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Neoliberal Educational Policies And Their Implications For Islamic Education: A Literature Review

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Abstract

Neoliberal rationalities have increasingly influenced educational governance through competition, marketization, accountability, institutional differentiation, and responsiveness to economic demands, raising important questions about their implications for Islamic education. This study aimed to examine how neoliberal educational policies are manifested in Islamic educational contexts and how their consequences are negotiated by value-based institutions. The study employed qualitative library research using a structured literature review. The population comprised peer-reviewed scholarly publications published between 2021 and 2025, while the analytical sample consisted of eligible studies selected through purposive criterion-based screening from Google Scholar and Scopus. A structured data-extraction matrix was used to organize the literature, and the data were analyzed through thematic, comparative, and interpretive synthesis. The findings identified four interconnected dimensions: institutional governance and financing, access and social equity, curriculum and educational purpose, and religious identity and value formation. Neoliberal mechanisms promoted professional management, competition, differentiation, and global competencies but were also associated with socioeconomic stratification and religious commodification. Islamic educational institutions selectively incorporated these mechanisms while maintaining moral formation, religious identity,

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philanthropy, and social responsibility. The study concludes that neoliberalization in Islamic education constitutes a negotiated and context-dependent institutional process.

Keywords: Education Policy, Islamic Education, Marketization, Neoliberalism, Religious Education

INTRODUCTION

Over the past several decades, neoliberalism has become an influential framework through which transformations in education are interpreted, particularly where educational governance increasingly incorporates competition, efficiency, accountability, consumer choice, privatization, and responsiveness to labor-market demands. In recent scholarship, neoliberalization is not understood simply as the withdrawal of the state from education, but as a broader reconfiguration of how educational institutions are governed, funded, evaluated, and positioned within competitive environments. Mintz (2021), for example, associates neoliberal restructuring in higher education with changing funding arrangements, marketization, and the emergence of the student-as-customer orientation, while Ren (2023) demonstrates how universities can discursively construct students, knowledge, and institutional identities in increasingly market-oriented terms. More recent research further suggests that educational marketization also takes place through everyday organizational practices, including the adoption of business concepts and managerial discourse by educational professionals (Cohen, 2024). At the policy level, however, neoliberalization does not operate uniformly across national contexts. Wang and Hamid (2024) show that market-oriented educational governance can be reconfigured through interactions among state regulation, institutional priorities, and competing ideological traditions. Consequently, contemporary neoliberal education is better understood as a flexible policy rationality that translates economic concepts such as competitiveness, measurable performance, efficiency, and individual responsibility into educational governance rather than as a single universal policy model (Cohen, 2024; Wang & Hamid, 2024).

These transformations are increasingly relevant to the Indonesian educational landscape, including Islamic education. The influence of globalization and the knowledge economy has encouraged educational institutions to strengthen competitiveness, international orientation, institutional reputation, and graduate employability, dynamics that have also been identified within Indonesian higher education (Fudiyartanto, 2024). Islamic educational institutions operate

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within this changing environment while simultaneously carrying religious, moral, social, and educational responsibilities that cannot be reduced to economic outcomes. Recent studies indicate that pesantren, Islamic schools, and other faith-based educational institutions have responded to changing social demand by improving facilities, developing distinctive programs, introducing internationally oriented curricula, strengthening institutional branding, and targeting increasingly differentiated educational markets. Hidayah (2021) demonstrates how several Indonesian pesantren have adapted their programs and infrastructure to the aspirations of middle-class Muslim families, producing a complex relationship among religious commitment, commodification, and what she conceptualizes as pious neoliberalism. Similarly, Nurani et al. (2022) identify the emergence of Qur'an-centered educational programs as both a religious phenomenon and a growing educational market, while Hadi and Kesuma (2025) show that middle-class Muslim parents increasingly expect Islamic schools to combine strong religious education with competitive academic quality, professional management, contemporary facilities, and internationally oriented curricula. These developments demonstrate that Islamic education is increasingly situated at the intersection of religious aspiration, educational quality, consumer expectations, and institutional competition (Hidayah, 2021; Hadi & Kesuma, 2025).

Existing scholarship provides several important perspectives for understanding these changes. At the broader educational level, studies have examined neoliberalism through policy accountability, teacher professionalism, managerialism, marketization, and institutional discourse. Brown et al. (2022) show that neoliberal educational reforms can reshape conceptions of teaching through standards, measurable achievement, data, and accountability, thereby influencing how prospective teachers understand their professional identities. Likewise, Ren (2023) finds that neoliberal discourse can encourage universities to represent themselves as entrepreneurial and competitive institutions, while Cohen (2024) illustrates how marketization penetrates educational practice through the gradual normalization of business terminology and organizational models. Within Islamic education, however, research has generally focused on more specific manifestations of marketization. Pratama and Sugiarto (2023), for instance, demonstrate that parents' selection of faith-based schools involves complex interactions between religiosity, moral expectations, and educational choice, rather than purely economic calculations. Suyatno et al. (2022), meanwhile, show that contemporary Islamic education can actively negotiate modernity while retaining values such as monotheism, justice, balance, nationalism, and social responsibility. Taken together, these studies suggest that Islamic

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educational institutions should not be treated as passive recipients of neoliberal reform. Instead, they negotiate market pressures through institutional choices that may simultaneously pursue educational competitiveness, religious legitimacy, social relevance, and value preservation (Pratama & Sugiarto, 2023; Suyatno et al., 2022).

Nevertheless, previous studies reveal an important analytical tension concerning the consequences of market-oriented transformation. On one hand, greater attention to quality management, professional administration, institutional differentiation, and responsiveness to parental expectations may provide Islamic educational institutions with resources for adaptation and sustainability. Hadi and Kesuma (2025) demonstrate that quality management in a leading Islamic school can integrate competitive academic standards with Islamic character formation, professional human resource management, financial accountability, and stakeholder involvement. Hidayah (2021) similarly cautions against treating every form of commodification in pesantren as inherently negative, since adaptation to middle-class expectations can coexist with the preservation of an explicitly religious curriculum.

On the other hand, marketization can generate tensions concerning educational access, social stratification, institutional identity, and the meaning of education as a social good. Nurani et al. (2022) show how religious symbols and Qur'anic learning may become incorporated into competitive educational markets, while Jatmiko et al. (2025) identify a more complex pattern within Muhammadiyah education, where elite institutional arrangements may reproduce social distinctions while simultaneously generating resources that sustain philanthropic commitments and institutional independence. Thus, the relationship between neoliberalism and Islamic education is neither uniformly destructive nor inherently beneficial. Its implications depend on how market-oriented mechanisms interact with religious objectives, institutional governance, financing arrangements, social inclusion, and the historical missions of Islamic educational institutions (Jatmiko et al., 2025; Hadi & Kesuma, 2025).

Despite this growing literature, a significant research gap remains. Much of the international scholarship on neoliberal education concentrates on public schooling, teacher education, universities, or national regulatory systems, with relatively limited consideration of religious educational institutions whose purposes explicitly extend beyond economic productivity and measurable academic performance (Brown et al., 2022; Wang & Hamid, 2024). Conversely, studies of Indonesian Islamic education frequently examine individual institutions, parental school choice, educational marketing, middle-class consumption, or religious commodification as

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relatively separate phenomena (Hidayah, 2021; Pratama & Sugiarto, 2023). Even recent research that directly addresses neoliberalization within Islamic institutions has largely relied on particular organizational cases, such as Muhammadiyah schools, making broader conceptual synthesis necessary (Jatmiko et al., 2025). As a result, insufficient attention has been given to connecting the policy mechanisms commonly associated with neoliberalism, including competition, privatization, managerial accountability, consumer choice, commercialization, and performance orientation, with their multidimensional implications for Islamic education. In particular, the literature has not been sufficiently synthesized to explain how these mechanisms may affect educational access and equity, institutional governance and financing, curriculum orientation, religious identity, moral formation, and the conception of education as both a social responsibility and a means of individual advancement (Fudiyartanto, 2024; Jatmiko et al., 2025). This fragmentation creates the need for a literature-based analysis that places these different strands of scholarship within a coherent analytical framework.

Against this background, this study aims to critically review and synthesize recent literature on neoliberal educational policies and their implications for Islamic education, with particular attention to how market-oriented policy rationalities are translated into institutional practices and how Islamic educational institutions negotiate their consequences. The study is timely because contemporary Islamic education is increasingly expected to reconcile religious and moral formation with demands for institutional competitiveness, quality assurance, professional management, global competence, and responsiveness to changing parental expectations (Hadi & Kesuma, 2025; Suyatno et al., 2022). Rather than treating neoliberalism exclusively as an economic ideology or interpreting Islamic education merely through the lens of commercialization, the novelty of this review lies in connecting neoliberal policy mechanisms with four interrelated dimensions of Islamic education: institutional governance and financing, access and social equity, curriculum and educational purpose, and religious identity and value formation. This integrative perspective extends previous studies that have primarily examined individual manifestations such as marketization, parental choice, commodification, or institutional adaptation (Hidayah, 2021; Pratama & Sugiarto, 2023).

Theoretically, the review seeks to clarify how neoliberal rationalities are mediated, negotiated, resisted, or selectively incorporated within value-based educational institutions. Practically, it provides a conceptual basis for educators, administrators, and policymakers to evaluate how Islamic educational institutions can respond to contemporary competitive

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pressures while maintaining accessibility, educational integrity, religious values, and their broader social mission (Jatmiko et al., 2025; Hadi & Kesuma, 2025).

RESEARCH METHODS

This study employed a qualitative approach using library research and a structured literature review design to examine neoliberal educational policies and their implications for Islamic education. A qualitative literature-based approach was considered appropriate because the study sought to interpret, compare, and synthesize conceptual arguments, policy orientations, and empirical findings rather than measure causal relationships through numerical data. Sugiyono (2022) emphasizes that qualitative inquiry is particularly suitable for examining complex phenomena through interpretation of meanings, contexts, and relationships among concepts, while Sudaryono (2021) similarly explains that qualitative research allows researchers to construct a comprehensive understanding from systematically collected documentary evidence. Emzir (2018) further highlights the importance of interpretive analysis in identifying patterns and meanings embedded in qualitative materials. In the context of review research, Kraus et al. (2022) argue that a literature review can function as an independent research method when the selection, organization, evaluation, and synthesis of previous studies are conducted transparently and systematically. Accordingly, the present study adopted a structured rather than purely descriptive review to connect the broader literature on neoliberal educational policies with research on marketization, competition, managerial accountability, commodification, and value negotiation within Islamic educational institutions. This methodological orientation was consistent with previous studies documenting neoliberal transformation in education and its contextual manifestations in Islamic education (Brown et al., 2022; Hidayah, 2021; Jatmiko et al., 2025).

The population of the study comprised scholarly publications addressing neoliberalism, neoliberal educational policy, educational marketization, privatization, managerialism, commercialization, parental choice, and their relationships with Islamic education published between 2021 and 2025. The literature population was identified primarily through Google Scholar and Scopus because these databases provide broad coverage of international and interdisciplinary research relevant to education, social sciences, and Islamic studies. The analytical sample was selected through purposive, criterion-based sampling, an approach consistent with the principle that qualitative samples should be selected according to their

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relevance to the research problem rather than statistical representativeness (Sugiyono, 2022; Sudaryono, 2021). Studies were included when they were peer-reviewed journal articles published between 2021 and 2025, written in English or Indonesian, directly addressed neoliberalism or market-oriented transformations in education, and provided conceptual or empirical evidence relevant to Islamic schools, madrasahs, pesantren, Muslim education, or comparable value-based educational institutions. Studies were excluded when they were duplicates, non-academic publications, editorials, news articles, undergraduate theses, or publications whose discussion of neoliberalism or Islamic education was only incidental. No numerical sample size was predetermined because all publications satisfying the eligibility criteria constituted the final analytical corpus, with the final number determined only after identification, screening, eligibility assessment, and full-text evaluation. This approach is consistent with transparent review practices advocated by Page et al. (2021) and Kraus et al. (2022). The selection criteria also ensured continuity with the empirical literature discussed in the introduction, including studies of pesantren commodification, faith-based school choice, educational marketization, and neoliberalization within Muhammadiyah education (Hidayah, 2021; Pratama & Sugiarto, 2023; Jatmiko et al., 2025).

The primary research instrument was a structured literature review and data-extraction matrix developed by the researchers. Unlike survey or experimental research, this study did not employ questionnaires, achievement tests, or interview protocols because the units of analysis were published scholarly documents. The matrix recorded bibliographic and analytical information consisting of author and year, country and educational context, research objective, methodological approach, type of educational institution, conceptualization of neoliberalism, identified policy mechanism, major findings, and implications for Islamic education. The analytical indicators were developed deductively from the research objectives and then refined inductively during repeated reading of the literature. In particular, evidence was organized around neoliberal mechanisms such as competition, privatization, commercialization, managerial accountability, consumer choice, institutional branding, performance orientation, and employability, which have been emphasized in recent educational research (Ren, 2023; Cohen, 2024; Wang & Hamid, 2024). Their implications for Islamic education were subsequently coded into four principal domains: institutional governance and financing, access and social equity, curriculum and educational purpose, and religious identity and value formation. These domains were informed by recent studies showing the complex intersections among educational competition, middle-class Muslim

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expectations, Islamic character formation, religious commodification, and institutional sustainability (Hidayah, 2021; Hadi & Kesuma, 2025). Because the instrument was a documentary coding framework rather than a psychometric scale, statistical validity and reliability testing were not applicable. Instead, analytical credibility was strengthened through explicit coding definitions, repeated comparison between extracted data and original texts, iterative refinement of categories, and consistency checking across the included studies, following qualitative methodological principles proposed by Braun and Clarke (2021) and Sugiyono (2022).

The research procedure was conducted sequentially through identification, screening, extraction, coding, and synthesis. In the preparation stage, the research problem and review boundaries were formulated based on the gap identified in previous research, particularly the fragmentation between studies of neoliberal educational governance and studies examining specific manifestations of marketization within Islamic education. Search terms were subsequently constructed using combinations of keywords such as “neoliberal education,” “neoliberal educational policy,” “marketization of education,” “educational privatization,” “educational commercialization,” “managerialism,” “Islamic education,” “Islamic school,” “madrasah,” “pesantren,” and “Muslim education.” Boolean operators such as AND and OR were used to combine relevant concepts. The identification and screening procedures were documented in accordance with the transparency principles of PRISMA 2020, particularly with respect to recording the sources searched, removing duplicate records, screening titles and abstracts, assessing full texts, and documenting reasons for exclusion (Page et al., 2021). PRISMA was used as a reporting and transparency guide rather than to redefine the present study as a meta-analysis. After eligible studies were identified, their full texts were read comprehensively and relevant information was transferred into the extraction matrix. Particular attention was given to studies that illustrate different manifestations of neoliberal transformation, including accountability and professional identity in education (Brown et al., 2022), parental choice in faith-based schooling (Pratama & Sugiarto, 2023), globalization and employability pressures in Indonesian education (Fudiyartanto, 2024), and neoliberalization within Islamic educational institutions (Jatmiko et al., 2025). These procedures allowed the review to progress systematically from broad educational-policy debates to the specific implications of such policies for Islamic education.

Data were analyzed using qualitative thematic analysis combined with comparative and interpretive synthesis. The analysis began with repeated reading and familiarization with the

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selected publications, followed by initial coding of statements, findings, and arguments related to neoliberal educational mechanisms and their consequences. The codes were then compared across studies and grouped into broader analytical themes. Braun and Clarke (2021) explain that thematic analysis enables researchers to identify and interpret meaningful patterns across qualitative datasets while maintaining attention to conceptual context, making it suitable for synthesizing heterogeneous literature. Following this principle, the analysis did not simply classify studies as supportive or critical of neoliberalism. Instead, it examined how similar market-oriented mechanisms generated different consequences across institutional and social contexts. For example, evidence concerning institutional competition and quality management was interpreted alongside studies emphasizing commodification and middle-class educational demand (Hidayah, 2021; Hadi & Kesuma, 2025), whereas evidence concerning social differentiation was compared with findings on philanthropy, institutional independence, and religious missions (Jatmiko et al., 2025). The themes were subsequently synthesized into the four analytical dimensions of governance and financing, access and equity, curriculum and educational purpose, and religious identity and value formation. This interpretive synthesis enabled the study to identify convergences, tensions, contextual differences, and gaps across the literature rather than merely summarizing individual studies. Consistent with Kraus et al. (2022) and Emzir (2018), the final stage involved relating these patterns to the research question and constructing an integrated conceptual explanation of how neoliberal rationalities are adopted, negotiated, resisted, or selectively incorporated within Islamic educational institutions.

Ethical considerations in this study focused primarily on research integrity, transparency, accurate representation of previous scholarship, and responsible citation because the study did not involve human participants, personal data, interventions, or direct interaction with research subjects. Consequently, informed consent and institutional ethical clearance for human-subject research were not required. Nevertheless, ethical principles remained essential throughout the review process. All arguments derived from previous studies were attributed to their original authors, findings were interpreted within their original contexts, and contradictory evidence was retained rather than selectively excluded to support a predetermined conclusion. Sudaryono (2021) emphasizes that research ethics include intellectual honesty, appropriate attribution, and avoidance of plagiarism, while Kraus et al. (2022) stress that review studies require transparent procedures to establish scholarly credibility. In addition, the reporting principles articulated by Page et al. (2021) were used to enhance traceability in literature identification and selection.

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These ethical safeguards were particularly important because the topic involves normative debates concerning neoliberalism and Islamic education. Accordingly, the analysis sought to avoid treating neoliberalization as inherently beneficial or detrimental and instead evaluated how its implications vary according to institutional governance, social accessibility, educational purposes, and religious commitments, an approach consistent with the contextual complexities identified by Hidayah (2021) and Jatmiko et al. (2025).

RESULTS AND DISCUSSION

RESULTS

The structured review identified a consistent pattern in the literature concerning the penetration of market-oriented rationalities into educational governance and their subsequent interaction with the distinctive purposes of Islamic education. The core studies used in the synthesis covered both the broader operation of neoliberal educational policies and their specific manifestations in Islamic educational institutions. Across the literature, neoliberalization was most frequently represented through competition, managerial accountability, institutional differentiation, consumer-oriented educational choice, commercialization, performance measurement, and responsiveness to labor-market expectations. In the Islamic education literature, these mechanisms appeared in more context-specific forms, including the development of premium educational programs, religious branding, parental choice, quality-management systems, internationally oriented curricula, and differentiated institutional services. The extracted findings were organized into four analytical dimensions: institutional governance and financing, access and social equity, curriculum and educational purpose, and religious identity and value formation. Table 1 summarizes the principal studies and their dominant findings.

Table 1. Summary of Core Literature and Identified Findings

Study	Context	Principal Finding	Main Analytical Dimension
Hidayah (2021)	Pesantren, Indonesia	Pesantren responded to Muslim middle-class demand by developing, inserting, or creating new educational programs, producing an intersection between	Governance; Access; Religious identity

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Study	Context	Principal Finding	Main Analytical Dimension
		religious commitment, commodification, and market responsiveness.	
Brown et al. (2022)	Teacher education	Standards, academic achievement, data, and accountability increasingly structured how teaching and professional roles were conceptualized.	Governance; Educational purpose
Nurani et al. (2022)	Islamic education, Indonesia	Qur'an-centered educational programs increasingly functioned as differentiated educational offerings and institutional branding within a growing religious education market.	Educational purpose; Religious identity
Suyatno et al. (2022)	Muhammadiyah education, Indonesia	Islamic education combined religious knowledge, modern education, Indonesian identity, and social values rather than replacing religious purposes with modernization.	Curriculum; Religious identity
Pratama and Sugiarto (2023)	Faith-based primary schools, Indonesia	Parents emphasized religious knowledge and moral education when selecting schools, demonstrating that educational choice was shaped by religiosity as well as market mechanisms.	Access and choice; Religious identity
Ren (2023)	Higher education	Neoliberal discourse positioned universities as entrepreneurial institutions while students and knowledge increasingly acquired market-oriented meanings.	Governance; Educational purpose
Cohen (2024)	Educational organizations	Marketization entered everyday educational practice through the use and normalization of business concepts and managerial language.	Governance

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Study	Context	Principal Finding	Main Analytical Dimension
Wang and Hamid (2024)	Education policy	Neoliberal mechanisms were transformed through interaction with state regulation and competing political and ideological arrangements.	Governance and regulation
Fudiyartanto (2024)	Indonesian higher education	Globalization and the knowledge economy strengthened the relationship between education, linguistic capital, employability, and competitive positioning.	Curriculum; Educational purpose
Hadi and Kesuma (2025)	Leading Islamic school, Indonesia	Muslim middle-class expectations included strong religious education, competitive academic quality, professional teachers, modern facilities, accountable finance, and internationally oriented curricula.	Governance; Curriculum; Religious identity
Jatmiko et al. (2025)	Muhammadiyah schools, Indonesia	Institutional differentiation produced disparities in prestige and resources, while economic arrangements in elite schools were also used to subsidize less-privileged institutions and sustain philanthropic missions.	Financing; Equity; Religious-social mission

The first major finding concerned institutional governance and financing. Across the reviewed literature, neoliberal influence was reflected in the increasing use of managerial, competitive, and performance-oriented practices within educational institutions. Studies outside the specific context of Islamic education showed that accountability, standards, measurable outcomes, and entrepreneurial positioning have become increasingly prominent elements of educational governance (Brown et al., 2022; Ren, 2023; Cohen, 2024). Brown et al. (2022), for example, identified standards, academic achievement, data, and accountability as important policy mechanisms influencing conceptions of teaching, while Ren (2023) found that universities were increasingly represented as entrepreneurial organizations and that knowledge could acquire characteristics of a marketable product. Cohen (2024) likewise documented the

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incorporation of business concepts into routine educational practices. These findings indicate that neoliberalization was observable not only through privatization but also through changes in organizational language, institutional priorities, and systems of accountability.

Within Islamic education, however, managerial practices were accompanied by explicitly religious institutional objectives. Hidayah (2021) identified three forms of pesantren response to changing middle-class demand, namely developing existing programs, inserting additional programs, and creating new forms of pesantren education. Meanwhile, Hadi and Kesuma (2025) found that a leading Islamic school implemented integrated quality management through internationally standardized curricula grounded in Islamic values, sustainable human-resource management, transparent financial administration, and improved learning facilities. Thus, professionalization and market responsiveness were evident alongside efforts to preserve religious educational content. A similar dual pattern appeared in Jatmiko et al. (2025), where institutional differentiation among Muhammadiyah schools generated unequal levels of prestige and resources, but revenue and economic schemes associated with stronger institutions were also used to support less-privileged schools. The reviewed evidence therefore showed that market-oriented governance within Islamic education frequently operated together with, rather than entirely replacing, religious and philanthropic organizational structures.

The second major finding concerned access and social equity. The literature revealed that greater parental choice and institutional differentiation expanded the range of Islamic educational options but also corresponded with segmentation according to parental expectations, socioeconomic capacity, and institutional prestige. Hidayah (2021) documented the development of pesantren programs specifically responsive to the expanding Muslim middle class, indicating the emergence of differentiated educational provision for particular social segments. Pratama and Sugiarto (2023), based on interviews with 20 parents and additional informants, found that parents choosing faith-based primary schools attached substantial importance to religious knowledge and moral education. Their findings showed that school choice within this market was not based solely on academic considerations, since religious identity and anticipated moral formation constituted prominent selection criteria. Consequently, marketized school choice in Islamic education was associated with both greater differentiation of educational services and increasingly specific forms of parental demand.

At the same time, the synthesis identified evidence of unequal institutional positioning. Jatmiko et al. (2025) found stratification among Muhammadiyah schools in terms of institutional

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quality, prestige, and concentration of dominant social groups. Their study nevertheless also identified a redistributive mechanism in which economically stronger schools could contribute to the sustainability of less-privileged institutions. This pattern differentiated Islamic educational settings from a simple model in which market differentiation resulted only in exclusion. The reviewed studies therefore produced two simultaneous findings: educational differentiation could reinforce distinctions between institutions and social groups, while religious organizational structures could redirect part of the resources generated by differentiated institutions toward broader social and philanthropic objectives.

The third theme concerned curriculum and educational purpose. The literature showed an expansion of educational objectives beyond traditional religious instruction toward competitive academic achievement, international orientation, employability, professional competencies, and contemporary institutional standards. Fudiyartanto (2024) found that globalization and the neoliberal knowledge economy had affected Indonesian higher education by strengthening the value attached to linguistic capital and positioning educational competence within broader structures of social and professional advancement. Similarly, Hadi and Kesuma (2025) found that Muslim middle-class expectations toward Islamic schools included competitive academic achievement, internationally standardized curricula, professional teaching staff, modern facilities, and strong religious learning. These findings showed that contemporary Islamic education increasingly combines religious instruction with competencies associated with global educational competition rather than organizing these objectives as mutually exclusive alternatives.

The fourth theme concerned religious identity and value formation. The reviewed literature consistently demonstrated that Islamic values remained a central criterion through which market-oriented educational changes were selected and organized. Nurani et al. (2022) found that Qur'an-centered educational services had become an identifiable market trend, with institutions offering forms such as Islamic boarding schools and tahfidz-oriented programs and using Qur'anic education as an element of institutional differentiation. Pratama and Sugiarto (2023) similarly reported that parents emphasized religious knowledge and moral education in their school-selection decisions. However, the reviewed literature also contained evidence that religious values were not used exclusively for institutional marketing. Suyatno et al. (2022) found that progressive Islamic education sought to combine Islam, Indonesian identity, and modernity, while Hadi and Kesuma (2025) reported that internationally oriented academic practices

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continued to be organized around Islamic character formation. Accordingly, religious identity appeared in the literature in two observable forms: as a basis for differentiation within an educational market and as a substantive educational objective that continued to shape curriculum, character formation, and institutional mission.

Overall, the comparative synthesis revealed that the implications of neoliberal educational policies for Islamic education were multidimensional rather than uniform. Across the studies, market-oriented mechanisms were associated with stronger managerial practices, institutional differentiation, competitive academic provision, responsiveness to parental preferences, and expanded attention to employability and educational quality. At the same time, the literature documented social stratification, commodification of religious educational services, and disparities in institutional resources. Islamic educational institutions nevertheless retained substantial evidence of religious and social mediation, including Qur'anic learning, moral education, Islamic character formation, philanthropic redistribution, and attempts to integrate religious commitments with modernization. The principal empirical pattern identified by the review was therefore one of selective incorporation: elements associated with neoliberal educational governance were adopted in several institutional domains, while their implementation remained intertwined with religious values, organizational traditions, and social missions. This pattern was most visible in the coexistence of competitive quality management with Islamic character formation in leading schools and the coexistence of institutional stratification with cross-subsidization and philanthropy within Muhammadiyah education (Hadi & Kesuma, 2025; Jatmiko et al., 2025).

DISCUSSION

The findings of this review demonstrate that the relationship between neoliberal educational policies and Islamic education cannot be adequately explained through a simple opposition between market logic and religious values. Instead, the literature reveals a pattern of selective incorporation in which Islamic educational institutions adopt particular elements associated with neoliberal governance, including managerial accountability, institutional competition, differentiation of educational services, responsiveness to parental demand, and performance orientation, while simultaneously maintaining religious formation, moral education, philanthropy, and social responsibility as central institutional commitments. This pattern is evident across the four analytical dimensions identified in the review: governance and financing,

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access and social equity, curriculum and educational purpose, and religious identity and value formation. Such findings reinforce the argument that neoliberalization should not be understood as a uniform process that produces identical outcomes across educational systems. Rather, neoliberal policy rationalities are mediated by institutional histories, cultural expectations, regulatory environments, and ideological commitments (Cohen, 2024; Wang & Hamid, 2024). In Islamic education specifically, this mediation becomes particularly visible because market-oriented organizational practices operate within institutions whose legitimacy also depends on religious authority and moral purpose (Hidayah, 2021; Jatmiko et al., 2025).

The findings concerning governance and financing suggest that neoliberalization operates less through the complete privatization of Islamic education than through the gradual normalization of managerial rationalities within institutional practice. Accountability, professional management, competitive positioning, institutional branding, quality assurance, and financial efficiency increasingly shape how educational institutions organize themselves and communicate their value to prospective families. This interpretation is consistent with Cohen's (2024) finding that marketization may occur at the micro level through the normalization of business concepts in everyday educational discourse and with Ren's (2023) observation that neoliberal discourse increasingly represents educational institutions as entrepreneurial organizations. Brown et al. (2022) similarly demonstrate that standards, measurable achievement, data, and accountability can reshape professional understandings of educational work. Nevertheless, the evidence from Islamic education complicates the assumption that the adoption of managerial practices necessarily results in the displacement of normative educational purposes. Hadi and Kesuma (2025) show that professional management, internationally standardized curricula, transparent finance, and improved infrastructure can coexist with Islamic character formation, while Jatmiko et al. (2025) demonstrate that economic differentiation among Muhammadiyah schools may simultaneously reproduce inequality and generate resources for philanthropic redistribution. The present synthesis therefore extends conventional accounts of neoliberal educational governance by showing that managerial rationality can be appropriated instrumentally by religious institutions without fully determining their institutional purposes.

A similar tension is apparent in relation to access and social equity. Neoliberal theories of education frequently associate consumer choice and institutional competition with differentiation because educational opportunities become increasingly organized around

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families' capacity to select institutions that correspond to their economic resources, cultural preferences, and aspirations. The reviewed evidence confirms part of this argument. Hidayah (2021) shows that pesantren have developed new programs and facilities in response to the growing Muslim middle class, while Pratama and Sugiarto (2023) demonstrate that parental choice of faith-based schools is shaped strongly by expectations concerning religious knowledge and moral formation. These findings indicate that educational markets do not operate exclusively through price or academic performance. In Islamic education, religiosity itself can become a criterion of differentiation and a source of institutional value. Nurani et al. (2022) further illustrate this process by showing how Qur'an-centered educational programs can simultaneously function as religious practices and differentiated educational offerings. However, the findings of Jatmiko et al. (2025) complicate a purely exclusionary interpretation of such differentiation. Although prestigious schools may concentrate economically and socially advantaged groups, resources generated within differentiated institutional structures may also be redistributed to sustain less-privileged schools. Consequently, neoliberal differentiation in Islamic education produces a paradoxical configuration in which stratification and solidarity can coexist within the same institutional field.

The findings related to curriculum and educational purpose further demonstrate that neoliberal influence does not simply eliminate religious educational objectives but changes the range of competencies that Islamic institutions are expected to provide. Contemporary Islamic schools increasingly encounter demands for international curricula, professional competence, employability, technological preparedness, linguistic capital, measurable academic achievement, and global competitiveness. Fudiyartanto (2024) shows how the neoliberal knowledge economy has increased the significance of linguistic capital and professional advancement within Indonesian higher education, while Hadi and Kesuma (2025) identify comparable middle-class expectations for competitive academic quality, professional teachers, modern infrastructure, and internationally oriented learning in Islamic schooling. From a conventional neoliberal perspective, such developments could be interpreted as evidence that education is increasingly evaluated according to its economic and competitive utility (Mintz, 2021; Ren, 2023). Yet the Islamic education literature demonstrates that this transition is not simply a replacement of religious knowledge with market-relevant competencies. Suyatno et al. (2022) show that progressive Islamic education seeks to integrate Islam, Indonesian identity, modernity, justice, balance, and social responsibility. The significance of this finding lies in the coexistence of different educational

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rationalities. Islamic institutions are increasingly required to prepare learners for competitive socioeconomic environments while also maintaining educational purposes that cannot be reduced to employability or human capital formation.

Religious identity therefore constitutes the principal mediating mechanism through which neoliberal rationalities are accepted, modified, or constrained. The review suggests that Islamic values play a dual role. On one level, religious identity can become part of institutional differentiation and market positioning, particularly when Qur'anic programs, tahfidz education, Islamic branding, or character formation are presented as distinctive educational advantages (Nurani et al., 2022; Pratama & Sugiarto, 2023). This supports Hidayah's (2021) concept of pious neoliberalism, in which religious commitment and market responsiveness are not necessarily opposing forces but may become mutually reinforcing within particular institutional arrangements. On another level, however, religious values continue to provide normative boundaries that prevent the educational mission from being fully reorganized around competition and profitability. The persistence of Islamic character formation identified by Hadi and Kesuma (2025), the integration of religious and social values described by Suyatno et al. (2022), and the continued Al-Ma'un-oriented philanthropic commitments examined by Jatmiko et al. (2025) illustrate this second function. These findings extend the theoretical understanding of neoliberalism by suggesting that value-based institutions possess normative resources through which market mechanisms may be translated, negotiated, and partially redirected. This interpretation is also compatible with Wang and Hamid's (2024) argument that neoliberal governance changes when it encounters competing ideological and regulatory formations rather than remaining institutionally unchanged.

Accordingly, the central research problem concerning the implications of neoliberal educational policies for Islamic education can be answered through the concept of selective institutional incorporation. Neoliberal rationalities influence Islamic education through managerial accountability, competition, market-responsive program development, educational choice, commercialization, performance orientation, and increasing emphasis on competencies associated with global economic participation. Their consequences, however, differ across institutional dimensions. In governance, neoliberal mechanisms can stimulate professionalization and organizational efficiency while increasing competitive pressures (Brown et al., 2022; Cohen, 2024). In access and equity, institutional differentiation can broaden educational options while simultaneously reinforcing socioeconomic stratification (Hidayah, 2021; Jatmiko et al., 2025). In

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curriculum, global competitiveness and employability expand institutional expectations without necessarily displacing religious and moral objectives (Fudiyartanto, 2024; Suyatno et al., 2022). In religious identity, marketization may transform religious symbols and programs into sources of institutional differentiation, yet the same religious commitments can sustain moral education, philanthropy, and social responsibility (Nurani et al., 2022; Hadi & Kesuma, 2025). The theoretical contribution of this study therefore lies in moving beyond a binary model in which Islamic education either resists or submits to neoliberalization. Instead, the findings indicate a negotiated institutional process in which adoption, adaptation, resistance, and redirection may occur simultaneously.

This interpretation carries both theoretical and practical implications. Theoretically, the study supports a context-sensitive conception of neoliberalism as a flexible mode of educational governance rather than a fixed institutional template. The evidence from Islamic education extends the literature by demonstrating that religious values, organizational traditions, and philanthropic obligations constitute institutional forces capable of mediating neoliberal mechanisms and altering their outcomes (Wang & Hamid, 2024; Jatmiko et al., 2025). The concept of selective incorporation may therefore provide a useful analytical framework for examining other faith-based or value-oriented educational systems exposed to similar pressures of competition, professionalization, and market differentiation. Practically, the findings suggest that modernization and professional management in Islamic education require normative safeguards to prevent institutional competitiveness from becoming the dominant measure of educational success. Quality assurance, transparent financial management, international orientation, and responsiveness to parental demand may strengthen institutional capacity, but they need to remain connected to affordability, equitable access, moral formation, and social responsibility (Hadi & Kesuma, 2025; Pratama & Sugiarto, 2023). The redistributive arrangements identified by Jatmiko et al. (2025) are particularly relevant because they indicate that institutional financial strength can be connected to broader social missions rather than treated solely as an indicator of market success. Likewise, the integration of modern competencies with religious and civic values identified by Suyatno et al. (2022) suggests that curriculum development need not frame global competitiveness and Islamic educational purposes as mutually exclusive objectives.

Several limitations should nevertheless qualify these conclusions. First, the review synthesizes a heterogeneous body of research covering different institutional levels, including higher education, teacher education, pesantren, Islamic schools, and broader educational-policy

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contexts. Consequently, concepts such as marketization, managerialism, privatization, commodification, and neoliberalism do not necessarily carry identical meanings across all included studies. Second, the available literature on Islamic education remains geographically concentrated, particularly in Indonesia, which limits the extent to which the pattern of selective incorporation can be generalized to Islamic educational systems operating under different political economies, regulatory regimes, and religious traditions. Third, because the study employed qualitative thematic and interpretive synthesis, the identification and organization of themes necessarily involved analytical judgment, even though systematic coding and comparison were used to strengthen interpretive consistency (Braun & Clarke, 2021; Sugiyono, 2022). Structured review procedures improve transparency but cannot completely eliminate database, publication, language, and selection biases, particularly when the corpus is restricted to publications accessible through predefined search strategies (Page et al., 2021; Kraus et al., 2022). An alternative interpretation should also be acknowledged: some developments identified as manifestations of neoliberalism, including professional management, international curricula, quality assurance, or parental responsiveness, may reflect broader processes of modernization and organizational professionalization rather than neoliberalism alone. Future research should therefore distinguish more explicitly between neoliberal mechanisms and other forms of educational modernization through comparative studies across countries, institutional types, socioeconomic groups, and Islamic educational traditions. Such research would enable the proposition of selective incorporation developed in this review to be examined more systematically and clarify the conditions under which market mechanisms strengthen institutional capacity, intensify inequality, or become subordinated to religious and social objectives.

CONCLUSION

This study concludes that neoliberal educational policies have multidimensional implications for Islamic education and operate through a process of selective institutional incorporation rather than through the complete replacement of religious educational values by market rationalities. The review identified four interconnected areas of influence, namely institutional governance and financing, access and social equity, curriculum and educational purpose, and religious identity and value formation. Market-oriented mechanisms have encouraged professional management, accountability, institutional differentiation,

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responsiveness to parental demand, competitive academic provision, and greater attention to global competencies and employability. At the same time, these developments may intensify socioeconomic differentiation, disparities in institutional resources, and the commodification of religious educational services. Islamic educational institutions nevertheless retain significant capacity to negotiate these pressures by integrating market-responsive practices with moral formation, religious identity, philanthropy, and social responsibility.

These findings suggest that institutional modernization should be accompanied by safeguards for affordability, equitable access, religious integrity, and the broader social mission of Islamic education. However, the conclusions are limited by the heterogeneity of the reviewed studies, the predominance of Indonesian contexts, differences in the conceptualization of neoliberalism across publications, and the interpretive nature of qualitative literature synthesis. Future research should therefore employ comparative and empirical designs across countries, institutional types, and socioeconomic groups to distinguish neoliberal influences from broader processes of educational modernization and to examine more systematically the conditions under which market-oriented reforms enhance institutional capacity, reinforce inequality, or are redirected by religious and social commitments.

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