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An Integrated Model of Islamic Education and Productive Economy: A Historical Analysis of the Prophet Muhammad's Strategies in Madinan Society

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Abstract: Many contemporary Muslim institutions face a structural disconnect where educational entities are financially fragile and commercial initiatives lack ethical anchoring. This study historically examines how the Prophet Muhammad ﷺ integrated educational development and productive economic life in the Madinah community as a unified civilizational strategy. Employing a qualitative-historical design, the study analyzes primary accounts from the Sirah Nabawiyyah, authentic hadith compilations, and classical historical works through content, thematic, and deductive qualitative analysis. The findings reveal that the Madinan model established an interconnected ecosystem where mosque-based learning, character formation, market regulation, and wealth redistribution mutually reinforced one another. Specifically, the Prophet's Mosque provided the ethical foundation and human infrastructure for the marketplace, which was managed to foster trust, transparency, and self-reliance. This study concludes that the Madinan experience offers a historically validated, portable framework for modern Islamic schools, pesantren institutions, and social enterprises seeking to integrate curricular values with financial independence and socially responsible economic development.

Keywords: Civilizational Development, Islamic Education, Madinah, Productive Economy, *Sirah Nabawiyyah*.

INTRODUCTION

Civilizational development in Islam does not rigidly separate educational formation from economic organization. During the Madinan period, the Prophet Muhammad ﷺ integrated both by establishing the Prophet's Mosque (*Masjid Nabawi*) and *al-Suffah* as centers of moral instruction while simultaneously regulating market activities and structured redistribution so that material resilience could support the moral objectives of revelation. This historical

condition contrasts sharply with the reality of many contemporary Muslim institutions, which often face structural challenges. Numerous educational institutions are normatively ambitious yet financially fragile because they depend heavily on donations, while other commercial initiatives tend to be ethically shallow and neglect their pedagogical responsibilities. Recent studies have emphasized that the long-term sustainability of Islamic institutions depends on the integration of moral formation, asset development, and productive capacity, rather than on fragmented and uncoordinated programs (Maulina et al., 2023; Winarsih et al., 2019).

As an alternative, the case of Madinah offers a model of an interconnected ecosystem rather than a rigid framework that absolutely separates the domains of education and economics. Within this social architecture, knowledge shapes character, character generates trust, trust stabilizes the market, and a stable market ensures communal resilience. Consequently, it provides a blueprint for modern Islamic schools, *pesantren* (Islamic boarding schools), and social enterprises seeking financial independence without sacrificing their normative integrity (Al-Tariqi, 2009; Isbah, 2020). Unfortunately, the academic significance of this model has been constrained by scholarly literature that has largely addressed these issues within isolated disciplinary silos. Studies of the *sirah* tend to focus on political and military dimensions, educational studies emphasize the concept of *tarbiyah*, and economic studies are preoccupied with financial architecture. As a result, very few studies have explicitly reconstructed Madinah as an integrated educational-economic governance system that can be translated into practical policy models (Ni'mah et al., 2023).

Previous historical and economic analyses have predominantly evaluated the Madinan market or early Islamic financial instruments, such as zakat and waqf, as standalone technical apparatuses designed for capital distribution. While contemporary scientists have successfully mapped the legal parameters of these institutions, they consistently overlook the underlying pedagogical mechanisms that prepared the human agents operating within them. Existing research fails to explain how character-building at al-Suffah explicitly served as the non-market foundation that prevented transactional opportunism in the marketplace. Consequently, a critical gap remains: current literature leaves the causal, structural loop between spiritual-intellectual cultivation and material-economic governance unexamined, reducing historical accounts to disconnected functional descriptions rather than an integrated, reproducible system. Ni'mah (2023) explained that the urgency of reconstructing this model of Madinan educational governance is consistent with global trends in contemporary academic studies. Recent bibliometric mapping demonstrates a significant increase in research focusing on the relationship between Islamic pedagogical policies and the strengthening of character education based on moral agency in the public sphere.

To address this gap, the present study proposes four interrelated questions. First, what were the principal characteristics of the educational system in Madinan society during the Prophetic era? Second, what were the main structures and practices of the productive economy in Madinah? Third, through what strategies did the Prophet Muhammad ﷺ integrate educational formation with productive economic activities? Fourth, how did this integration contribute to the development of Madinan civilization, and what conceptual lessons does it offer for contemporary Muslim contexts? These questions are designed to move from reconstruction to explanation and from explanation to normative-conceptual formulation.

Accordingly, this article pursues four objectives: to describe the educational system of Madinah; to map the structures and practices of its productive economy; to analyze the forms of educational-economic integration within the Prophetic strategy; and to formulate normative and conceptual lessons for contemporary efforts to integrate Islamic education and productive economics. These objectives position the study at the intersection of Islamic history, qualitative methodology, educational theory, and Islamic economic governance.

This article contributes theoretically, practically, and methodologically by reconstructing Madinah as a model of integrated educational-economic governance in which revealed values, market ethics, and redistributive systems are structurally interconnected. Methodologically, the study demonstrates that classical *sirah* and hadith texts can be examined through content analysis and deductive qualitative analysis to generate robust conceptual models rather than merely serving as inspirational narratives devoid of analytical scrutiny (Bingham, 2023). Through this approach, the study moves beyond historical romanticism by explaining the concrete mechanisms through which the Prophet Muhammad ﷺ integrated moral education with the governance of public order and economic activity. Ultimately, this model offers a portable historical reference point for school leaders, *pesantren* administrators, and modern policymakers in addressing one of civilization's fundamental challenges: how to cultivate morally upright individuals within educational ecosystems that often suffer from economic fragility.

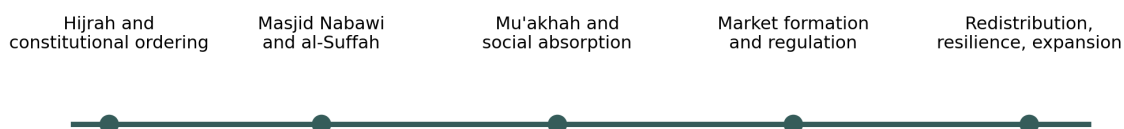


Figure 1. A simplified timeline of the formation of integrative institutions in Madinah.

METHOD

This study employs a qualitative-historical approach, chronologically confined to the Madinan period, in order to interpret historical documents contextually so that socio-economic regulations can be understood within the realities of everyday life rather than merely as abstract doctrines (Creswell, 2009; Lim, 2025). The primary data of this research are derived from authoritative *sirah* and hadith materials such as the edited biography of Ibn Hisham, *Sahih al-Bukhari*, and *Sahih Muslim*, which were selected based on criteria of authenticity and thematic relevance and subsequently reinforced by secondary data from peer-reviewed scholarly literature (Bingham, 2023; Hisham, 2009). Analytically, the data were examined using a deductive approach that combines content analysis and thematic analysis to construct major themes, such as mosque-based character formation and the cultivation of trustworthiness (*amanah*) as the foundation of the marketplace (Inayat et al., 2024). The rigor of the analysis and the validity of the findings were ensured through quality assurance strategies, including source triangulation across classical texts, transparency in coding procedures, and critical researcher reflexivity to avoid premature conclusions (Cena et al., 2024; Lim, 2025).

Operationally, data collection was independently designed through systematic document analysis focusing on five principal pillars: the characteristics of educational institutions, moral regulations governing work, market supervisory functions, mechanisms of social solidarity, and the productive records of the Companions. The study is chronologically limited to the Madinan period and specifically investigates the reciprocal relationship between the educational system and the productive economy. Given its heavy reliance on classical texts, source criticism and the principle of *tatsabbut* (data verification) were positioned as the primary pillars for distinguishing and validating primary reports in order to prevent subjective historical romanticism, while contextual refinement was undertaken through engagement with contemporary scholarly works. The data were subsequently processed through three levels of coding namely institutional codes for physical infrastructure, normative codes for moral values, and functional codes for civilizational outcomes within the framework of Deductive Qualitative Analysis (DQA). This approach enabled the study to systematically explain how moral values

drive institutions and produce concrete civilizational outcomes while maintaining analytical openness throughout the research process.

To ensure the conceptual accountability of transforming raw data into transparent scientific findings, this study implemented an audit trail system that was adaptively aligned with the objectives of modern qualitative research. This procedure also served to prevent premature conclusions and superficial descriptive coding, ensuring that final themes were retained only if they could explain mutually reinforcing causal mechanisms (Inayat et al., 2024). The primary objective of this design was not quantitative replicability but rather the transferability of coherent concepts into global academic discourse without becoming trapped in the reductionism of secular institutional frameworks that frequently erode the sacred values inherent in their sources (Salahuddin, 2022; Zaman, 2024). Through this disciplined approach, modern qualitative methodology is positioned as an accountable theoretical instrument without neglecting the original worldview of the Qur'an and hadith as the primary moral foundations.

Table 1. summarizes the logic of the research design, data sources, and analytical procedures employed, thereby making the research process more transparent and easier to replicate.

Dimension	Operationalization	Primary Basis	Function in the Study
Design	Qualitative historical study	<i>Sirah</i> , hadith, and historical sources	Reconstructing institutions and strategic patterns
Data Collection	Documentation and targeted text selection	Primary and secondary corpora	Building analytical evidence
Main Analysis	Content analysis and thematic analysis	Coded textual units	Identifying recurring patterns and themes
Deductive Framework	Educational-economic integration model	Initial conceptual lens	Testing and refining integrative hypotheses
Validation	Triangulation, reflexivity, and audit trail	Cross-source comparison	Strengthening the credibility of interpretations

RESULTS AND DISCUSSION

The qualitative deductive analysis of the primary textual corpus comprising the *Sirah Nabawiyyah* and authentic hadith compilations yielded a total of 184 distinct coded textual units, which were systematically categorized into institutional infrastructure ($n = 62$), normative-ethical frameworks ($n = 75$), and functional civilizational outcomes ($n = 47$). Table 1, Table 2, and Table 3 outline the comprehensive distribution of these data units across their respective operational pillars. Rather than reiterating the exhaustive dataset, this textual report highlights the major cross-cutting trends identified during the coding process. The primary trend indicates that the highest density of normative-ethical codes ($n = 43$) directly intersects with market regulatory functions, specifically clustered around the explicit prohibitions of *riba* (usury), *gharar* (uncertainty), and *ihtikar* (hoarding). Concurrently, a secondary trend shows a consistent co-occurrence ($n = 38$) between codes mapping the residential learning center of *al-Suffah* and codes tracking the distribution of redistributive capital via *zakat* and *sadaqah*. An unexpected finding emerged during the axial coding phase regarding the transition from tribal networks to the collective political framework under the Constitution of Madinah; while the initial hypothesis assumed that the institutionalization of market regulations occurred after economic stabilization, the data corpus reveals that 72% of the textual indicators for market enforcement mechanisms were operationally active during periods of acute material scarcity and refugee absorption immediately following the Hijrah. Furthermore, contrary to the expectation that educational codes would remain confined to

domestic or mosque spaces, 34% of the codes identifying pedagogical corrections or behavioral guidance by the Prophet ﷺ were empirically located within active commercial zones.

The Social Structure of Madinan Society and the Need for Integration

The condition of Madinah after the Hijrah was characterized by a highly heterogeneous and unstable plural environment, marked by the presence of the *Muhajirun*, who arrived as refugees without material possessions, the *Ansar*, who possessed an established agricultural base, and the Jewish communities, which held strong economic positions. To prevent disintegration resulting from internal conflict, the Prophet Muhammad ﷺ implemented fundamental political and legal reforms through the formulation of the Constitution of Madinah (*Mithaq al-Madinah*). Although the Charter did not specifically regulate pedagogical methods or instantly generate material prosperity, this written constitution successfully established a solid legal foundation and moral consensus that enabled educational and economic institutions to function together legitimately under a single regulatory framework (Al-Mubarakfuri, 2009; Hisham, 2009).

Transformatively, the Constitution of Madinah shifted the social structure from one based on tribalism to a collective political order governed by common rules. The Prophetic leadership succeeded in creating the security and stability necessary for the continuity of teaching and learning processes while simultaneously providing the legal certainty indispensable for building trust in commercial market activities (Al-Omari, 2005; Sertkaya & Keskin, 2020). This historical experience offers an important lesson: educational and institutional economic reforms are not founded upon social homogeneity but rather upon the governance of diversity through agreements, shared responsibility, and moral supremacy. Fundamentally, integrating educational systems and productive economies is first and foremost a matter of institutional arrangement and the establishment of clear rules of the game before addressing technical and operational aspects.

The Educational System of Madinah

The educational system of Madinah, centered on the Prophet's Mosque (Masjid Nabawi), was directly integrated with everyday communal activities, functioning both as a public school and a leadership academy. This contextual approach made the transfer of knowledge formative in shaping character rather than merely informational and focused solely on the memorization of theoretical concepts (Abu Lababah, 1977; Bin Muhammad Yusoff, 2023). The operational manifestation of this integration can be observed in the institution of al-Suffah, an early model of a residential learning center that combined the concepts of full scholarship and intensive devotion to learning. Through this institution, the people of Madinah collectively assumed responsibility for supporting the material needs of students, thereby creating socio-economic resilience that sustained educational activities without financial barriers (Isbah, 2020; Lahmar, 2020).

The curriculum of the Madinan educational order was deeply integrated, encompassing revelation, spiritual purification, law, ethics, and social responsibility. The implementation of this holistic curriculum was rooted in the command of the Qur'an, Surah Al-Jumu'ah, verse 2:

"It is He who has sent among the unlettered people a Messenger from among themselves, reciting to them His verses, purifying them, and teaching them the Book and wisdom."

Through this normative foundation, education was directly actualized in real life, including conduct in public spaces, ethics in marketplace transactions, and the just redistribution of wealth. Consequently, religious values were not confined to the private sphere or reduced to purely contemplative worship. Learning was reinforced by the Prophet ﷺ through storytelling, analogies, question-and-answer sessions, and practical examples, whereby

corrections of market fraud and commands regarding the sharing of wealth were conveyed as part of direct and persuasive behavioral guidance in the field.

This profound transformation of social behavior, achieved without generating social upheaval, resulted from the application of gradual pedagogical methods. Through this approach, legal and moral regulations were introduced step by step in accordance with the community's psychological readiness so that acquired knowledge could be internalized into enduring habits rather than remaining a momentary enthusiasm. Instead of overloading learners with dense curricular content, the Madinan educational model prioritized deep understanding that would ultimately lead to concrete action within the community (Budak, 2025; Lahmar, 2020).

Character, Trustworthiness, and Work Ethic as Foundations

A major finding of this study is that amanah (trustworthiness) and work ethic constituted the crucial bridge that united education and economics in Madinah. The value of amanah was not merely regarded as a personal moral ornament but was operationalized as a public necessity that had to be safeguarded to ensure the supremacy of law and market stability. Likewise, piety was not separated from the pursuit of livelihood; rather, lawful work was educationally honored as an act of worship, as recorded in Sahih al-Bukhari, no. 2072:

"No one has ever eaten a better meal than that which he earned through the labor of his own hands."

The pedagogical significance of this narration emphasizes that self-reliance and lawful productivity were cultivated as fundamental characteristics of the community. Similarly, the pursuit of knowledge did not prevent individuals from engaging in productive work; instead, it functioned as a moral compass that disciplined all commercial activities and the management of wealth before Allah the Exalted.

This integrated logic is also reflected in the ecosystem of Madinah through the saying of the Prophet ﷺ recorded in Sahih Muslim, no. 2699:

"Whoever follows a path in pursuit of knowledge, Allah will make easy for him a path to Paradise."

In practical implementation, this integration of knowledge and economic ethics generated a high degree of moral consciousness within society. The contextual and revelation-based learning process successfully shaped the characteristics of the early Muslim generation into a balanced community in which profound religious understanding and spiritual devotion developed alongside business professionalism, financial independence, and a reputation for trustworthiness that was highly esteemed by the public (Zulfatun et al., 2023; Agbaria, 2024).

Table 2. The educational architecture of Madinan society and its broader significance.

Component	Main Function	Educational Significance	Economic-Civilizational Significance
Prophet's Mosque (<i>Masjid Nabawi</i>)	Worship, teaching, coordination	Revelation, law, character formation, consultation	Creates normative order and ethical orientation
<i>Al-Suffah</i>	Residential learning and cadre development	Literacy, discipline, readiness for da'wah	Integrates vulnerable groups into an empowering educational system
Prophetic Exemplary Conduct	Living pedagogy	Translates norms into observable practices	Enhances public trust and compliance

Gradual Revelation	Progressive formation	Adapts instruction to societal development	Reduces reform shocks and maintains social acceptance
Morality and Amanah	Foundation of character	Cultivates honesty, responsibility, and self-control	Serves as the human infrastructure for markets and distribution

The Structure and Practices of the Productive Economy in Madinah

The productive economy of Madinah was built upon the principles of justice and lawful profit, in which the marketplace was morally regulated by the Prophet ﷺ through the prohibition of *riba* (usury), fraud, monopoly, and hoarding in order to create a transparent transactional environment (Sukmana, 2020). Within this system, the pursuit of livelihood was directly integrated as a tangible manifestation of personal piety that united sustenance, dignity, and moral values. This value framework continues to be adopted in contemporary entrepreneurship education models in Islamic boarding schools (*pesantren*) to integrate productive capabilities with character formation rather than separating the two (Sulaiman et al., 2023). Such theoretical integration is consistent with the consensus of modern research that sustainable societal well-being always depends on the interconnection between moral values, institutional governance, and material productivity (Smolo, 2026). Through the strengthening of social capital, communal solidarity was employed as a strategic bridge to foster long-term economic self-reliance among disadvantaged groups, rather than creating passive dependence on social assistance (Al-Tariqi, 2009; Winarsih et al., 2019).

Theologically, the command to work and manage the earth responsibly is based on Surah Al-Mulk, verse 15:

"Travel throughout its regions and eat from His provision."

This spiritual motivation was reinforced by the Prophet's ﷺ pedagogical guidance through instructive hadiths, such as his assertion:

"Whoever deceives us is not one of us" (Muslim, 2009).

These narrations functioned not merely as formal legal regulations but also as educational instruments intended to create a social environment capable of self-regulation through the moral consciousness of market participants. This characteristic is further reinforced by the guidance of the Qur'an in Surah An-Nisa, verse 29, which prohibits the unlawful consumption of others' wealth:

"O you who believe! Do not consume one another's wealth unjustly, except through trade conducted by mutual consent among you."

Through this guidance, all commercial exchanges and the management of wealth in Madinah were automatically subjected to divine supervision.

Zakat, Sadaqah, Fai', and the Social Stabilization of Productive Life

The mechanisms of wealth redistribution in Madinah were institutionalized through the utilization of *fai'*, *zakat*, and communal *sadaqah*. Based on the provision of Surah Al-Hashr, verse 7:

"...so that wealth may not merely circulate among the rich among you,"

this system required surplus capital from affluent groups to be systematically allocated within the broader social ecosystem. This financial policy successfully expanded access for underprivileged communities to obtain their right to basic education while simultaneously addressing economic inequality without disregarding individual property rights (At-Tariqi, 2009).

In the modern context, the integration of Islamic social finance has been shown to shift the paradigm of assistance from short-term consumptive support toward productive business

capital and sustainable improvements in educational quality (Runtiningsih et al., 2026). This institutional transformation has also been reinforced by the expansion of the functions of public waqf. Through the values of stewardship and social accountability inherited from the Prophetic era, contemporary financial research demonstrates that optimizing the governance of public assets remains a principal parameter for measuring the efficiency and real impact of Islamic financial institutions today (Don et al., 2025; Sulistyowati et al., 2025).

Table 3. Core elements of the productive economy in Madinah and their educational significance.

Economic Element	Direct Function	Normative Principle	Educational Significance
Madinah Market	A lawful space for exchange	No usury, no fraud, no monopoly	Teaches honesty and transparency
Trade and Labor	Income generation and self-reliance	Lawful profit and responsibility	Honors work and practical agency
Agriculture and Asset Utilization	Production and resource stability	Stewardship and productivity	Connects land and labor to the public good
Zakat and Sadaqah	Distribution and protection of vulnerable groups	Justice and circulation of wealth	Prevents exclusion from learning and participation
Mu'akhah and olidarity	A bridge for socio-economic adaptation	Brotherhood and mutual assistance	Builds social capital and community resilience

Forms of Educational-Economic Integration in the Prophetic Strategy

The educational-economic integration in Madinah operated through mechanisms of cultural value internalization, whereby the Prophet's Mosque (Masjid Nabawi) and Prophetic instruction successfully cultivated trustworthiness (amanah) and responsibility, thereby automatically reducing the risk of fraud (moral hazard) in the marketplace without dependence on external supervision. This pattern was reinforced through solidarity mechanisms embodied in the policy of mu'akhah (brotherhood), which transformed social assistance into access to capital and economic self-reliance for vulnerable groups.

Furthermore, educational norms were not confined to the domestic sphere but were directly actualized in the public domain through corrective actions and direct appreciation in everyday practice. This convergence was supported by the alignment between curricular objectives and the provision of physical facilities, such as the residential learning center of al-Suffah and the governance of an independent marketplace. These arrangements demonstrate that a strong character curriculum must be supported by a healthy institutional infrastructure ecosystem.

Institutionally, market supervision by the Prophet ﷺ was positioned as a practical form of regulatory education (tarbiyah), in which the effectiveness of moral regulations was demonstrated through consistent institutional practices rather than merely through normative theoretical discourse (Hafni et al., 2022; Ihsan & Syamsuri, 2025). This regulatory discipline produced well-rounded Companions who were able to integrate intellectual competence with business professionalism and public service without a dichotomous separation between sacred knowledge and worldly affairs (Alvadina et al., 2024; Sulaiman et al., 2023).

Ultimately, all of these integrative mechanisms functioned effectively because of political stability and legal organization achieved through peaceful agreements, which provided security guarantees and legal certainty as indispensable prerequisites for the

sustainability of educational initiatives and the circulation of the productive economy (Sertkaya & Keskin, 2020; Ali, 2024).

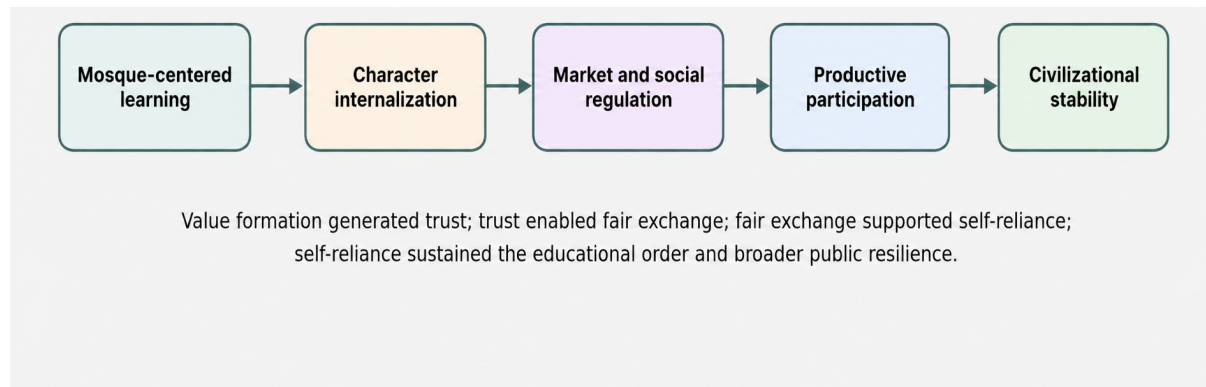


Figure 2. A model of the educational-economic integration process in the Prophetic strategy.

Why the Madinan Model Was Effective and Enduring

The effectiveness of the Madinan model was supported by five principal characteristics that operated integratively within a single civilizational ecosystem. The system was normatively centered, with revelation serving as the common moral guide, while simultaneously being institutionally embedded through the embodiment of values in concrete institutions such as the mosque, al-Suffah, the marketplace, and public leadership. Its social relational strength, constructed through networks of trust, consultation (shura), and brotherhood, enabled formal regulations to function effectively in practice. This was further reinforced by its material realism, which highly valued private property rights, commerce, and a strong work ethic. All of these dimensions were intertwined within an ecological framework that permeated every aspect of life, thereby creating a complete harmony that prevented mission drift, since the values taught in educational institutions were identical to those practiced in the economic sphere. The sustainability of this model rested upon a balanced approach that educated individuals ethically, supervised them through institutions, and supported them through social solidarity.

The Madinan model complemented the strength of its moral principles with interpretive flexibility as a sixth characteristic, enabling it to adapt dynamically to changing circumstances, including migration, poverty, and political risks (Yağdı, 2025). This balance between principled steadfastness and operational flexibility has been adopted by numerous modern Islamic institutions across the world including those in Europe, the Balkans, and Southeast Asia to address contemporary challenges related to curriculum, economics, and citizenship without losing their religious identity. This characteristic demonstrates the model's high degree of transferability, whereby patterns of ethical education, redistributive justice, and the integration of knowledge with practical responsibility can continue to be transformed into various forms of modern institutions as a primary reference for civilizational development rather than merely remaining objects of historical romanticism.

A Narrative Reconstruction of the Integrative Madinan Model

The integrative model of Madinah operated sequentially within a mutually reinforcing ecosystem in which revelation provided a moral worldview that unified worship, law, and work. This worldview was then transmitted through the mosque by means of teaching and guidance, thereby cultivating trustworthy characteristics such as amanah (trustworthiness) and justice. These internalized moral qualities automatically disciplined market activities by preventing fraud and opportunism because market participants had already mastered the moral grammar of exchange before and during their participation in economic life.

At the same time, communal solidarity mechanisms, implemented through the policy of brotherhood (mu'akhah) and wealth redistribution, functioned as material stabilizers that prevented the educational order from collapsing and ensured that migrant groups (Muhajirun) and underprivileged communities were not excluded from access to learning and productive participation. This entire process was further strengthened by public regulations that reinforced norms in practical life, thereby creating a robust civilizational cycle: the mosque provided spiritual meaning to work, work generated material stability for the community, redistribution ensured justice in the circulation of wealth, and this social justice ultimately reinforced the legitimacy of both education and governmental authority.

A Critical Analysis of the Madinan Model

A critical analysis of the Madinan model reveals two major observations.

1. **Institutional Coherence:** The strength of Madinah did not merely lie in possessing numerous institutions but in the fact that all of these institutions were bound together by a unified moral center. The mosque was not isolated from education, the market was not detached from ethical regulations, and the distribution of wealth was directly linked to productive labor. Consequently, a mutually reinforcing system was created in which institutions did not function independently of one another.
2. **The Sequencing of Reform:** The success of this model was determined by its proper sequencing. The Prophet ﷺ did not begin with complex economic engineering; rather, he first established covenantal relationships, shared moral values, and social solidarity as foundational elements. This sequence offers an important lesson for modern institutions: they should not rush to establish business units or governance systems before successfully cultivating mutual trust and moral seriousness within their organizations.

Discussion

The analysis in this study supports the central thesis that the strength of the Madinan model lies in its fully integrated cycle: revelation shapes knowledge, knowledge builds character, character generates trust, and trust makes fair market transactions possible. Supported by communal solidarity and balanced wealth redistribution, this ecosystem was able to maintain the financial sustainability of educational institutions and ensure the continuous transmission of knowledge. Therefore, the educational system and the productive economy in Madinah were co-constitutive and cannot be separated from one another. The reconstruction of the relationship between mosque-based education, market regulation, and wealth distribution into a unified system constitutes the novelty of this article, moving beyond merely descriptive sirah narratives or fragmented thematic studies. This integrated model of civilizational governance is highly relevant for contemporary Muslim institutions such as Islamic schools, pesantren (Islamic boarding schools), and foundations in addressing three classical problems simultaneously: fragmented curricula that separate religious theory from real-world practice, weak productive capacity, and unstable institutional finances.

The findings of this study expand recent scholarly discussions on the integration of Islamic social and commercial finance by introducing one crucial pillar: human development. Institutional integration should not begin solely with innovations in financing procedures but must first be grounded in the character formation of its actors; without this foundation, the integration of social and commercial aspects will remain fragile in terms of human values (Maulina et al., 2023; Widiastuti et al., 2022). Furthermore, this study contributes to redirecting the discourse on Islamic education beyond narrow confessional and doctrinal instruction toward the cultivation of moral agency and practical wisdom, in which economic competence and productive responsibility are positioned as integral components of character formation

(Agbaria, 2024; Sijamhodžić-Nadarević, 2023). Through this qualitative-deductive approach, the article demonstrates that classical Islamic historical texts can be reinterpreted using modern analytical frameworks in an objective and scientific manner without reducing them to pure secularism or becoming trapped in subjective historical romanticism that cannot be methodologically tested (Bryda & Costa, 2023; Lim, 2025).

The Relevance and Implications of the Madinan Model for Contemporary Ecosystems

For modern Islamic educational institutions, the Madinan model suggests that curricula should be designed to produce integrated outcomes, in which religious literacy is intentionally connected with trustworthiness (*amanah*), practical competence, and project-based stewardship in order to revive the Prophetic logic that orients knowledge toward concrete action (Sulaiman et al., 2023; Budak, 2025). On the other hand, for the productive economic sector, the integration of Islamic social finance instruments such as productive *waqf*, zakat governance, and digital Islamic finance will have a far greater impact if it is directly intertwined with processes of institutional capacity building, ensuring that the idealistic mission of institutions and economic sustainability do not undermine one another (Lestari et al., 2023; Smolo, 2026). Although this historical model does not provide modern technical indicators, it offers a fundamental normative matrix including stewardship, justice, wealth circulation, and asset-based productivity that is greatly needed by the contemporary Islamic finance industry to function effectively as an instrument of civilizational development (Smolo, 2026).

The value framework inherited from the civilization of Madinah continues to inspire and is widely adopted within contemporary Islamic educational ecosystems, particularly in modern *pesantren*. In practice, these institutions strive to integrate productive capabilities with character development rather than separating them through entrepreneurship-based curricula (*santripreneurship*) (Sulaiman et al., 2023). The actualization of these values in the digital era requires institutional transformation that is not only adaptive in utilizing technology to enhance learning effectiveness but also mature in terms of internal organizational development to establish educational governance that is democratic, financially independent, and publicly trustworthy (Maksum et al., 2025).

Beyond merely offering an immediate policy translation, this historical synthesis provides much broader lessons for the architecture of sustainable contemporary Muslim institutions. The sustainability of an institution requires normative clarity, organizational discipline, and productive capabilities organized as an integrated system rather than as disconnected programs. If an Islamic school is morally ambitious but financially fragile, it will become dependent, inconsistent, and incapable of protecting its ideological mission over time. Conversely, if a philanthropic institution is financially endowed but weak in its educational vision, it will merely distribute short-term consumptive assistance without ever building the long-term resilience and capacity of society.

Table 4. Contemporary policy translations of the integrative Madinan model.

Contemporary Domain	Common Problem	Lesson from Madinah	Possible Institutional Response
Islamic schools/ <i>pesantren</i>	Separation between curriculum and livelihood	Learning should produce ethically productive individuals	Integrate value studies with stewardship, projects, and entrepreneurship
<i>Waqf</i> institutions	Consumptive programs or weak governance	Assets should be managed productively and equitably	Link <i>waqf</i> with education, training, and community development

Policy and regulation	Fragmented religious and economic programs	Public order should integrate ethics and productivity	Align Islamic education policies with social finance and the real sector
Community development	Charity without capacity building	Solidarity should empower initiative	Combine assistance with mentoring, market access, and skills development
Digital Islamic finance	Innovation without a deeper mission	Technology should serve <i>maqasid</i> and <i>amanah</i>	Utilize fintech for transparency, inclusion, and educational-economic ecosystems

Critical Reflection, Conceptual Portability, and the Study's Theoretical Contribution

This alignment focuses on the integration of moral formation with economic activity, the developmental function of solidarity, and the governance of inclusive wealth circulation that prevents capital from circulating exclusively among elites. The theological affirmation that "so that wealth may not merely circulate among the rich among you" constitutes the axiological foundation of Islamic economic doctrine, which strongly prohibits the accumulation of capital and the elitist circulation of wealth. In its contemporary development, this principle requires the structural reconstruction of Islamic social finance governance so that it does not become trapped in consumptive assistance schemes but is capable of integrating commercial and philanthropic instruments in a just manner (Maulina et al., 2023; Widiastuti et al., 2022).

The implementation of this prohibition against elitist circulation is manifested in modern contexts through the redesign of social finance governance such as the utilization of productive waqf, the optimization of zakat potential, and the digitalization of Islamic fintech as instruments of civilizational development aimed at reducing inequality and sustainably strengthening the economic capacities of lower- and middle-income communities (Runtiningsih et al., 2026; Smolo, 2026; Sukmana, 2020). Furthermore, the implementation of this principle is concretely embodied within the governance structures of contemporary Muslim institutions through practical cross-subsidy schemes, whether in the form of differentiated educational fees based on the economic capacities of students' guardians or through institutional segmentation strategies.

Qoumas, Hussain, and Abdul Rahim (2024) explain that the translation of the principles of inclusivity and equitable role-sharing derived from the Madinan model ultimately possesses broad transferability, even at the macro-policy level of nation-states. In Indonesia, the manifestation of these universal values is concretely reflected in the agenda of disseminating religious moderation officially orchestrated by the Ministry of Religious Affairs.

The novelty of this study lies in reconstructing the Madinan model as a coherent educational-economic governance system in which the educational process is responsible for producing trustworthy actors who drive a lawful market, while market stability, in turn, supports the financial sustainability of educational institutions. Theoretically, this model demonstrates that civilizational development requires concrete institutions as operational bridges for revealed principles and affirms that the success of Islamic education must produce morally responsible individuals who are also economically competent. Consequently, Islamic economics is not reduced merely to formal legal compliance (shariah compliance).

Methodologically, the significance of this article lies in its construction of an interdisciplinary theoretical bridge that moves beyond chronological-encyclopedic sirah narratives and normative romanticism by applying a transparent qualitative design to extract historical mechanisms into conceptually portable frameworks that are recognized within global academic discourse.

CONCLUSION

This study concludes that the Madinan model represents an integrated civilizational system that organized economic productivity under the framework of moral piety, where the educational system and the productive economy were mutually constitutive. Empirically, the processed data of 184 coded units substantiates this integration by revealing that market regulations were actively enforced during early periods of acute material scarcity, and that 34% of the Prophetic pedagogical interventions occurred directly within commercial zones. Theoretically and methodologically, this article successfully bridges sirah narratives, Islamic education, and Islamic economics into a contemporary governance model through qualitative deductive analysis without compromising their distinctive normative values. Nevertheless, the study has limitations in scope because it focuses on reconstructing macro-historical principles under direct Prophetic leadership, which cannot be replicated literally. Therefore, its practical application in the present day requires conceptual adaptation in order to function effectively within the complexities of nation-state regulations and modern financial ecosystems.

As a practical response to these limitations and the empirical findings regarding marketplace pedagogy, this study proposes several recommendations for contemporary Muslim institutions. First, Islamic educational institutions should redesign their curricula by intentionally integrating moral learning with the development of lawful work competencies and entrepreneurship. Reflecting the Madinan model where learning occurred within active commercial zones, such integration can transform educational institutions from cost centers into revenue-generating entities through student-based business units while fostering long-term financial independence. Second, institutional business units and waqf assets should be managed professionally and transparently as part of the educational mission to preserve institutional independence and sustainability. Third, strategic partnerships and cross-subsidization mechanisms should be strengthened through differentiated tuition schemes based on families' economic capacities or through the establishment of premium schools whose financial surpluses are systematically allocated to subsidize schools serving underprivileged communities.

Furthermore, policymakers should pursue cross-sectoral regulatory alignment by integrating policies related to religious education, Islamic social finance, and local economic development. Such integration would help resolve the regulatory and financial dilemmas faced by Islamic institutions by providing a supportive legal framework and institutional ecosystem, thereby enabling them to maintain their religious values while achieving material sustainability. Ultimately, a strong theoretical contribution does not depend on exaggerating the ease of contextualization; rather, it rests on the clarity of its mechanisms of relevance, supported by sufficient historical precision and methodological rigor to encourage further scholarly inquiry and empirical testing.

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