



The Economic Foundation of Education: The Relationship Between Education and Economic Development

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Abstrak

Kurikulum pendidikan Islam memiliki peran penting dalam membentuk peserta didik yang beriman, berilmu, berakhlak mulia, dan mampu menghadapi perubahan sosial serta perkembangan teknologi. Namun, pengembangan kurikulum masih menghadapi tantangan berupa pemisahan antara ilmu agama dan ilmu umum, ketidaksesuaian materi dengan kebutuhan peserta didik, serta lemahnya respons terhadap dinamika global. Penelitian ini bertujuan menganalisis konsep, landasan, prinsip pengembangan, klasifikasi ilmu, orientasi, dan organisasi kurikulum pendidikan Islam. Penelitian menggunakan metode kualitatif dengan pendekatan studi kepustakaan. Data diperoleh dari buku, artikel ilmiah, dan dokumen relevan, kemudian dianalisis melalui reduksi, klasifikasi, interpretasi, dan penarikan kesimpulan. Hasil penelitian menunjukkan bahwa kurikulum pendidikan Islam harus berlandaskan Al-Qur'an, Hadis, ijtihad, serta nilai filosofis, psikologis, sosial, dan budaya. Pengembangannya perlu menekankan integrasi ilmu, relevansi, keseimbangan, fleksibilitas, dan kontinuitas. Penelitian ini berkontribusi sebagai dasar konseptual bagi peneliti lain untuk mengembangkan model kurikulum Islam yang kontekstual, integratif, adaptif, dan responsif terhadap kebutuhan pendidikan masa kini dan tantangan global masa depan.

Kata kunci: kurikulum pendidikan Islam, integrasi ilmu, pengembangan kurikulum, organisasi kurikulum.

Abstract

The Islamic education curriculum supports students who are faithful, knowledgeable, morally upright, and capable of responding to change and technological advancement. However, its development faces challenges, including the separation of religious and general knowledge, limited relevance of learning materials to students' needs, and weak responsiveness to global dynamics. This study aims to analyze the concepts, foundations, development principles, classification of knowledge, orientation, and organization of the Islamic education curriculum. It employs a qualitative method with a library research approach. Data were obtained from books, scholarly articles, and relevant documents and analyzed through reduction, classification, interpretation, and conclusion drawing. The findings indicate that the curriculum should be grounded in the Qur'an, Hadith, ijtihad, and philosophical, psychological, social, and cultural values. Its development should emphasize knowledge integration, relevance, balance, flexibility, and continuity. This study provides a conceptual basis for future researchers to develop contextual, integrative, adaptive, and globally responsive Islamic curriculum models.

Keywords: Islamic education curriculum, knowledge integration, curriculum development, curriculum organization.



Introduction

Education and economics are closely related and mutually influence each other. Education is a crucial factor determining the quality of a country's human resources. The higher a person's education, the greater their chances of finding decent work and earning a better income. Economics, on the other hand, is the study of managing limited resources to meet human needs. This encompasses the production, distribution, and consumption of goods and services within a society. This ultimately increases labor productivity and drives a country's economic growth.

On the other hand, strong economic growth also allows the government to allocate more funds to the education sector, thereby improving access to and quality of education for the public. Furthermore, education plays a role in producing a skilled and qualified workforce, which is crucial in facing increasingly fierce global competition. Countries with high levels of Better education tends to have a competitive advantage in international trade and attract foreign investment. This drives economic growth and creates more jobs. Therefore, investing in education is a strategic step for every country to build a strong foundation for long-term economic development and improve the overall welfare of society. (Nazila Nasywa Maulida et al., 2024). Education as an investment has not been fully recognized in certain groups of society.

Education is still considered a choice, not an obligation. While there are some issues that need to be addressed, most people believe that measuring one's success in life by their wealth is not necessarily wrong. This understanding leads many parents to drop out of school because they believe that unschooled children can earn money by working in the fields or as fishermen. The question of how important education is to a nation's economic development is actually a valid one.

Even with a higher level of education, their knowledge and skills will also increase, meaning they are more productive in the workplace. One of the causes of low productivity among the poor is their lack of access to education. Therefore, with adequate educational infrastructure, the quality of human resources will improve, which means poverty rates will decrease (Yusuf & Hanani, 2025). Voice and



accountability have a negative impact on economic growth, so increasing public participation in government actually reduces the rate of economic growth. Meanwhile, political stability and the absence of violence/terrorism, as well as regulatory quality, have a positive impact. This means that when educational stability and quality regulations are implemented, economic growth can increase.(Isnaini & Kotta, 2024).

Research Methods

This research on the relationship between education and economic development uses a descriptive qualitative approach, supported by quantitative data to strengthen the analysis. The qualitative approach was chosen because it provides a deeper understanding of complex social phenomena, particularly regarding the role of education in improving the quality of human resources and its impact on economic development. Meanwhile, quantitative data is used to support the argument with empirical evidence in the form of relevant statistics.(Diki Aditia Pratama & Iin Khairunnisa, 2025).

In this research, a literature review serves as the primary method for exploring the theories underlying the relationship between education and economic development. Human Capital Theory, for example, explains that education is an investment that improves the skills and productivity of the workforce, thus contributing directly to economic growth. Furthermore, endogenous growth theory is used to emphasize that education and innovation are internal factors driving sustainable economic development. The literature review was conducted by examining various academic sources, scientific journals, reports from international institutions, and official statistical data from government agencies.(Mifrahi & Hanif Nur Rahmat, 2023).

Data collection was conducted through documentation studies, namely by accessing secondary data from institutions such as UNESCO, the World Bank, and the Central Statistics Agency (BPS). The data collected included educational indicators such as school enrollment rates, average years of schooling, and literacy

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rates, which were then compared with economic indicators such as Gross Domestic Product (GDP) growth, unemployment rates, and labor productivity. In this way, the study can examine the correlation between improvements in educational quality and a country's economic development.

Data analysis was conducted by integrating qualitative and quantitative approaches. Qualitative data were analyzed using thematic analysis methods to identify key patterns in the relationship between education and economic development, while quantitative data were analyzed descriptively to examine trends and relationships between variables. The integration of these two approaches allows the research to produce more comprehensive, valid, and relevant conclusions within the national and global development context.

With this extensive and in-depth research methodology, it is hoped that the discussion on the economic foundations of education will provide a clear picture of the strategic role of education in economic development. This research is not only theoretical but also supported by relevant empirical data, thus serving as a reference in formulating more focused, sustainable, and equitable education and economic policies.

Results and Discussion

The research results show that education plays a very significant role in driving economic development. The analyzed data demonstrates a positive correlation between improvements in the quality of education and a country's economic growth. For example, increases in the average length of schooling and the enrollment rate from primary to secondary school are directly proportional to increases in labor productivity and decreases in the unemployment rate. This proves that education is not merely an academic process, but also a strategic investment that has a real impact on economic development. (Zackya Hayati Lubis et al., 2025) Quality education produces a skilled workforce capable of adapting to technological developments and global market dynamics. Countries with strong education systems have been shown to have more complex and dynamic economic

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structures. An educated workforce not only increases production efficiency but also encourages the creation of new innovations that expand the industrial sector. Thus, education serves as a key driving force in creating sustainable economic growth. Although this study focuses on examining the relationship between educational aspects and economic growth, macroeconomic variables are also examined. The contribution of macroeconomic variables to population growth is demonstrated by the results of population size and investment levels. In both short-term and long-term analyses, the population growth rate has a negative and significant effect on per capita economic growth.(Moh Nurul Iman & Muhammad Fajrul Hakim, 2025).

In the context of globalization, education is becoming increasingly important as the world of work demands new skills, critical thinking skills, and high levels of creativity. Countries that are able to integrate education with global market needs will be better prepared to face the challenges of free trade, technological developments, and the increasingly rapid flow of information. Therefore, investment in education should be viewed as a key strategy in strengthening a nation's position on the world stage.(Shindi Widia & M Afdal Samsuddin, 2025).

Overall, the results and discussion of this study confirm that education is a crucial economic foundation for sustainable development. Education not only improves the quality of human resources but also creates social justice, encourages innovation, and strengthens global competitiveness. Therefore, education must be prioritized in national development policies as a long-term investment that provides multiple benefits for economic growth and public welfare.(Dere et al., 2026).

Education in Indonesia has been shown to have a positive correlation with economic development. Statistics Indonesia (BPS) data shows that the average length of schooling among Indonesians increased from 7.95 years in 2015 to over 8.6 years in 2023. This increase is directly proportional to the decline in the open unemployment rate from 6.18% in 2015 to around 5.45% in 2023. This confirms that the higher the level of education of the community, the greater their opportunities to obtain decent employment and contribute to national economic growth.

Government policies such as the 12-Year Compulsory Education Program,

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the Smart Indonesia Card (KIP), and the Freedom to Learn Program have significantly impacted access to education. The KIP, for example, helps millions of students from low-income families stay in school, expanding their opportunities to improve their skills and standard of living.

The Independent Learning Program is also a strategic step in adapting the curriculum to the needs of the modern workplace, especially in the digital era. (Johar, 2023) When compared with developed countries like South Korea, it is clear that substantial investment in education has produced a highly skilled and innovative workforce. South Korea has successfully increased the average length of schooling to over 12 years, with nearly the entire school-age population having access to quality education. This has contributed to South Korea's economic transformation from an agricultural nation to a global technology powerhouse. Japan also provides a concrete example of how education plays a role in economic development. Japan emphasizes discipline, work ethic, and technological research in its education system. As a result, Japan has become one of the world's largest economies, supported by a highly educated and innovative workforce. Japanese universities play a significant role in producing research that is directly applied in industry, thus strengthening global competitiveness. In contrast, other developing countries, such as several in Africa, still face significant challenges in educational equity. Low school enrollment rates and limited educational facilities contribute to uneven distribution of labor quality. As a result, economic development is slow and social inequality is widening. This comparison demonstrates that education is a key factor in differentiating the speed and quality of economic development between countries. In the Indonesian context, the main challenge is ensuring equal distribution of educational quality across regions. Even though access to education is increasingly widespread, the quality of teaching and infrastructure is still uneven.

This creates inequality between urban and rural areas. If Indonesia can improve the quality of education, it will... Education plays a very significant role in everyday life and is directly linked to economic development. For example, a farmer in a village who initially used traditional farming methods, after participating in

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modern agricultural training, learned about proper fertilizer use, soil management, and simple irrigation technology. As a result, his harvest productivity doubled. With a higher income, the farmer was able to send his children to higher education, and the family's economy improved. This example clearly demonstrates that education directly increases productivity, which in turn drives economic development at the household and village levels.(Salim & Inanna, 2026).

Another example can be seen in the creative industry. A young person in the city who studied graphic design through formal education or online courses was able to open a design service business for local MSMEs. Small businesses that previously struggled to promote themselves now have attractive logos and marketing materials. As a result, these businesses thrive, creating new jobs and boosting the local economy. Education here not only provides skills but also creates business opportunities that strengthen the community's economy.(Yuliadi, 2020).

In the digital age, education also plays a crucial role in improving workforce skills. An administrative employee who undergoes training in computers and data management applications, for example, is able to work more quickly and efficiently. Companies also benefit from increased productivity. More efficient companies are more competitive, enabling them to thrive and contribute to national economic growth. Thus, education is key to facing the challenges of the modern workplace.(Hassanah, 2022).

When compared with other countries, we can see a clear difference. South Korea has invested heavily in education since the 1960s. As a result, the country has successfully transformed from a poor post-war nation into one of the world's technological powerhouses. Equitable and high-quality education has made their workforce highly skilled, driving rapid economic growth. Japan also provides a clear example of how education plays a role in economic development. Japan emphasizes discipline, work ethic, and technological research in its education system. As a result, Japan has become one of the world's largest economies, supported by a highly educated and innovative workforce.



In contrast, other developing countries that still face limited access to education tend to experience obstacles to economic development. Low school enrollment rates and limited educational facilities lead to uneven distribution of the workforce. Consequently, economic development is slow and social inequality widens. This comparison demonstrates that education is a key factor in differentiating the speed and quality of economic development between countries. The more equitable education is, the greater the potential for economic growth.(Subroto, 2020).

Developing countries that still face limited access to education tend to experience significant obstacles to economic development. These limitations typically manifest themselves in low school enrollment rates, uneven teaching quality, and a lack of educational facilities and infrastructure in remote areas. As a result, many people lack the skills to compete in the modern workforce. This situation leads to low labor productivity, high unemployment rates, and ultimately slows economic growth. Education, which should be a driving force for development, is unable to function optimally because access is limited to certain groups.

Furthermore, limited access to education exacerbates social and economic disparities. Children from poor families or those living in rural areas often lack the same opportunities to attend school as children from wealthy urban families. This inequality creates a vicious cycle of poverty, where the less educated generation struggles to escape from their economic straits. Without adequate education, they cannot obtain jobs with decent wages, widening social disparities and making economic development less inclusive.(ADELIA, 2022).

Another emerging obstacle is the low ability of developing countries to adapt to technological developments and globalization. Today's workplace demands digital skills, critical thinking skills, and high levels of creativity. However, limited access to education leaves many workers in developing countries unprepared for these demands. As a result, developing countries often lag behind in global competition, becoming mere consumers of technology from developed countries without the ability to create their own innovations. This reinforces economic



dependency and hinders development independence.(Bakhri, 2023)

Limited access to education also has an impact on the low quality of democracy and governance.(Saripudin, 2022)Less educated people tend to have low political participation and are less critical of public policy. As a result, economic development often does not align with the interests of the people, but rather only benefits certain groups. Equitable education should create a more aware, critical, and active citizenry in overseeing development, thus leading to a more equitable and sustainable economic development.(Wening, 2021). Thus, it can be concluded that limited access to education in developing countries is a major factor hampering economic development. Without equitable and quality education, labor productivity will remain low, social disparities will widen, and the ability to face global challenges will be limited. Therefore, substantial investment in education must be a top priority for developing countries to escape the poverty trap, strengthen competitiveness, and create sustainable economic development.

Other developing countries that still face limited access to education, such as those in Sub-Saharan Africa and South Asia, provide a stark illustration of how educational barriers can hinder economic development.(Wati & Tisnawati, 2023)In Sub-Saharan Africa, many children are unable to attend school due to poverty, long distances, and a lack of educational infrastructure. As a result, literacy rates in some countries remain low, and the available workforce lacks the skills required by the modern job market. This situation maintains low labor productivity, resulting in slow economic growth and increased dependence on foreign aid.

In South Asia, education challenges are also evident, particularly in countries like Bangladesh and Pakistan. Although school enrollment rates have increased, the quality of education remains a significant issue. Many schools lack trained teachers, adequate learning facilities, and curricula relevant to the needs of the workforce. As a result, school graduates often lack the skills required by industry, resulting in persistently high unemployment rates. This slows economic development because the workforce is unable to contribute optimally to the productive



sector.(Suherman & Sakti, 2024).

Limited access to education in developing countries also exacerbates social inequality. Children from poor families or those living in rural areas often lack the same opportunities as children from wealthy urban families. This inequality creates a vicious cycle of poverty, where the less educated generation struggles to escape from economic hardship. Without adequate education, they cannot find jobs with decent wages, widening social disparities and making economic development less inclusive.(Hafni & Syaifani, 2025).

Conclusion

Education is a key foundation for sustainable economic development. Improving the quality and access to education has been proven to increase labor productivity, reduce unemployment rates, and strengthen a country's global competitiveness. Education serves not only as an academic process but also as a strategic investment that produces a skilled, innovative, and adaptable workforce to technological developments and global market dynamics.

In the Indonesian context, government policies such as 12-Year Compulsory Education, the Smart Indonesia Card (Kartu Indonesia Pintar), and the Freedom to Learn (Merdeka Belajar) Program have had a positive impact on educational access and reduced unemployment. However, a major challenge remains: ensuring equitable education quality across the region. Comparisons with developed countries like South Korea and Japan demonstrate that significant investment in education can dramatically transform economies, while developing countries with limited access to education tend to experience growth constraints and social inequality.

Overall, education not only improves the quality of human resources but also creates social justice, strengthens democracy, and fosters innovation. Therefore, substantial investment in education must be a top priority in national development policies, as its benefits are felt not only in the short term but also serve as a key pillar



for social welfare and future economic growth.

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