



DOES RELIGIOSITY MAKE INDONESIAN MUSLIM HAPPIER?: NEW EVIDENCE FROM IFLS-5

Muhammad Kholisul Imam (kholisul@polinema.ac.id)
Politeknik Negeri Malang, Malang

Anas Tania Januari (anastaniaj@staima-alhikam.ac.id)
STAI Ma'had Aly Al Hikam Malang

(Received: July 2024 / Revised: August 2024/ Accepted: October 2024)

ABSTRACT

This study provides a different view of the determinants of happiness. In principle, happiness is driven by economic factors and each individual's perspective in assessing his life, which is more subjective. Therefore, the religiosity factor is also considered to have an essential role in encouraging one's happiness. This study aims to empirically prove the role of religiosity in the happiness of Muslims in Indonesia. This quantitative research approach uses data from the 5th Indonesia Family Life Survey (IFLS-5). This study applied a logistic regression model and took 767 respondents. The results show that religiosity, implemented by piety/obedience and recitation, is empirically proven to increase Indonesian Muslims' happiness. In addition, economic factors represented by income also play a role in increasing happiness. Other results show that individual characteristics such as higher education, marital status, and gender impact happiness. Meanwhile, age does not affect happiness.

Keyword: IFLS-5, Happiness, Religiosity, Logit, Muslim.

1. INTRODUCTION

Based on classical economics, people can be identified as prosperous if they have additional percapita income. It means that every resident enjoys an increase in the economic level. The community uses increased income to consume various goods and services, ultimately increasing satisfaction and well-being.¹ Thus, higher income leads to a better quality of life for the community. It is not surprising that percapita income is the main welfare variable.

However, an increase in percapita income alone is considered insufficient to represent the actual level of social welfare. Clark states that although income and welfare have a strong relationship, other components can still be used to measure individual welfare.² In their capability theory, Sen & Nussabaum emphasized that prosperity does not only mean increasing income. Ability, capacity or capability in managing income should also be considered.³ Therefore, the Human Development Index (HDI) emerged as another welfare measure introduced by the UNDP. Welfare indicators in the HDI adopt Sen's capability theory which adds the health and education level of the community as a measure of welfare commensurate with percapita income which is still a key benchmark.⁴

In addition, Diener & Biswas-Diener emphasize that welfare is subjective.⁵ They state that even though the economy is developing well, this growth is not followed by increased life satisfaction. Different perspective factors in addressing welfare and satisfaction do not seem identical for everyone. Like other human beings, humans have different views about something of value in their life.⁶

Although income is considered an important determinant of happiness, this only sometimes is the case. Easterlin, in his research in America, found that an increase

¹ R. S. Pyndick & D. L. Rubinfeld, *Microeconomics Eight Edition*. (New Jersey: Pearson, 2013). See also, R. L. Sexton, P. N. Fortura, & C. C. Kovacs, *Exploring Microeconomics Fourth Canadian Edition*. (Canada: Nelson Education Ltd., 2016)

² A. E. Clark, *The Origins of Happiness: The Science of Well-Being over The Life Course*, 2018 <https://doi.org/10.1017/CBO9781107415324.004>

³ A. Sen & M. Nussabaum, *The Quality of Life*. Oxford Scholarship Online, 2003.

⁴ M.P. Todaro, *Pembangunan Ekonomi Edisi Kesebelas*, jilid 1. (Jakarta: Erlangga 2011)

⁵ E. Diener & R. Biswas-Diener, Will Money Increase Subjective Well-being? *Social Indicators Research*, 57(2) 2001: 119-169

⁶ E. Diener & M. E. P. Seligman, Beyond Money: Toward an Economy of Well-Being. *Psychological Science in the Public Interest*, 5(1) 2004, 1–31. <https://doi.org/10.1111/j.0963-7214.2004.00501001.x>

did not follow an increase in income in happiness. This phenomenon is known as the “Easterlin Paradox”.⁷ Furthermore, some experts are starting to realize the importance of measuring well-being which is not only based on income but also recommends measuring well-being by considering individual perspectives.⁸

Based on this thought, the World Bank released a new indicator that can be used as a measure of people's welfare. One of the components in the welfare indicator besides percapita income is the happiness index. The happiness index measures the level of well-being based on each individual's perception of aspects of their life. This index is expected to be able to measure welfare based on non-material needs that cannot be reached by percapita income.

Interest in economic happiness research has emerged rapidly.⁹ Increased happiness is an appropriate indicator for measuring social progress and public policy goals.¹⁰ However, most studies of happiness in economics still consider income as the main indicator in identifying happiness.

Meanwhile, from an Islamic perspective, happiness can be achieved in six ways.¹¹ First, instil the belief that behind difficulties, there must be ease. Second, be grateful for the favours given, be pleased, be patient, and trust in all calamities. Third, forgive others if they make mistakes. Fourth, stay away from prejudice. Fifth, stay away from the habit of getting angry when facing or being hit by something. Sixth, reducing worldly desires with *zuhud* and *qona'ah*. This opinion strengthens the allegation that the possibility of attaining happiness for Muslims depends not only on the income level but also on aspects of religiosity. There are subjective indicators related to piety to the teachings of the religion adhered to and maintaining good relations with God.

⁷ R. A. Easterlin, Does Economic Growth Improve the Human Lot? Some Empirical Evidence. *In Nations and Households in Economic Growth*, 1974. <https://doi.org/10.1016/b978-0-12-205050-3.50008-7>

⁸ M. J. C. Forgeard, E. Jayawickreme, M.L. Kern, & M.E.P. Seligman, *Doing the right thing: Measuring wellbeing for public policy*. 1, 2011, 79–106. <https://doi.org/10.5502/ijw.v1i1.15>

⁹ B. S. Frey & A. Stutzer, What Can Economists Learn from Happiness Research? *Journal of Economic Literature*, 40, 2002: 402–435. <https://doi.org/10.1257/jel.40.2.402>

¹⁰ J. Helliwell, R. Layard, & J. Sachs, *World Happiness Report 2015*. <http://eprints.lse.ac.uk/47487/>

¹¹ K. Hamim, Kebahagiaan Dalam Perspektif Al-Qur'an dan Filsafat. *Tasamuh*, 13 (2), 2016: 127-149

Studies on the determinants of happiness in Indonesia using IFLS microdata have been carried out by several researchers, such as Sohn;¹² Landiyanto et al.;¹³ Aryogi & Wulansari;¹⁴ Rahayu;¹⁵ and Putri & Prasetyani.¹⁶ However, there are differences in the definition of variables and the number of observations in these studies. In general, the results of previous research are also relatively identical in that happiness is driven by economic and social factors. Only now, quantitative research focusing on religious factors as a determinant of happiness is rarely a point of discussion. Research that focuses on happiness from an Islamic perspective is still dominated by a literature study approach that is still focused on discussing the concept of happiness, such as research conducted by Harahap,¹⁷ Hamim,¹⁸ Sodik,¹⁹ and Sofia & Sari.²⁰

This study provides a different view of the determinants of happiness. Besides considering economic, social and demographic factors, one's happiness is also determined by religiosity. That is, the religiosity factor also has an important role in encouraging one's happiness. Based on the background described earlier, this study uses a quantitative approach that focuses on identifying the determinants of the happiness of Muslims in Indonesia by considering religiosity, income, and individual characteristics as the main determining factors.

¹² K. Sohn, *Considering Happiness For Economic Development: Determinants of Happiness in Indonesia*, No. 10–09, Seoul, 2010.

¹³ E. A. Landiyanto, J. Ling, M. Puspitasari, & S. E. Irnanto, Wealth and Happiness: Empirical Evidence from Indonesia. *Chulalongkorn Journal of Economics*, 23, 2011: 1–17

¹⁴ I. Aryogi & D. Wulansari, Subjective Well-being Individu dalam Rumah Tangga di Indonesia. *Jurnal Ilmu Ekonomi Terapan*, 01(1), 2016: 1-12

¹⁵ T. P. Rahayu, Determinan kebahagiaan di indonesia. *Jurnal Ekonomi Dan Bisnis*, 19(1), 2016: 149–170

¹⁶ E.I.S. Putri & D. Prasetyani, New Evidence of Individual Level of Happiness in Indonesia: Does Easterlin Paradox Matter? *Jurnal Ekonomi dan Studi Pembangunan*, 13(1), 2021: 60-71. <http://dx.doi.org/10.17977/um002v13i12021p060>

¹⁷ D. Harahap, Kebahagiaan Dan Akhir Kehidupan Menurut Filsafat Ekonomi Islam. *Human Falah*, 2(2), 2015: 83-101

¹⁸ K. Hamim, Kebahagiaan Dalam Perspektif Al-Qur'an dan Filsafat.

¹⁹ A. Sodik, Konsep Kesejahteraan Dalam Islam. *Ekulilibrium*, 3(2), 2015: 380-405

²⁰ N. Sofia & E.P. Sari, Indikator Kebahagiaan (Al-Sa'adah) dalam Perspektif Alquran dan Hadis. *Psikologika: Jurnal Pemikiran dan Penelitian Psikologi*. 23(2), 2018: 91-108

2. METHODS

This study uses a quantitative approach with secondary data from the 5th batch of the Indonesia Family Life Survey (IFLS). IFLS is microdata from a longitudinal survey conducted by RAND Corporation.²¹ Putri & Prasetyani state that respondents in IFLS-5 cover more than 20 provinces in Indonesia, namely: North Sumatra, West Sumatra, Riau, Jambi, Riau Islands, Bangka Belitung, South Sumatra, Lampung, West Java, DKI Jakarta, Banten, Central Java, Yogyakarta, East Java, Bali, NTB, NTT, West Kalimantan, East Kalimantan, Central Kalimantan, South Kalimantan, South Sulawesi and West Sulawesi.²² The IFLS-5 book used is Book 3A.

This study uses logistic/logit regression analysis techniques. The dependent variable used is categorical or binary, 1 and 0. The logit model aims to determine an event's probability.²³ Logit estimation was adopted by Pontarollo to recognize the determinant of spirited well-being in Ecuador.²⁴

This research aims to determine a person's happiness chances considering the Islamic perspective. The subjects in this study were Muslim respondents who provided information on their income. Based on the criteria given, the number of respondents can be analyzed is 767 people. The dependent variable in the research is happiness. Respondents were asked the question, "How happy are you." Respondents' answers were in 4 categories (very happy with a score of 4; happy with a score of 3; unhappy with a score of 2; and very unhappy with a score of 1). The four categories are then transformed into binary numbers, where 1 is happy, and 0 is unhappy. Furthermore, there are seven independent variables (seen on Table 1) whose effect on happiness will be analyzed, namely: (i) obedience; (ii) study; (iii) wages; (iv) higher education; (v) married; (vi) gender; and (vii) age.

²¹ RAND Labor and Population Corporation. 2004. *Indonesia Family Life Survey 5th wave*. United States: Rand Corp. (9 Januari 2023) <https://www.rand.org/well-being/social-and-behavioral-policy/data/FLS/IFLS/ifls5.html>

²² E.I.S. Putri & D. Prasetyani, New Evidence of Individual Level of Happiness in Indonesia: Does Easterlin Paradox Matter?

²³ D.N. Gujarati & D.C. Porter, *Dasar-dasar Ekonometrika*, Buku 2 Edisi-5. Terjemahan oleh Raden Carlos Mangunsong. (Jakarta: Salemba Empat, 2012).

²⁴ N. Pontarollo, M. Orellana & J. Segovia, The Determinants of Subjective Well-Being in a Developing Country: The Ecuadorian Case. *J Happiness Stud* 21, 2020: 3007–3035. <https://doi.org/10.1007/s10902-019-00211-w>

Table 1: Variable Operational Definition

Variable	Component	Definition	Category
Happiness	Subjective well-being	Respondents' assessment of the level of happiness in their life	0 = unhappy (base) 1 = happy
Obedience (piety)	Religiosity	Respondents' assessment of the level of obedience in carrying out religious orders	0 = disobedient (base) 1 = obedient
Recitation	Religiosity	The experience of the respondent taking part in the recitation in the past week	0 = never (base) 1 = ever
Ln_Wage	Economy	Total wages received for work (in linear log form)	-
Higher education	Social	Respondent's experience in pursuing higher education, at least the diploma level	0 = no (base) 1 = yes
Marital status	Individual characteristics	Respondent's experience in marriage	0 = no (base) 1 = married
Gender	Individual characteristics	Respondent's gender	0 = female (base) 1 = male
Age	Individual characteristics	Respondent's age	-

The seven independent variables are an explanation of the three determinants of happiness. Obedience and recitation are the implementation of religiosity. Wages are a reflection of the economic concept. While higher education, marital status, gender, and age represent social components and individual characteristics.

The obedience variable is a binary number, where 1 is very obedient and obedient in religion, while 0 is quite obedient and not obedient. A recitation is a binary number, where 1 is attending recitation in the past week; while 0 is not attending the study.

Wages are a numerical variable on a ratio scale with rupiah units transformed into their natural log form. Marital status is a binary number, where 1 is married, while 0 is not yet and not married. Gender is binary, where 1 is male; 0 is female. In contrast, age is a numerical variable using a ratio scale.

The pre-estimation stage that needs to be done is an exploration of happiness events and their determinants (univariate analysis). Then, bivariate analysis was carried out to determine the direct effect of the independent variables on happy

events. The analysis was also carried out as a variable selection to find candidate variables to be analyzed in logistic regression. The logistic regression model in this study can be written as follows:

$$\text{Happiness} = \beta_0 + \beta_1 \text{Obedience} + \beta_2 \text{Recitation} + \beta_3 \text{Ln_wage} + \beta_4 \text{HigherEduc} + \beta_5 \text{MaritalStat} + \beta_6 \text{Gender} + \beta_7 \text{Age} + \mu_i \quad (1)$$

In this study, the purpose of using the logit model is to find the possibility of Muslim respondents being happy. When written mathematically, the possibility of respondents being happy can be expressed by:

$$P_i = 1 / (1 + e^{-(\beta_0 + \beta_1 \text{Obedience} + \beta_2 \text{Recitation} + \beta_3 \text{Ln_wage} + \beta_4 \text{HigherEduc} + \beta_5 \text{MaritalStat} + \beta_6 \text{Gender} + \beta_7 \text{Age} + \mu_i)}) \quad (2)$$

Meanwhile, the odds ratio value is used to determine the ratio of the probability of a happy event to the probability of not being happy. The odds ratio equation can be written as follows:

$$\text{OR} = e^{(\beta_i)} \quad (3)$$

3. RESULT AND DISCUSSION

This study expects to assess religiosity's effect on Muslims' happiness in Indonesia. Although 28,397 respondents proclaimed themselves Muslim, just 767 respondents could be tested. The restricted accessibility of pay information is the reason for the information decrease, considering that the compensation variable is one of the primary factors in this review. The qualities of the respondents in this study should be visible in Table 2.

Based on the characteristics of the respondents, it is known that 91.8 percent of the total Indonesian Muslim respondents stated they were happy. Meanwhile, each independent variable has different characteristics. Respondents who obedience and followed the recitation each have a percentage of 75.42 and 51.15. It means that most Indonesian Muslims belong to a religious community and carry out their religious teachings. Meanwhile, regarding economic factors, the average value of the natural log of wages is 12.67, with a standard deviation of 1.56. The condition

was not different for respondents who stated that they were happy or not (the mean values were 12.72 and 12.02, respectively).

Table 2 Characteristics of Respondents

Variable	Category	Distribution (%)		
Happiness	Unhappy	8,18		
	Happy	91,82		
Independent Variable		Distribution of Total Sample (%)	Variable Distribution of Happiness Categories	
			Unhappy (%)	Happy (%)
Obedience	Disobedient	24,58	9,99	90,01
	Obedient	75,42	7,59	92,41
Recitation	Never	48,85	8,52	91,48
	Ever	51,15	7,85	92,15
Ln_Wage*	Average	12,67	12,02	12,72
	Std. Dev	1,56	1,55	1,55
Higher Education	No	86,88	9,00	91,00
	Yes	13,12	2,71	97,29
Marital Status	No	27,19	11,28	88,72
	Married	72,81	7,02	92,98
Gender	Female	53,33	7,86	92,14
	Male	46,67	8,55	91,45
Age*	Age	37,22	44,29	36,59
	Std. Dev	14,87	16,29	14,58

Note: *) is a numeric variable using average and std deviation as a description

In the variable of higher education, most respondents were someone who did not study higher education, with a distribution of 86.88 percent. Only about 14 percent have had or are pursuing higher education, at least with a diploma. Meanwhile, most respondents were married in the marital status variable, with a distribution of around 73 percent. Furthermore, the proportion of female respondents was higher than males, with respective percentages of 53 and 47 percent. Lastly, the average respondent is mature on the age variable, with an average of around 37 years.

If a cross-tabulation is carried out with happiness, the number of respondents with religious and non-religious characters state that they are happy. However, respondents with religious characteristics had a larger sample distribution (92% vs

90% and 92% vs 91%). There is a similar pattern for the economic component. Happy respondents have a larger average wage.

Meanwhile, social components and individual characteristics have different patterns. First, the level of education attained by the respondents has a greater distribution of happiness. However, when compared, the value of the happy distribution is greater for respondents with higher education backgrounds (with a distribution of 97 and 91, respectively). In the marital status variable, the happiness distribution for someone married is greater than for someone not married (with a distribution of 93 and 89). Based on gender, the number of happy women is more than that of men. In the age variable, the happy respondents have an average of 37 years (with a deviation of 14).

Before carrying out logit estimation, a bivariate analysis was performed to determine the direct effect of the determinants on happy events. Furthermore, the variables that can be included in the logistic regression are based on the chi-square test results. If the p -value < 0.05 , the independent variable is a determining factor candidate in the logistic model. The value of the bivariate analysis and the results of the chi-square test can be shown in Table 3.

Table 3: Testing of Independent Variables as Candidates in the Model

Variable	Pr	Result
Obedience	0,000	Passed as a candidate variable in the logistic regression model
Recitation	0,040	Passed as a candidate variable in the logistic regression model
Ln_Wage	0,000	Passed as a candidate variable in the logistic regression model
Higher Education	0,000	Passed as a candidate variable in the logistic regression model
Marital Status	0,000	Passed as a candidate variable in the logistic regression model
Gender	0,034	Passed as a candidate variable in the logistic regression model
Age	0,000	Passed as a candidate variable in the logistic regression model

Based on the summary results of the chi-square test, all the variables proposed as determinants of happiness have a p -value < 0.05 . All of them can act as independent variables in explaining happy events. So, logit estimation can be done. Table 4 shows the logit estimation results, which is useful for knowing the factors that drive happiness events.

Table 4: Logit Estimation Results

Variable	Coefficient		z	Std. Error	$P > z $
Obedience	0,5221	*	1,65	0,3169	0,099

Recitation	0,5321	**	2,00	0,2662	0,046
Ln_Wage	0,2423	***	3,02	0,0800	0,002
Higher Education	1,7878	*	1,74	1,0263	0,082
Marital Status	0,6119	*	1,78	0,3439	0,075
Gender	-0,7870	*	-1,90	0,4149	0,058
Age	0,0021		0,19	0,0113	0,851
Constant	-1,8845		-1,43	1,3210	0,0154
Number of Observation					767
Prob > chi2					0,0001
Pseudo R ²					0,0693

Notes: *** significant at the 1 percent level

** significant at the 5 percent level

* significant at the 10 percent level

Based on the statistical results, it can be seen that the Prob > chi2 value is less than 0.05. That is, each variable is not equal to 0, or the coefficient of each variable has a different value. While the Pseudo R2 value shows 0.0693, the ability of the seven independent variables to explain happy events ($Y = 1$) is around 6.93 percent. Other variables outside the model explain the remaining 93.07 percent. Specifically, six variables can encourage the creation of happy events: obedience, recitation, wages, higher education, marital status, and gender. Meanwhile, age does not encourage happy events.

The four variables, obedience, higher education, marital status, and age, have an error rate (p-value) of less than 10%. At the same time, recitation and wages have a higher level of confidence (95% and 99%, respectively). In general, the sign of the coefficients on the five variables is positive; only the gender variable has a negative sign. The positive sign indicates that the binary variable, category 1, tends to drive higher happiness events. Meanwhile, if the variable is numeric, then the interpretation is that the higher the value of the variable, the greater the happiness event. In contrast, the gender variable has a negative sign which can be interpreted that category 0, namely women (base), has a greater tendency to be happy. The age variable has no impact on happiness.

By paying attention to the variance value of the sample, the independent variable that drives the greatest happiness events is wage because it has the largest z statistic, namely 3.02. However, the interpretation of the ratio of the probability of a happy

event occurring to an unhappy event is indicated by the odds ratio. Table 5 provides information about the odds ratio values for each variable.

Table 5: Odds Ratio Value for Each Independent Variable

Variable	Odds Ratio	
Obedience	1,6855	*
Recitation	1,7025	**
Ln_Wage	1,2742	***
Higher Education	5,9766	*
Marital Status	1,8438	*
Gender	0,4551	*
Age	1,0021	

Notes: *** significant at the 1 percent level

** significant at the 5 percent level

* significant at the 10 percent level

Based on Table 5, the highest to lowest odds ratios are sequentially owned by the variables of higher education, marital status, recitation, obedience, wages, and men. The odds ratio for higher education is 5.98, which means that respondents with higher education have almost six times greater chances of being happy than respondents who do not have a higher education. The odds ratio for marital status is 1.84, indicating that married respondents have almost two times more chances of happiness than unmarried respondents.

Recitation and obedience, as indicators of religiosity, have odds ratio values of 1.70 and 1.69, respectively. This value means that a person who takes part in recitation and has obedience in carrying out religious orders has about 1.7 times more chances of being happy than someone who is not religious (in this context, does not take part in recitation and does not obey in worship).

Furthermore, wages have an odds ratio value of 1.27 which implies that respondents with higher wages have a higher probability of being happy. When wages increase by 1 percent, the chance to be happier becomes 1.3 times greater, assuming other variables are constant.

The odds ratio for gender is 0.45, indicating that men are 0.4 times happier than women. It means that women have a greater tendency to be happy than men. Meanwhile, the odds ratio for the age variable is 0 because the p-value is more than 10 percent. Thus, there is no difference in happiness for respondents with age.

Obedience and recitation as a measure of religiosity positively correlate to happiness. Other studies show that religiosity is also related to subjective well-being, such as research conducted by Tiliouine et al.,²⁵ Mayasari,²⁶ Domínguez & López-Noval,²⁷ Rojas & Watkins-Fassler,²⁸ and Januari & Imam.²⁹ Islamic religiosity offers welfare or happiness that leads to a meaningful life. Although in a subjective sense, religiosity will encourage the creation of positive feelings for humans.

Happiness is one of the benchmarks in calculating one's welfare. However, the conception of happiness cannot be separated from well-being. In principle, welfare can be achieved by improving the quality of life of individuals.³⁰ Specifically, individuals in economics can be classified as producers or consumers. That is, there are two paths to understanding well-being. The higher the amount of production and the amount of consumption, the more prosperous the community is. In other words, the achievement of welfare can be traced from increasing profits and fulfilling utilities.

While in the macroeconomic sphere, the meaning of welfare was initially still limited to efforts to increase income through accelerating economic activity. Economic growth is a means to achieve justice by creating new jobs. Thus, people's real income will increase. Economic growth is expected to create a trickle-down effect for the community through increased accessibility to work and other economic opportunities.

Regardless of this conception, Sen & Nussabaum's approach has changed the previously rooted concept of well-being. According to him, income and wealth are not a final goal but a means to achieve other goals. In addition, it is emphasized

²⁵ H. Tiliouine, R.A Cummins & Davern, Islamic religiosity, subjective well-being, and health. *Mental Health, Religion & Culture*, 12(1), 2009: 55–74

²⁶ R. Mayasari, Religiusitas Islam dan Kebahagiaan (Sebuah Telaah dengan Perspektif Psikologi). *Al-Munzir*, 7(2), 2014: 81-100

²⁷ R. Domínguez & B. López-Noval, Religiosity and Life Satisfaction Across Countries: New Insights from the Self-Determination Theory. *J Happiness Study*, 22, 2021: 1165–1188. <https://doi.org/10.1007/s10902-020-00268-y>

²⁸ M. Rojas & K. Watkins-Fassler, Religious Practice and Life Satisfaction: A Domains-of-Life Approach. *J Happiness Stud* 23, 2022: 2349–2369. <https://doi.org/10.1007/s10902-022-00510-9>

²⁹ A. T. Januari & M. K. Imam, Does Religious Obedience Affect Happiness? The NU Muslims Indonesian Case. *Journal of Islamic Civilization*, 5(1), 2023: 1–13. <https://journal2.unusa.ac.id/index.php/JIC/article/view/2661>

³⁰ M.P. Todaro, *Pembangunan Ekonomi Edisi Kesebelas*, jilid 1.

that the most important element for welfare is not just the commodities consumed but the benefits consumers get from them. This benefit differs from one community to another with diverse backgrounds. More than that, a person can be said to be prosperous if he has capabilities in his life. Thus, economic development is oriented towards output growth to increase income and efforts to increase one's capabilities.³¹

Meanwhile, the concept of welfare can adopt a psychological perspective.³² This approach often identifies well-being by considering a person's subjective perception. The subjective approach to well-being often equates with one's perception of satisfaction or happiness. Although subjectively, there are differences in the assessment of the aspects considered important, several studies on subjective welfare analysis found that happiness or life satisfaction has a positive correlation with income level, health level, and education level.

Mayasari's study shows a significant relationship between religiosity and psychological well-being. The higher a person's religiosity, the more psychological well-being will increase. Islamic religiosity directs the creation of one's happiness because it optimises one's potential, independence, and good relationships with others.³³ Tiliouine also presented similar results, which showed the relationship between Islamic religiosity and life satisfaction in Algerian residents. The results show that religiosity has a positive and strong relationship with subjective well-being.³⁴

Conventional thinking about welfare aims more at fulfilling one's needs in material terms. Still, spiritual welfare gets a small portion of attention³⁵ or even not found at all.³⁶ In fact, in Islam, its adherents are oriented toward holistic, worldly, and hereafter happiness. In other words, Islam expects humanity to obtain material and spiritual well-being. The most important goal is to achieve happiness in the world and the hereafter (*falah*) and a good and honorable life (*al-hayah al-thayyibah*).

³¹ A. Sen & M. Nussabaum, *The Quality of Life*.

³² Mayasari, *Religiusitas Islam dan Kebahagiaan (Sebuah Telaah dengan Perspektif Psikologi)*.

³³ *Ibid*

³⁴ H. Tiliouine, R.A Cummins & Davern, *Islamic religiosity, subjective well-being, and health*.

³⁵ A. Sodik, *Konsep Kesejahteraan Dalam Islam*.

³⁶ D. Harahap, *Kebahagiaan Dan Akhir Kehidupan Menurut Filsafat Ekonomi Islam. Human Falah*, 2(2), 2015: 83-101.

In the Islamic context, studies on happiness are also carried out. However, according to Sofia & Sari, the continuity of research and the focus on happiness still need to be focused on theoretical conceptualization or debating the different paradigms of the concept of happiness itself.³⁷

Sodiq states that components often used to measure welfare, such as income levels and population density, can neglect humans if they are not balanced with mental development, leading to divine values. According to him, planting monotheism with moral and mental formation is one of the main indicators of welfare. Strengthening monotheism is believed to be no less important than fulfilling income levels. Humans are encouraged to pursue happiness in this world and hereafter.³⁸ Hamim states that happiness in the hereafter does not automatically bring happiness to the world. Conversely, people who experience happiness in the world will not necessarily get happiness in the afterlife.³⁹

Januari & Imam show that devotion is demonstrated to build the happiness of NU Muslims in Indonesia. NU Muslims who are sincere in rehearsing their religion have twice the possibility of being happy, contrasted with respondents who are not devoted to rehearsing their religion. Submission affects the happiness of NU Muslims in Indonesia. According to the understanding of QS. At Thalaq [65]: 3 and QS. A Nahl [16]: 97 underscores that pure intentions such as compliance and devotion will make an individual well-being. Thriving is estimated not only by material things alone but also by convictions that all is well with the world, solace, and quietness.⁴⁰

In Arabic, there are four words related to happiness, namely *sa'id* (happy), *falah* (lucky), *najat* (safe), and *najah* (successful). The word *sa'id* is the word closest to the meaning of happiness. However, the other three words also have the meaning of happiness. When a person gets luck, safety, and success, his feelings must be happy. Furthermore, in achieving happiness in Islam, Hamim concluded that two tips can be done.⁴¹

³⁷ N. Sofia & E.P. Sari, Indikator Kebahagiaan (Al-Sa'adah) dalam Perspektif Alquran dan Hadis.

³⁸ A. Sodiq, Konsep Kesejahteraan Dalam Islam.

³⁹ K. Hamim, Kebahagiaan Dalam Perspektif Al-Qur'an dan Filsafat.

⁴⁰ ⁴⁰ A. T. Januari & M. K. Imam, Does Religious Obedience Affect Happiness? The NU Muslims Indonesian Case.

⁴¹ K. Hamim, Kebahagiaan Dalam Perspektif Al-Qur'an dan Filsafat.

First, one must have faith in Allah to achieve happiness. In this context, faith is the main key that can lead a person to obtain complete happiness. Second, a person must do good deeds to obtain or achieve happiness in this world and the hereafter. Allah promises to give a good life and a greater reward to those who do good deeds, whether women or men, and they believe. In this context, a good life is a happy life in this world and hereafter.

Sofia & Sari examined indicators of happiness from an Islamic perspective using literature studies. Based on his findings, there are 17 indicators of happiness according to the Qur'an and Hadith, namely: faith and purity, adhering to religion, doing good, patience, gratitude, purification of the soul, calling for good and forbidding bad deeds, striving in Allah's way, seeking and getting ridha. Remember Allah, get Allah's grace, improve yourself, set an example, seek Allah's protection, surrender, reject evil with good, and guard your words and deeds.⁴²

Religion is a socially communicated arrangement of convictions, customs, hierarchical designs, moral rules, and inclinations toward heavenly nature. The positive connection between religiosity and mental-emotional prosperity has been reliably found at the singular level. Research on the association between severe practice and life satisfaction, by and large, spotlights a positive connection, with the gathering's otherworldly and informal organizations being seen as critical variables disrupting the relationship.⁴³ Rojas & Watkins-Fassler showed that the essential association between severe practice and life satisfaction occurs through the financial space, followed by life's significant and family regions. The friendship, occupation, and prosperity spaces have a minor yet quantifiably epic work.⁴⁴

Domínguez & López-Noval showed that These varieties are made sense of by religiosity, estimated by how often individuals go to strict administrations by and extensive. This relationship had not recently been recorded utilizing a worldwide example. Their results suggest that this relationship was, as of late, covered by the severe rule concealed in perceiving religion. Subsequently, they get the ordinary zero-association result in a standard backslide model including simple extents of both the social and the singular components of legalism. In any case, when we, in addition, control for the level of severe introjection, as assessed by the degree of in-

⁴² N. Sofia & E.P. Sari, Indikator Kebahagiaan (Al-Sa'adah) dalam Perspektif Alquran dan Hadis.

⁴³ R. Domínguez & B. López-Noval, Religiosity and Life Satisfaction Across Countries

⁴⁴ M. Rojas & K. Watkins-Fassler, Religious Practice and Life Satisfaction.

dividuals thinking severe certainty is a quality youngster ought to be encouraged to progress at home and the degree of individuals that confidence in hell, they get a positive and critical association between's the social part of legalism and standard life satisfaction. The connection between the mediator for severe introjection concerning the preparation of the children and average life satisfaction is surveyed as troublesome and critical.⁴⁵

Since this thought, the meaning of happiness has become very broad and includes various aspects of life. Materially poor people may have a very high level of satisfaction with their lives. Diener & Biswas-Diener revealed that some people in rural areas in Calcutta, India, who are familiar with spiritual life, even though they can be said to be poor materially, actually report high happiness.⁴⁶ Thus, well-being is not only the fulfillment of material needs such as food, clothing, vehicles, and housing but also the fulfillment of non-material desires and expectations such as self-esteem and freedom of choice.⁴⁷

Separately, happiness as an object of research is still an often-discussed issue. Moreover, using the happiness index as an indicator has also drawn criticism. First, because this index is relatively new compared to other welfare indexes, it is still experiencing a lot of improvement. Even some studies often use happiness indexes that researchers themselves develop. Second, it is feared that the happiness index can cause bias in the measurement scale because it is a subjective assessment of the well-being of individual perceptions.⁴⁸

Furthermore, Lu & Gilmour said that a person's perception of happiness differs. Differences in individual characteristics influenced by life experience, cultural background, scientific background, and local wisdom often make a person's life assessment unequal.⁴⁹ Diener & Seligman (2004) say a more systematic approach is

⁴⁵ R. Domínguez & B. López-Noval, Religiosity and Life Satisfaction Across Countries.

⁴⁶ E. Diener & R. Biswas-Diener, Will Money Increase Subjective Well-being?

⁴⁷ M.P. Todaro, *Pembangunan Ekonomi Edisi Kesebelas*, jilid 1.

⁴⁸ D. Gasper, Understanding the diversity of conceptions of well-being and quality of life. *Journal of Socio-Economics*, 39(3), 2010: 351–360. <https://doi.org/10.1016/j.socec.2009.11.006>

⁴⁹ L. Lu & R. Gilmour, Culture and conceptions of happiness: individual oriented and social oriented swb. *Journal of Happiness Studies* 5, 2004: 269–291. <https://doi.org/10.1007/s10902-004-8789-5>

needed to measure happiness. However, some researchers are okay with this diversity and use them interchangeably.⁵⁰

Individual characteristics in this study are reflected by four variables: education, marital status, gender, and age. The four have different effects on happiness.

Education, especially at higher levels such as diploma, undergraduate and postgraduate degrees, has a greater chance of being happy. This research aligns with the results of studies by Sodiq⁵¹ and Putri & Prasetyani⁵² that the higher the level of education, the happiness index tends to increase. According to Sirgy, education has a positive impact which can be an asset for achieving life goals.⁵³ Frey & Stutzer argue that higher education will provide wider opportunities to work.⁵⁴ In the case of Indonesia, BPS, in its report, released that the highest happiness index in West Nusa Tenggara Province is for residents with a Masters's or Doctoral level of education.⁵⁵

Someone married tends to be happier than someone who is not. This finding follows a study conducted by Aryogi & Wulansari.⁵⁶ It is strongly suspected that married people tend to have greater productivity. Sohn revealed that being married makes people happier, but it could also be that happier people tend to get married.⁵⁷ In addition, based on the BPS report, divorced and widowed residents have a level of happiness below those with married and single status. Furthermore, most Indonesians are more unhappy when divorced.⁵⁸

Furthermore, the results show that men are not happier than women. This finding is different from the study by Putri & Prasetyani, which states that gender does not affect happiness.⁵⁹ However, this research is in line with research by Akerlof & Kranton, which states that women tend to be happier because they have a broader

⁵⁰ E. Diener & M. E. P. Seligman, *Beyond Money: Toward an Economy of Well-Being*.

⁵¹ A. Sodiq, *Konsep Kesejahteraan Dalam Islam*.

⁵² E.I.S. Putri & D. Prasetyani, *New Evidence of Individual Level of Happiness in Indonesia: Does Easterlin Paradox Matter?*

⁵³ M. J. Sirgy, *The psychology of quality of life*. (Dordrecht: Kluwer Academic Publishers, 2002).

⁵⁴ B. S. Frey, & A. Stutzer, *Economics of Happiness*. (Springer International Publishing, 2018).

⁵⁵ [BPS] Badan Pusat Statistik. (2017). *Indeks Kebahagiaan 2017*. <https://www.bps.go.id>

⁵⁶ Aryogi & Wulansari, *Subjective Well-being Individu dalam Rumah Tangga di Indonesia*.

⁵⁷ K. Sohn, *Considering Happiness For Economic Development*:

⁵⁸ [BPS] Badan Pusat Statistik, *Indeks Kebahagiaan 2017*.

⁵⁹ E.I.S. Putri & D. Prasetyani, *New Evidence of Individual Level of Happiness in Indonesia: Does Easterlin Paradox Matter?*

conception of happiness. Meanwhile, men have more responsibilities than women.⁶⁰

Age has no impact on the chances of happiness. Even though someone is getting older, it doesn't affect happiness. This finding is different from the studies of Landiyanto et al.⁶¹ and Putri & Prasetyani.⁶² The study shows that age shows a negative relationship with happiness. That is, a person with a young age is happier than an adult. The decline in happiness is due to declining health conditions with age.

In contrast, this study showed different results. In this context, there is no differentiation between someone young and old. This condition is thought to be due to the psychological aspect that an older person has solved all life's problems and is transformed to enjoy the results of work at a young age.

In the meantime, the monetary part addressed by compensation has a positive relationship with the happiness of Muslims in Indonesia. This finding contrasts with the consequences of a review by Easterlin.⁶³ Thus, it very well may be deciphered that the Easterlin Oddity, a condition where an expansion in joy does not go with an expansion in pay, does not happen for Muslims in Indonesia. This finding contradicts Aryogi & Wulansari⁶⁴ and Nandini & Afiatno.⁶⁵ As a general rule, compensation as a proportion of financial elements is a component of satisfaction.

Pontarollo et al. showed that the connection between pay and abstract prosperity was profoundly critical.⁶⁶ Besides, Sacks et al. overview the confirmation to assess the meaning of through and through and relative compensation in choosing to thrive. They declare that public correlations offer little proof to help speculations of relative pay. That outright pay plays a critical part in deciding prosperity. The

⁶⁰ G. A. Akerlof & R. E. Kranton, Economics and identity. *The quarterly journal of economics*, 115(3), 2000: 715-753

⁶¹ E. A. Landiyanto, et.all., Wealth and Happiness: Empirical Evidence from Indonesia.

⁶² E.I.S. Putri & D. Prasetyani, New Evidence of Individual Level of Happiness in Indonesia: Does Easterlin Paradox Matter?

⁶³ R. A. Easterlin, Does Economic Growth Improve the Human Lot?

⁶⁴ Aryogi & Wulansari, Subjective Well-being Individu dalam Rumah Tangga di Indonesia.

⁶⁵ D. Nandini & B.E. Afiatno, Determinants of Subjective Well-Being: Evidence of Urban Indonesia. *Jurnal Ekonomi Pembangunan*, 18(1), 2020: 1-16

⁶⁶ N. Pontarollo, M. Orellana & J. Segovia, The Determinants of Subjective Well-Being in a Developing Country: The Ecuadorian Case.

investigation discovered that pay is associated with prosperity. As demonstrated by Sacks et al. by and large, individuals in more prosperous nations are more joyful than individuals in less fortunate nations, and an unmistakable association exists between financial development and prosperity development. Moreover, the data shows no evidence for a satiation point above which pay and success are not commonly related.⁶⁷

Todaro makes sense that individuals should satisfy three degrees of necessities to accomplish success. The principal needs are fundamental necessities, for example, food, lodging, clothing, wellbeing access, and training. The second degree of necessity is the requirement for acknowledgment from others, frequently called regard/esteem.⁶⁸

In the meantime, the third degree of requirements is the opportunity of decision. In light of this idea, the proportion of government assistance to Muslims in Indonesia is currently at the primary level: thus, income is needed. Income can be used to purchase market goods and services.

4. CONCLUSION

Based on the findings of this study, it was concluded that religiosity, income, and individual characteristics determine the happiness of Muslims in Indonesia. The religiosity component in this study is reflected by obedience in carrying out religious orders and participation in recitation activities. The income factor remains a determinant of happiness. Meanwhile, individual characteristics that contribute to promoting happiness are higher education, marital status, and female gender. While getting older does not have an impact on creating happiness.

To increase the happiness of Muslims in Indonesia, policies to increase the accessibility of higher education still need to be improved. Efforts that can be implemented are providing educational scholarships and the widest opportunity for residents, especially those with low-income groups. Educational inclusiveness needs to get more in-depth attention. []

⁶⁷ D. W. Sacks, B. Stevenson & J. Wolfers, The new stylized facts about income and subjective well-being. *Emotion*, 12(6), 2012: 1181–1187. <https://doi.org/10.1037/a0029873>

⁶⁸ M.P. Todaro, *Pembangunan Ekonomi Edisi Kesebelas*, jilid 1.

REFERENCES

- Akerlof, G. A., & Kranton, R. E. (2000). Economics and identity. *The quarterly journal of economics*, 115(3), 715-753.
- Aryogi, I. & Wulansari, D. (2016). Subjective Well-being Individu dalam Rumah Tangga di Indonesia. *Jurnal Ilmu Ekonomi Terapan*, 01(1): 1-12.
- [BPS] Badan Pusat Statistik. (2017). *Indeks Kebahagiaan 2017*. <https://www.bps.go.id>
- Clark, A. E. (2018). *The Origins of Happiness: The Science of Well-Being over The Life Course*. <https://doi.org/10.1017/CBO9781107415324.004>
- Diener, E., & Biswas-Diener, R. (2001). Will Money Increase Subjective Well-being? *Social Indicators Research*, 57(2):119-169.
- Diener, E., & Seligman, M. E. P. (2004). Beyond Money: Toward an Economy of Well-Being. *Psychological Science in the Public Interest*, 5(1), 1-31. <https://doi.org/10.1111/j.0963-7214.2004.00501001.x>
- Domínguez, R., & López-Noval, B. (2021) Religiosity and Life Satisfaction Across Countries: New Insights from the Self-Determination Theory. *J Happiness Stud* 22, 1165-1188. <https://doi.org/10.1007/s10902-020-00268-y>
- Easterlin, R. A. (1974). Does Economic Growth Improve the Human Lot? Some Empirical Evidence. *In Nations and Households in Economic Growth*. <https://doi.org/10.1016/b978-0-12-205050-3.50008-7>.
- Forgeard, M. J. C., Jayawickreme, E., Kern, M. L., & Seligman, M. E. P. (2011). *Doing the right thing: Measuring wellbeing for public policy*. 1, 79-106. <https://doi.org/10.5502/ijw.v1i1.15>
- Frey, B. S., & Stutzer, A. (2002). What Can Economists Learn from Happiness Research? *Journal of Economic Literature*, 40, 402-435. <https://doi.org/10.1257/jel.40.2.402>
- Frey, B. S., & Stutzer, A. (2018). *Economics of Happiness*. Springer International Publishing.

- Gasper, D. (2010). Understanding the diversity of conceptions of well-being and quality of life. *Journal of Socio-Economics*, 39(3), 351–360. <https://doi.org/10.1016/j.socec.2009.11.006>
- Gujarati, D.N. & Porter, D.C. 2009. *Dasar-dasar Ekonometrika*, Buku 2 Edisi-5. Terjemahan oleh Raden Carlos Mangunsong. 2012. Jakarta: Salemba Empat.
- Hamim, K. (2016). Kebahagiaan Dalam Perspektif Al-Qur'an dan Filsafat. *Tasamuh*, 13 (2), 127-149.
- Harahap, D. (2015). Kebahagiaan Dan Akhir Kehidupan Menurut Filsafat Ekonomi Islam. *Human Falah*, 2(2), 83-101.
- Helliwell, J., Layard, R., & Sachs, J. (2015). *World Happiness Report 2015*. <http://eprints.lse.ac.uk/47487/>
- Januari, A. T., & Imam, M. K. (2023). Does Religious Obedience Affect Happiness? The NU Muslims Indonesian Case. *Journal of Islamic Civilization*, 5(1), 1–13. <https://journal2.unusa.ac.id/index.php/IIC/article/view/2661>
- Landiyanto, E. A., Ling, J., Puspitasari, M., & Irnanto, S. E. (2011). Wealth and Happiness: Empirical Evidence from Indonesia. *Chulalongkorn Journal of Economics*, 23, 1–17.
- Lu, L. & Gilmour, R. (2004). Culture and conceptions of happiness: individual oriented and social oriented swb. *Journal of Happiness Studies* 5, 269–291. <https://doi.org/10.1007/s10902-004-8789-5>
- Mayasari, R. (2014). Religiusitas Islam dan Kebahagiaan (Sebuah Telaah dengan Perspektif Psikologi). *Al-Munzir*, 7(2), 81-100.
- Nandini, D. & Afiatno, B.E. (2020). Determinants of Subjective Well-Being: Evidence of Urban Indonesia. *Jurnal Ekonomi Pembangunan*, 18(1): 1-16.
- Pontarollo, N., Orellana, M. & Segovia, J. (2020). The Determinants of Subjective Well-Being in a Developing Country: The Ecuadorian Case. *J Happiness Stud* 21, 3007–3035. <https://doi.org/10.1007/s10902-019-00211-w>
- Putri, E.I.S. & Prasetyani, D. (2021). New Evidence of Individual Level of Happiness in Indonesia: Does Easterlin Paradox Matter? *Jurnal Ekonomi dan*

Studi Pembangunan, 13(1): 60-71.
<http://dx.doi.org/10.17977/um002v13i12021p060>

- Pyndick, R. S., & Rubinfeld, D. L. 2013. *Microeconomics Eight Edition*. New Jersey: Pearson.
- Rahayu, T. P. (2016). Determinan kebahagiaan di indonesia. *Jurnal Ekonomi Dan Bisnis*, 19(1), 149–170.
- RAND Labor and Population Corporation. 2004. *Indonesia Family Life Survey 5th wave*. United States: Rand Corp. (9 Januari 2023) <https://www.rand.org/well-being/social-and-behavioral-policy/data/FLS/IFLS/ifls5.html>
- Rojas, M., & Watkins-Fassler, K. (2022) Religious Practice and Life Satisfaction: A Domains-of-Life Approach. *J Happiness Stud* 23, 2349–2369. <https://doi.org/10.1007/s10902-022-00510-9>
- Sacks, D. W., Stevenson, B., & Wolfers, J. (2012). The new stylized facts about income and subjective well-being. *Emotion*, 12(6), 1181–1187. <https://doi.org/10.1037/a0029873>.
- Sen, A. & Nussabaum, M. 2003. *The Quality of Life*. Oxford Scholarship Online.
- Sexton, R. L., Fortura, P. N., & Kovacs, C. C. (2016). *Exploring Microeconomics Fourth Canadian Edition*. Canada: Nelson Education Ltd.
- Sirgy, M. J. 2002. *The psychology of quality of life*. Dordrecht: Kluwer Academic Publishers.
- Sodiq, A. (2015). Konsep Kesejahteraan Dalam Islam. *Ekulibrium*, 3(2), 380-405.
- Sofia, N. & Sari, E.P. (2018). Indikator Kebahagiaan (Al-Sa'adah) dalam Perspektif Alquran dan Hadis. *Psikologika: Jurnal Pemikiran dan Penelitian Psikologi*. 23(2), 91-108.
- Sohn, K. 2010. *Considering Happiness For Economic Development: Determinants of Happiness in Indonesia* (No. 10–09). Seoul.
- Tiliouine, H. Cummins, R.A & Davern. (2009) Islamic religiosity, subjective well-being, and health. *Mental Health, Religion & Culture*, 12(1), 55–74.

Todaro, M.P. 2011. *Pembangunan Ekonomi Edisi Kesebelas*, jilid 1. Jakarta: Erlangga.