally managed cash waqf can generate sustainable profits to finance educational programs and economic empowerment.²⁴ Tabung Wakaf Indonesia (TWI) has developed various productive waqf programs focused on the development of educational facilities and community economic development. Research shows that productive waqf can make long-term contributions to improving the quality of education and community welfare.

4.3. Implementation of Maqashid Sharia in a Sustainable Economy

4.3.1. Environmental Protection (*Hifz al-Bi'ah*) in Islamic Economics

The concept of the caliph in Islam mandates humans to protect and preserve the environment as part of their worship of Allah²⁶. Islamic education instills environmental awareness through the understanding that the universe is a trust that must be safeguarded for future generations²⁷. Islamic boarding schools in Indonesia have developed eco-*pesantren* programs that integrate religious learning with environmentally friendly practices. These programs include organic waste management, organic farming, and renewable energy development, which not only provide environmental benefits but also create new economic opportunities.

4.3.2. Inclusive Social and Economic Justice

The principle of justice in Islam demands equitable distribution of wealth and equal opportunities for all members of society to participate in economic activities.² Islamic education plays a role in raising awareness of the importance of an inclusive economy that does not exclude marginalized groups. Mosque- and Islamic boarding school-based economic empowerment programs have proven effective in reducing poverty and improving community welfare.² The Indonesian Infaq Management Institute (LMI) reports that its Islamic community-based productive economic program has lifted thousands of families out of poverty.

4.4. Islamic Entrepreneurship in Education

4.4.1. Development of Sharia Business Incubator

Islamic universities in Indonesia have developed sharia-compliant business incubators that provide a platform for students to develop innovative business ideas based on Islamic principles.³² These programs provide not only capital and facilities but also intensive mentoring on Islamic business ethics and sustainable business management.

4.4.2. Strategic Partnership between Islamic Boarding Schools and Industry

Partnerships between Islamic boarding schools and industry have created a mutually beneficial economic ecosystem. Islamic boarding schools provide human resources with strong character and a commitment to Islamic values, while industry provides access to markets and technology.³⁵ The santripreneur program developed by the Darussalam Gontor Modern Islamic Boarding School has produced successful alumni in various business fields while upholding Islamic values. This program integrates religious education with practical entrepreneurship training relevant to market needs.

4.5. Development Challenges and Opportunities

4.5.1. Challenges in Implementation

Despite its enormous potential, implementing a sustainable economy through Islamic education faces several challenges. First, there is a limited comprehensive understanding of Islamic economics among educators and practitioners. Second, there is a lack of integration between theory and practice in the Islamic economics education curriculum. Other challenges include resistance to change from the established conventional economic system, as well as limited access to modern resources and technology for Islamic economic development.

4.5.2. Development Opportunities in the Digital Era

The digital era offers significant opportunities for the development of a sustainable economy based on Islamic values. Sharia-compliant financial technology (fintech) has opened wider access to Islamic financial services for the public. Sharia-compliant crowdfunding platforms enable the mobilization of funds for sustainable economic projects. Islamic education can also leverage digital technology to expand the reach and improve the quality of learning about sustainable economics. Online learning platforms, mobile applications, and social media can be effective vehicles for disseminating Islamic economic knowledge.

5. Conclusion

This research confirms that Islamic education and knowledge play a highly strategic role in building a sustainable economy. Through the formation of character with integrity, the utilization of productive Islamic financial instruments, the implementation of the maqasid sharia in economic practice, and the development of Islamic entrepreneurship, Islamic education can provide a strong foundation for the creation of a just, environmentally friendly, and sustainable economic system. The integration of Islamic values in economic education has proven effective in creating economic actors who not only pursue material gain but also pay attention to social, environmental, and spiritual aspects. This aligns with the global sustainable development goals that emphasize the balance between economic growth, social justice, and environmental sustainability. For the future, stronger synergy is needed between Islamic educational institutions, the government, and the private sector in developing a sustainable economic ecosystem. The development of a more applicable curriculum, improving the quality of educators, and utilizing modern technology are key to the successful implementation of a sustainable economy based on Islamic values. Ultimately, a sustainable economy from an Islamic perspective is not merely a theoretical concept, but also a mandate that must be realized in real life. Through comprehensive Islamic education and knowledge, Muslims can contribute positively to the creation of a more just, prosperous, and sustainable world for all humanity.

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