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## Happiness and Spirituality: An Empirical Analysis using Divine Perspectives in Pakistan

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## **Happiness and Spirituality: An Empirical Analysis using Divine Perspectives in Pakistan**

Syed Ali Abidi<sup>1</sup>  
Muhammad Tariq Majeed<sup>2</sup>

### **Abstract**

*Happiness is the center of discussion among philosophers, theologians, psychologists and more recently among economists from past few decades. Easterlin (1974) claimed that money alone cannot buy happiness, factors such as social interactions, socio-demographic factors, religion and personal values influence happiness. Abundant literature has been produced on spirituality by philosophers and scholars of different religions, however, spirituality-happiness literature from Islamic point of view and particularly in the case of Muslim society is largely ignored. This study analytically explores and empirically tests the relationship between spirituality and happiness using Divine Economics Framework in case of 5 districts of Azad Kashmir (Pakistan), collected through Divine Economics Survey 2013. Findings of the study show that spirituality intrinsically matters in producing wellbeing and happiness.*

**Keywords:** divine capital, divine economics, happiness, spirituality, the ultimate reality, universal values

**JEL Classifications:** A13, C21, D03, I13

### **1. Introduction**

Happiness has been a central focus of research in economics. A lot of work (Clark & Oswald, 1994; Easterlin, 1973; Layard, 2002) has been done in this particular subject. A variety of theories exist about what determines the human wellbeing. To some, happiness is an

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**Disclaimer:** The author has used the Holy Quranic verses and the Hadiths with the best of his knowledge. The interpenetration may vary based on the source of translation used. The paper is extensively drawn from M.Phil. thesis of the author.

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outcome of money or wealth. However, Easterlin (1973) claims that money cannot buy happiness as other factors also matter in producing happiness. For instance, family relations, family health, and marital life are considered important causes of happiness (Layard, 2002). A recently emerged model known as Divine economics that considers the role of a perceived afterlife in human's current life allocation decisions and their corresponding outcomes including wellbeing, nevertheless, postulates spirituality as one of the important factors which matter for happiness and well-being.

A famous and most cited study by Schwartz and Bilsky (1987) has considered spirituality as 11th universal value<sup>3</sup>. Spirituality is an essence or feeling of getting closer to the most favorite personality or a thing or a super being. For Muslim spirituality is like the feeling of getting close to the creator Almighty Allah. One can say that spirituality is a kind of connection to the perceived ultimate thing which is bigger than us and involves a search for meaning in life.

Like economic, social and political factors, religious beliefs and spiritual practices are also important determinants of humans' decision making process. The human is made of a body and a soul. The soul has an eternal life, i.e., a life in the hereafter. Thus, it is not just physical body but soul also that has to be understood for its relationship with human decision making process and outcome(s) of such decisions. Humans, by nature, are endowed with the capacity and capability of assessing benefits versus costs associated with the decisions and desires.

The spirituality is "the quality or state of being concerned with religion or religious matters".<sup>4</sup> It related to the faculty of soul and then to the body in form of mental and physical progress. "Spirituality might have good impact on persons' health for example Yoga and other spiritual practices may have direct impact on person mental, psychological and physiological growth" (Berry, 2005; Pew Research Center Religion and Public Life, 2008; Tacey, 2004). Furthermore, spirituality and religion, both can go hand in hand, however, also pondered as two separate terms in the literature.

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<sup>3</sup> See table 2.2.2 *Schwartz's Universal Values*, Schwatz (2012)

<sup>4</sup> Merriam-Webster Dictionary

Under the umbrella of Islam it is considered as a component of knowing one's own self, knowing God and achieving nearness to God. This nearness to God, on the Day of Judgment, serves as a transaction amount on the basis of which a person will be sent to Heaven or Hell. The person who is being sent to these is basically the soul which has eternal life and is connected to the life in the present world.

Therefore there is a need to identify those factors, other than standard economic, psychological, political and social aspects, which can play vital role in producing happiness and satisfaction for present life on earth and for the life hereafter. The Divine Economics, a scientific framework for study of economics and religion in each other's perspective, provides methodologies to formally analyze the role of economic and non-economic or metaphysical factors such as religiosity, spirituality and values in human behavior. The present study tests the likely relationship between happiness and spirituality employing the framework of divine economics.

The paper has three main objectives; (i) to identify the role of spirituality as a factor producing happiness, (ii), to empirically test the relationship between happiness and spirituality and (iii) to provide a ground for future research on spirituality under the Divine Economics Framework. The paper attempts to test the following specific proposition;

**Proposition:**

*“Keeping other things constant, a person who is more spiritual is more likely to have higher happiness as compared to the person who is less or not spiritual”.*

The rest of the paper is followed by section 2 – literature review and section 3 – methodological framework. After which the empirical results are presented and discussed in section 4. Finally, conclusion with policy implications is provided in section 5.

**2. Literature Review**

The section at first presents several definitions of spirituality. Then the conventional economics view towards spirituality and happiness is reviewed. It also reviews the accessible empirical evidence

between spirituality and happiness. At last it presents the divine economics view towards spirituality and happiness.

## 2.1. Definitions of Spirituality

**Table1: A Comparative Summary of Definitions**

Author/sources	Definition
Waldegrave (2003)	There are four qualitative relationships that exhibit spirituality i) "People and their environment (land, mountains, sea, sky, etc.); ii) People and other people in terms of values i.e. justice and love (families, communities, nations, etc.); iii) People and their and other persons' heritage (ancestry, culture, history, etc.); iv) People and the numinous (that which is other, beyond the physical, transcendent, what some people refer to as God or to as super being".
Puchalski et al. (2009)	"Spirituality is the aspect of humanity that refers to the way individuals seek and express meaning and purpose and the way they experience their connectedness to the moment, to self, to others, to nature, and to the significant or sacred".
Egan et al. (2011)	"Spirituality means different things to different people. It may include (a search for) one's ultimate beliefs and values; a sense of meaning and a purpose in life; a sense of connectedness; identity and awareness; and for some people, religion. It may be understood at an individual or population level".
Matthew 5:8, NIV	"Blessed are the pure in heart, for they will see God"
Quran 91:9-10	"Whoever purifies it (soul) has succeeded; and failure is the lot of whoever corrupts it"

The above mentioned definitions in Table 1 of spirituality features about the relationship of an individual to its surroundings, environment, their values, association with family, bond with work, sense of connectedness, identity about self and super being. However, spirituality is not confined to these states only, in effect it is a purity of heart, due to which one can reach God, the Exalted and

the satisfaction originating from the success of both worldly and after worldly lives.

Prophet Ibrahim (Peace Be Upon Him) was addressed by God, as quoted in the Holy Quran: “The Day [of Judgment] whereon neither wealth nor sons will avail, except him who comes to Allah with a sound heart” (Qur’an 26: 88-89).

One of the major role of the Messenger Muhammad (Peace Be Upon Him and his progeny) was to purify the soul of human through knowledge and wisdom as stated in Holy Quran: “A similar (favor have you already received) in that We have sent among you a Messenger of your own, rehearsing to you Our signs, and purifying you, and instructing you in the Book and the Wisdom (*Al-Hikma*), and in new knowledge that beforehand you did not know” (Qur’an 2:151).

In the light of these verses of Holy Bible and Holy Quran, spirituality can be referred to as, the purification of mind body and soul which leads to nearness with Allah Almighty<sup>5</sup>. The verses of Holy Quran unveil completely about the purification of heart and soul. Followed to the holy book, a very significant hadith (record) narrated in Sahih Muslim in this regard, Prophet (PBUH) and his progeny said, “Allah does not look at your outward appearance and your goods. He looks only at your hearts and your deeds.” (Muslim, Birr, 33; Hanbal, 2/285, 539).

A muslim religious person believes in Allah as the only God, observes a set of Islamic obligatory rituals like 5-time Prayer (*Salat*), fasting in the month of Ramadan because of the acceptance of Islamic beliefs as true. Christian shows faith in Jesus and practice baptism and communion. However, spirituality is the essence of being spiritual and observed by the activities such as, for example, recitation of certain verses or supplications [called *Zikr*] from Holy Bible or Holy Quran. Praying, meditating, reading scripture, and giving charity are those activities which a spiritual person may do. Going to church or offering prayer in one essence is religiosity and in the above mentioned way it is referred as spirituality. Section 2.4

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<sup>5</sup> Purification of Soul, see Abul Ala Maududi, [www.islammessage.com](http://www.islammessage.com)

briefly discusses the intrinsic relationships between religiosity and spirituality.

For this study, the Islamic definition of spirituality is adapted which stresses upon the purification of mind body and soul. The main reason for this is the sampled population of the present study and that is Muslim (followers of Islam). As spirituality is essence of feeling close to Almighty Allah, then according to the definition of spirituality, gaining nearness to Almighty Allah is the act which leads to satisfied and happy life. Because Allah, the Exalted have said, more you close to me, you will be regarded and rewarded in the lives of both worlds. The divine economics claims that such divinely promises shape perceptions of believers and consequently form a systematically different behavior regarding how life is taken and how life-satisfaction is sustained. This opens a new debate in the context of happiness that how and to what extent spirituality or achieving nearness to Almighty by purifying the inner-self can impact happiness of a person.

## **2.2. Happiness and Spirituality in Mainstream Economics**

In conventional literature happiness has been widely discussed in recent past decades. There are number of studies which provide evidence of socio-economic, political, psychological, social and standard economic variables that may impact happiness of a person.

### **2.2.1. Happiness**

According to Easterlin (1974) higher income people were reported to be happier compared to their counterparts of lower incomes but the average reported level of happiness does not differ much in international comparisons for the countries with income sufficient to meet basic needs. Similarly there is evident steady rise in income per capital in USA from 1946 to 1970 but is accompanied with declined trend of average happiness reported by people. This paradox on income-happiness relation led other economists to reassess the relationship between income and happiness. To Easterlin (1974), income does not matter much for producing happiness. This paradox was reassessed by later economists and researchers from other disciplines, who demonstrated after the

empirical evidence that factors other than economic ones were also important in producing happiness.

It has now become a standard view as the numbers of happiness studies have added new knowledge to the subject showing strong influence of the non-financial indicators on self-reported happiness. The recent research on non-financial determinants of happiness has been well taken but it does not conclude that economic factors such as wealth, price and employment are unimportant (Bowles, 1998; Frey, 1997; Ostrom, 2000; Putnam, 2000).

According to Frey and Stutzer (2002) the happiness can be derived from three set of factors; “i) Demographic and personality factors, such as age, gender and family circumstances, as well as nationality, education and health. ii) Economic factors, in particular unemployment, income, and inflation. iii) Political factors such as the extent of possibilities for citizens to participate in politics, and the degree of governmental decentralization”. They also considered the economic policy for fabricating wellbeing along with other demographic variables such as marital status, age and health. Diener, Sandvik, Seidlitz, and Diener (1993) and Oswald (1997) concluded that within countries, income matters to happiness and when the basic needs are met the other factors such as relative income differences, the security of gains and rising aspirations becomes increasingly important, in addition to income.

Hagerty and Veenhoven (2003) published an analysis using diversified data and concluded that, “there is no paradox and countries did indeed get happier with increasing income”. In reply to them Easterlin, McVey, Switek, Sawangfa, and Zweig (2010) criticized them for using the inadequate data. Stevenson and Wolfers (2008) using time series data reexamined the Easterlin paradox. They concluded like Hagerty and Veenhoven (2003) that in contrast to Easterlin's claim subjective wellbeing is linked with increase in absolute income for both individually and countries' population as a whole.

An important work was published by Easterlin et al. (2010) that defended the paradox. The study investigates data from 37 countries in 12 to 34 years. Easterlin pointed out case studies from

Chile and China, where income per inhabitant was doubled in order in past 20 years, while the populations' happiness was not grown at the same rate.

Cunado and Gracia (2012) analyzed the impact of education on happiness. They concluded that higher the level of education brings higher income which in turn raises one's wellbeing. They further demonstrated that "after controlling for income, labor status and other socio-economic variables, education had still positive and significant effects on wellbeing".

Rodríguez-Pose and Von Berlepsch (2014) explored the role of social capital in producing happiness in Europe. They found strong positive and significant relationship that trust variable exhibits with happiness in all four regions of Europe, i.e. North, South, East and West and concluded that informal social interactions and trust were the main drivers of the happiness whereas norms and effective sanctions only show relatively minor links to the perceived happiness level.

Using World Values Survey data, Jabeen and Khan (2016) analyzed the impact of demographics, social, economic, trust and religious factors on wellbeing in four provinces of Pakistan and found these as strong determinant of wellbeing. They proposed that creation of jobs will increase the level of happiness in Pakistan. They also observed that females were happier than males. Employed unmarried religious individuals were happier than their counterparts.

Similarly, Jamal (2018) contributed a paper in Pakistani context using World Value Survey 2012 data on subjective wellbeing. On the basis of his results, Jamal stated that "law and order situation or feeling of insecurity in neighborhood had large negative marginal effect on subjective wellbeing". The vulnerability to poverty and security showed inverse relation with subjective wellbeing. In contrast, the results revealed that for explaining the differences in subjective wellbeing the religiosity plays a positive and significant role, nonetheless, the marginal positive impact of religiosity is much less than the negative impacting factors.

From the above discussion it can be concluded that the studies on happiness have produced wide literature on the material aspects of humans, however the non-material factors such as spirituality, ethics and religiosity has been ignored. Even in case of Pakistan, there is a gap in literature of happiness that analyzes the role of spiritual, ethical and religious variables. The development of definitions, concepts and the underlying philosophical construction of these variables is yet to be done in order to reach some consensual definitions of the concepts involved in the happiness literature. However, the present study is an innovative start on the subject by only focusing on spiritual dimension of human being and its economic consequences. It utilized the divine capital approach, as explained in the later sections for estimating the relationship between spirituality and subjective wellbeing on the whole and especially in case of Pakistan. The definitions of happiness is under evolution, the sources revealed that the materialistic commodities have effect on happiness whereas our definition of happiness includes a non-material factor/metaphysical factor i.e. Spirituality.

### **2.2.2. Spirituality**

Spirituality is gradually being recognized in economic literature to study the individual's economic behavior and its related organizational performance such as work place efficiency, management and work devotion. Krishnakumar and Neck (2002) found that "the encouragement of spirituality in the workplace could lead to benefits in the areas of creativity, honesty, personal fulfillment and commitment which ultimately lead to increased organizational performance".

Some others also believe that workplace spirituality enhances workers' connectedness, loyalty and sense of mutual belonging (Duchon & Plowman, 2005; Fairholm, 1996; Milliman, Ferguson, Trickett, & Condemi, 1999). According to Reave (2005), spirituality, happiness, self-esteem, mental health indices of life satisfaction, hope and optimism, and meaning in life are closely associated. Ajala (2013) empirically tested the impact of workplace spirituality on employee's wellbeing. According to him there were three components of spirituality which impact the wellbeing of employee in industrial sector. The three components are;

Meaningful work, Purposeful work and Sense of community and or interconnectedness. He concluded that meaningful work is the most effective purveyor of employee wellbeing followed by purposeful work and community/interconnectedness.

There were also some of the most convincing studies that focused on quality of life (QOL), Whitford and Olver (2012) concluded spiritual wellbeing as an important aspect to overall quality of life. They stated that, "Spirituality is a significant, unique contributor to QOL beyond the core domains of physical, social/family, and emotional wellbeing".

Schwartz and Bilsky (1987) have identified ten basic universal values reproduced in Table 2 below which shows each of the value types along with its sub-values.

**Table 2: Schwartz's Universal Values**

S. No	Value	Sub Value
1	Power	Authority, leadership, and dominance.
2	Achievement	Success, capability, ambition, influence, intelligence, and self-respect.
3	Hedonism	Pleasure, and enjoying life.
4	Stimulation	Daring activities, varied life, and exciting life.
5	Self-direction	Creativity, freedom, independence, curiosity, and choosing your own goals.
6	Universalism	Broadmindedness, wisdom, social justice, equality, a world at peace, a world of beauty, unity with nature, protecting the environment, inner harmony, and a spiritual life.
7	Benevolence	Helpfulness, honesty, forgiveness, loyalty, responsibility, and friendship.
8	Tradition	Accepting one's portion in life, humility, devoutness, respect for tradition and moderation.
9	Conformity	Self-discipline, and obedience.
10	Security	Cleanliness, family security, national security, stability of social order, reciprocation of favors, health, and sense of belonging.

Source: Schwartz (2012).

An early version of the value theory (Schwartz, 1992) highlights that spirituality could be considered a near-universal value because of its role in defining meaning of life, coherence, and inner harmony through transcending everyday reality. Schwartz (2012) tried to extend the values by exploring the role of spirituality or goal of finding meaning in life. He concluded that this eleventh value is evident in only few cultures. Hence, he does not rule the existence of spirituality as a value in some cultures. In case of countries like Pakistan which is predominantly Muslim, this may be explored keeping in view a possible on a widely observed behavior of survey respondents that they resist to show or clearly deny their affiliation with religious or spiritual groups in the beginning, but when such people are further probed into deeper aspects of their life, some of them are found to have at least some faith pattern or preference for some religious or spiritual group.<sup>6</sup>

Within the domain of divine economics, these values are acknowledged as universal and incorporated such in the re-theorizing and modeling the human behavior approach. Maslow's (1994) commitment to something greater than oneself is basically a form of spirituality. However, there is lack of consensus on a single definition of spirituality among philosophers, researchers, theologians and different cultures. Because of this the spirituality, despite of its due importance was trickled out from the theory in different societies.

In a nut shell, the Islamic definition of spirituality was neglected and the markers and indicators which can be derived through the Islamic definition of spirituality were ignored. Furthermore, in divine religions namely; Christianity, Judaism and Islam; spirituality is well recognized. Specifically Islam and the Holy Quran have led greater importance on the matter.

### **2.3. Happiness and Spirituality in Divine economics**

Despite that Adam Smith recognized the role of ethics and religion in economic behavior, and his *Theory of Moral Sentiments*, laid

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<sup>6</sup> A study revealed that 11% of world population indicates 'no religious affiliation' out of which 6% are found to have some respond to probing confirming their association with religion.

down foundations of modern economics, yet, majority of the mainstream Conventional economic literature has ignored the role and importance of life hereafter in the resource allocation pattern of humans. In some recent works under divine economics attempts to study economics and religion in each other's perspective using scientific process. Faith is usually determined by the religion which ultimately shapes human behavior. Though by religion, divine economics, preferably recognizes divine religions, yet this model can also explain human behavior under other religions too. The divine economics becomes standard conventional economics by imposing restriction on the faith parameters in its model.

According to this model, the world view consists of two worlds, the current world and a world perceived by human in an afterlife. Hence, worldview is a foundation from where both conventional economics and divine economics depart from each other. Such perception may take different forms depending upon the respective religions, yet the common thing is a belief about a new life after the current life when human soul will be in the state of peace or wellbeing based on allocation decisions made in current life. Soul is the part of the body which has an eternal life in the world here and hereafter. Faith is considered as the discipline of soul on which soul grows in vice and virtuosic way.

The Divine economics theorizes that the humans without faith on God and afterlife are likely to behave 'systematically differently' than those who possess some form of faith in afterlife. Faith in afterlife is associated with the faculty of soul. Kashani (2012) enlightens that within a man he possesses four selves, namely, Predatory, Animalistic, Satanic and Divine. A person is like an animal that has desires and wants to fulfill his desires. If he does not desire something than he is not more than an organic self who eats, drinks, sleeps, grows and one day dies. When the desires overpower man, he behaves more like an animal which leads to greed, glutton, fury, arrogance and lust. Similarly, due to the predatory nature of man, if man goes beyond this nature he again behaves like an animal, expressing insolence, obscenity, wastefulness, animosity and hatred towards people and attacking them verbally and physically. This all happens when the satanic nature of man excites his other two natures due to the vices trickery,

slyness, cheating, deception and rudeness. According to him a person who has control over these selves, is originally splendid and he becomes a groovy in the eyes of God.

Kashani (2012) explains that control over anger and passion takes human to his excellence where he is operating at humanistic self, which is above the organic and animalistic self and close to divine self. He demonstrated that humanistic self is the state of individual where he has moderated desires and his decisions are rational. He possess qualities like courage, justice, purity, generosity, benevolence and responsibility. He maintained that, "When animalistic and predatory are controlled by the divine faculty, divine virtues such as knowledge, wisdom, conviction, comprehension of and insight in to the realities of things settle in the heart. The heart will be free from being bound to the desires and angers, restoring inner equilibrium, the heart will be filled with noble characteristics such as chastity, contentment, tranquility, restraint, piety, God consciousness, serenity, composure, modesty, gracefulness and helpfulness". These qualities make him pure in his heart. In other words, nearness to God and purity of mind, self and heart is the essence of being spiritual.

These qualities serve for the satisfaction and success that is expected to be obtained in afterlife due to obeying the divine faculty in current life. As already said, that under divine economics propositions, faith in afterlife brings systematic change in human behavior. The direction and magnitude of such relationships however depends on the belief patterns and perceptions resulting from those patterns. Hence, deeper the beliefs in afterlife incentives promised by religions, stronger the effects on human economic behavior, may it be consumption for self or for others in the form of philanthropic allocations. All such beliefs and perceptions, regardless of the fact that these are right or wrong, are recognized as wholeness of the human being and affect their minds, feelings, ambitions, ideals, actions and all allocations. Thus, according to divine model, the spiritual-self is a compassionate, participatory agent engaged in the whole self that gives meaning to our being, rather than just the agent engaged in calculating merely cost-benefit of material transactions at market place. This holism, a quest for compassion, peace and wellbeing, makes everything interconnected

and any change in one part of the whole leads to or requires realignment throughout the entire allocation pattern (Hamdani, 2014).

Keeping in view the preceding discussion, it becomes easier to understand what spirituality is likely to do in the economic allocation process. Spirituality is a living awareness of the wholeness that pervades the universe. It is the realization that our lives mean more than material wealth or cultural achievements can provide; our lives have a place, a purpose in the great unfolding story of Creation, even if this story is so vast and so mysterious that we can only glimpse it briefly through religious practices or fleeting moments of insight (Miller, 1999).

The present study attempts to explore spirituality and its effect on happiness of an individual under Divine Economics Framework. Several empirical studies have been done so far to extend the divine economics such as (Hamdani, 2003a, 2003b; Hamdani & Ahmad, 2002) that are important for understanding the domain of divine economics and divine capital. These studies have motivated us to extend the divine concepts related to everything which is directly or indirectly related to life. It also includes literature from books on Hadiths by Prophet (PBUH) and His descendants. Moreover, it covers divine revelations (Verses of Holy Quran and Bible etc.).

### **2.3.1. Islamic Perspective of Happiness and Spirituality**

According to one of the divine religions, Islam, human beings are one of the greatest creations of Allah Almighty. He is vicegerent of God on this earth. God has made two entities of the human. One is body and the other is soul. Within this body man is given five senses which are under mind and the ‘Self’ which works over and with soul and sometimes it is also considered as a part of soul. To live a healthy life, man requires food, sleep and leisure which will meet his physical needs of the body. Similarly, soul also requires its type of food in the form of religiosity, spirituality, morality and also the reinforcement. Happiness is associated with the fulfillment of needs and desires of a person. The desires come from the self because of the power of passion and intellect. It is narrated in Al-Kafi (vol.1) that Prophet (PBUH) said; “*A person who gets complete control*

*over his power of intellect have lesser desires*". If a person makes excessive desires though he do not own a lot of resources then his excessive desires when not fulfilled will cause frustration to him and that will reduce his state of happiness. This problem is associated with self and the soul. When desires are not fulfilled, people use immoral ways and bad deeds to get what they want. For such people the Holy Quran says:

“Whoever does right, whether male or female, and is a believer, we will make him live a good life, and we will award them their reward for the best of what they used to do” (Qur’an 16:97).

The use of immoral ways and evil activities is the problem that is related with soul. A soul is neither good nor bad in fact it is the person who makes his soul good by being pious, generous, humble and a good follower. A person who follows religious rituals and practices his religion in proper way, he will not adopt bad deeds to get full fill his dreams and desires rather he will take assistance from the supplications and prayers to Allah Almighty. Because these supplications and the prayers are the source of satisfaction for the follower and a believer. Supplications are the voice of heart; it is the intonation of soul towards its creator. In the Holy Quran it is stated;

“And your Lord said, Pray to Me, I shall acknowledge your call. Undoubtedly those who are too proud to worship Me, soon will enter the Hell despised” (Qur’an 40:60).

The verse of Holy Quran tells us that a supplication, a spiritual conversation with God, is a great source of achieving what is desired and needed. Several benefits are commonly believed to be associated with the supplications such as;

- Supplication is source of inner peace.
- It is key to success.
- It strengthens the relationship between man and God.
- It removes egotism form one’s self.
- It is the source of peace of mind and reduces frustration.
- It strengthens the will power.
- It is the source of good mental and physical health.
- It kills the inferiority complex in a person.

The above mentioned benefits are spiritual sources of satisfaction and happiness for a believer which is not associated with material or physical things. Conventional literature though has extensively studied the concept of happiness yet it has only taken the materialistic aspects, benefits and indicators which make a person happier. In divine perspective happiness is no doubt gained through these materialistic things but it is also achieved through the non-material actions like supplications, prayers, and church or mosque attendance, observing the religious rituals and by remembering God in every situation.

Abel-Khalek (2010) explored interrelationship between religiosity and happiness in Islamic perspective. He stated that Islam has five pillars and specific practices that foster subjective well-being (SWB). His study was an empirical evidence supporting religiosity and SWB association in different Muslim countries – mainly Arabic. Abel-Khalek (2010) found significant associations between religiosity and SWB, happiness, optimism, satisfaction with life, love of life, mental health, physical health (positive), as well as ill-being, such as anxiety, depression and neuroticism. According to him, “it seems true that the religion of Islam as a value system has a high rank and importance among its believers”.

In this section the Islamic and Christian point of view of spirituality has been discussed in mainly Islamic point of view because our target population is largely from Muslim community that is why this paper addresses the Islamic definition of spirituality therefore other religions were not included in the discussion to avoid an increase in the paper’s volume.

## **2.4. Relationship between Religiosity and Spirituality**

There is a debate about the relationship between religiosity and spirituality. To some, both are independent<sup>7</sup> and to others, these two go hand in hand<sup>8</sup>. For example, in Islam, religious rituals include daily prayers, Friday prayer (Jumma), and Hajj etc. are the gateway of religiosity but while performing rituals, one becomes closer to

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<sup>7</sup> Zinnbauer (1999), Roof (1993), Scott (2001), and Marler and Hadaway (2002)

<sup>8</sup><http://www.compellingtruth.org/difference-religion-spirituality.html#ixzz3FuuiLi2v>

God and finds deeper meaning in life here and hereafter. Conversely, if someone does not perform any religious rituals but possesses some form of spirituality, is likely to witness in him a gradually enhanced love for rituals too which in an essence, are considered as spirituality. A Muslim religiosity can be seen as offering prayer (*Salat*), while for a Christian it is seen in terms of church attendance. People visit worship places such as Mosque, church, Temple, Synagogue etc. where they experience inner harmony and achieve nearness to God. Offering prayers in worship places is religiosity of a person but during the time of mosque or church attendance his connectedness and concern towards his God is referred to as spirituality. Going to worship places will raise religiosity of a person as well as spirituality. The Holy Quran preaches in a sensational way to be pious, because both religiosity and spirituality includes the purification of body and soul. "Have Piety (Taqwa), wherever you may be, and follow up a bad deed with a good deed which will wipe it out, and behave well towards the people" (*At-Tirmidhee*). For most people, religiosity and spirituality increase piety and that in term reinforce religiosity and spirituality. The increase in piety has other positive results too. Hazrat Ali Es said; "The most correct person is one who is on higher level of piety"<sup>9</sup>.

The growth in piety of a generation increases the likelihood to bring happiness in the society as "religious orientations plays an important role in shaping human perception and behavior" (Hamdani, 2003b).

The clear definition of spirituality is provided in Scripture. There's nothing vague about Romans (12:1-2) "I appeal to you therefore, brothers, by the mercies of God, to present your bodies as a living sacrifice, holy and acceptable to God, which is your spiritual worship. Do not be conformed to this world, but be transformed by the renewal of your mind". True Christian spirituality is to dedicate ones' self to the worship and service of God and to be supernaturally transformed.

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<sup>9</sup> Meezan-ul-Hikmat, volume 4, section 19-22.

From the preceding discussion it may be concluded that Spirituality, Faith and wellbeing are interconnected. Spiritual wellbeing is a state in which the positive aspects of spirituality are shown. How the effects of being spiritual is related to well-being and satisfaction for an individual is when people become empowered and realize that even though the issues, stressors and challenges; they are not defined by these circumstances. Such a realization makes an immense impact on the life of the person and provides a better pathway to more peace, freedom of self-expression. Furthermore, there are studies discussed in preceding paragraphs that highlights the importance of spirituality, religiosity and values for an individual. These studies also provide evidence on positive and strong association of wellbeing and life's satisfaction with spirituality, values and religiosity of the individual. Studies further demonstrated that both religiosity and spirituality can be taken as same in one sense or the other. Yet there is no consensus on the matter, and no single definition of religiosity and spirituality is developed, which can be taken for granted. However, studies have shown how religiosity entails spirituality and spirituality leads to further increase in religiosity.

### **3. Methodology**

The section discusses the theoretical and the empirical model utilized by the current study for estimating the relationship between happiness and spirituality. The literature suggests that there are different indicators of happiness such as income, health, work, education, social relations and marital life which have long lasting effect on happiness (Clark, 2004; Graham & Pettinato, 2004; Layard, 2002). However, the role of income in determining happiness is not conclusive, as some researchers argue that income has long term effect on wellbeing while some point out that there is no long lasting effect (Easterlin, 1974). The economists did not consider spirituality as an indicator of wellbeing.

The Divine Economics Framework has considered spirituality as a determinant of wellbeing and tested the role of divine capital i.e. Religiosity, Spirituality and Ethics on wellbeing (Awan, Munir, & Hamdani, 2012), sleep as per Islamic practices, work life satisfaction and spirituality (Awan & Hamdani, 2015),

ethics and teachers' performance (Abidi, 2013). Keeping in view the importance of spirituality the present study is an attempt to identify the role, magnitude and direction of the relationship between spirituality and wellbeing in Pakistan, a case study of Azad Kashmir. We use Divine Economics Survey<sup>10</sup> 2013 data set of 401 observations under extended module. The overall sample size consists of 551 observations. The sample has been drawn on the basis of population ratio of each district. The total population of Azad Kashmir is 1.5 million (according to the census of 1998). It was divided into two zones.

In Zone 1 the districts were Bagh, Hattian bala, Muzaffarabad, Poonch, Sudhnoti and these were the selected districts out of 10 districts. The districts which we selected have nearly the same topology and environment. On the basis of different topology, environment and geographical location, Azad Kashmir can easily be divided into two zones. Neelum valley which is adjacent to Muzaffarabad has very different environment, and this difference is mainly because of two reasons; it remains disconnected from other areas for many months due to heavy snow fall, still Neelum valley has no electricity and telecommunication in most of its parts. So we decided to not include Neelum valley in our sample of zone one of Azad Jammu and Kashmir. The other four districts (Mirpur, Kotli, Bhimber and Haveli) have different topology and environment. So, we finally decided to limit our sample to the five districts in zone one.

We analyzed the relationship between happiness and spirituality as one of the universal values in Perspective of Easterlin paradox and Schwartz's Eleventh Universal Value. For empirical analysis, we followed Divine Economics Framework given by Hamdani (2015). For estimating the relationship between happiness and spirituality we used the following model of general form,

$$WB = f(X, D, O)$$

Where WB is taken proxy for overall level of happiness captured through directly asking individual via different domains of satisfaction. Here, X stands for vector of standard conventional

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<sup>10</sup> Available at [www.divine-economics.org/downloads](http://www.divine-economics.org/downloads)

economic variables; income and personal consumption expenditure, business, demographic such as gender, age, marital status, residential area. D denotes divine economics variables, O is vector of variables apparently non-economic variables not yet recognized in conventional economics but have been found important for human behavior in the research carried out by other sciences by other sciences [psychology, health sciences etc.].

### **3.3. Measurement of Happiness using Divine Economics Framework**

On the basis of literature review and suggested indicators by conventional and divine economic framework, the present study has adopted four major dimensions thorough which happiness and or sustained wellbeing can be attained and are as follow; i) Religion ii) Social iii) Work iv) Self. These dimensions further include number of subjective indicators through which wellbeing can be observed.

### **3.4. Measurement of Spirituality and Data Issues using Divine Economics Framework**

Since spirituality cannot be observed directly, we have considered following three important dimensions through which spirituality can be examined and observed:

- i) Conceptual Dimension:** Referring to the definition of spirituality discussed in section 2 conceptually getting closer to Allah almighty is like: Feeling in dialogue with Allah SWT. In some way (dream/sixth sense) a person gets awareness of the time of accidents or troubles. In spite of person's troubles and failures he always think and seek Allah's blessings and help and the unexpected disasters of the world lead to more inclination to spirituality.
- ii) Religious dimension:** You expect that Allah's favored ones will rule the world. You feel that the good people from all religions and sects will join together under one umbrella. You believe that before the day of reckoning the whole world will be under control of justice and equity.
- iii) Other dimension:** Except for special purpose, how often you offer salutation '*Darud*' to Muhammad (PBUH)? Do you practice some special words '*Wadeefa*' (example: Tasbeeh, Prayer or Dua, or Ayah)? How many times you repent (*Tobah*) for your

misdeeds/ill actions or shortcoming? Generally how much often you thank Allah SWT for his favors? How often you recite first *Kalma* ‘There is no god, but Allah’?

The indicators of spirituality within three dimensions are captured using self-reported method on a 5 point scale and inserted in form of index in the estimation process. The parameter of reliability for these indicators is 0.717 in table 3 below, which is an acceptable value of Cronbach's alpha. The estimation procedure implied by the current study is Ordinary Least Squares method. As far the study is concerned, it is based on newly emerging framework of Divine economics. Therefore, the simple OLS technique is applied for creating the initial understanding on the relationship of such non-economic factors which have significant role in producing happiness under faith-based integrated model of wellbeing. The ‘ $\alpha$ ’ of Cronbach reliability for happiness indicators yields values 0.851 which is a good signal of internal consistency.

**Table 3: Reliability Statistics**

	Cronbach's Alpha	N of Items
Happiness Indicators	0.854	23
Spirituality Indicators	0.717	12

#### 4. Results and Discussion

The section presents results on the proposed relationship between happiness and spirituality. The Table 3 shows the model summary of regressions 1 to 5. The regression equations are as follows;

$$WB = \alpha_0 + \beta_1 Gender + \beta_2 Health + \beta_3 LnIncome + \beta_4 Age + \beta_5 Age^2 \dots\dots \quad \text{Model 1}$$

$$WB = \alpha_0 + \beta_1 Gender + \beta_2 Health + \beta_3 LnIncome + \beta_4 Change\ in\ Financial\ Circumstances + \beta_5 Education + \beta_6 Residential\ Area \dots\dots \quad \text{Model 2}$$

$$WB = \alpha_0 + \beta_1 Gender + \beta_2 Health + \beta_3 LnIncome + \beta_4 Residential\ Area + \beta_5 Marital\ Status + \beta_6 Change\ in\ Beneficial\ Social\ Relationships \dots\dots \quad \text{Model 3}$$

$$WB = \alpha_0 + \beta_1 Gender + \beta_2 Health + \beta_3 LnIncome + \beta_4 Spirituality \dots\dots \quad \text{Model 4}$$

$$WB = \alpha_0 + \beta_1 \text{Gender} + \beta_2 \text{Health} + \beta_3 \text{LnIncome} + \beta_4 \text{Spirituality} + \beta_5 \text{Courage} \dots$$

**Model 5**

**Table 4: Model Summary**

Models	F test	P value	R <sup>2</sup>
Model 1	10.69	0.000	0.131
Model 2	11.767	0.000	0.167
Model 3	13.580	0.000	0.174
Model 4	38.373	0.000	0.342
Model 5	34.180	0.000	0.356

The models 1 to 5 are best fitted mode as evident from Table 4 F statistics. The overall R<sup>2</sup> shows the explanatory variables showing good tendency of relationship with explained variable. This can be also confirmed by the Table 5 below which shows the functional form test. For testing the functional form of the model we use traditional link test for this purpose. The multicollinearity was also check using VIF and found no evidence of multicollinearity in each of 5 models.

**Table 5: Functional Form Test**

Models	hat	hatsqr	constant
Model 1	0.996 (0.000)*	0.055 (0.827)	-0.006 (0.907)
Model 2	1.003 (0.000)	-0.124 (0.667)	0.013 (0.812)
Model 3	0.999 (0.000)	-0.098 (0.587)	0.016 (0.764)
Model 4	1.013 (0.000)	0.053 (0.600)	-0.016 (0.749)
Model 5	1.006 (0.000)	0.026 (0.789)	-0.008 (0.870)

\*all p-values in parenthesis

**Table 6: Conventional Regression Model 1**

	<b>B</b>	<b>Std. Error</b>	<b>t- values</b>	<b>Sig.</b>	<b>VIF</b>
(Constant)	-3.256	0.699	-4.659	0.000	
Gender	0.582	0.109	5.330	0.000	1.131
Health	0.215	0.052	4.104	0.000	1.085
ln Income	0.197	0.061	3.243	0.001	1.510
Age	-0.024	0.026	-0.908	0.365	36.513
Age <sup>2</sup>	0.000	0.000	1.400	0.162	34.282

Gender 1. Male 2. Female.

The above Table 6 contains purely a conventional model 1 of happiness. Model 1-3 are conventional in the essence that they do not include the divine capital attribute i.e. spirituality and is incorporated in model 4 and 5. The Table 6 shows that females are happier than males. Better health leads to happiness. Income is a significant determinant of happiness.

Many studies as mentioned in chapter 2 provide conflicting evidence on the relationship between income and happiness. It is argued that money buys happiness and money does not have any role up to certain threshold level where the basic necessities of life are met (Easterlin et al., 2010). Our results are in contrast with Easterlin theory which means that in case of AJK the Easterlin paradox does not hold. Results depict that income shows significant effect on happiness, due to positive sign, we may say higher the income higher will be the level of happiness. Age and Age square shows a tradition inverted U-shape relationship.

**Table 7: Regression Model 2 and 3**

Variables	Model2	VIF Model 2	Model 3	VIF Model 3
(Constant)	-5.07 (0.000)	--	-5.534 (0.000)	
Gender	0.599 (0.000)	1.332	0.648 (0.000)	1.162
Health	0.176 (0.001)	1.098	0.189 (0.00)	1.072
Ln Income	0.289 (0.000)	1.319	0.281 (0.000)	1.434
Change in business or financial circumstances	0.137 (0.047)	1.080	--	--
Education	0.002 (0.884)	1.308	--	--
Residential area	0.170 (0.00)	1.138	0.174 (0.000)	
Marital status	--	--	0.101 (0.206)	1.241
Change in beneficial social relations	--	--	0.244 (0.001)	1.015

Change in financial situation: 1. Increased 2. Decreased 3. No change  
Change in social relationships: 1. Increased 2. Decreased 3. No change

The results in Table 7 show that gender, marital status, education, health, change in business situation and social relations and residential area have significant role in producing happiness. The parameter estimate on gender shows that females are happier as compared to their male counterparts. Married individuals have higher level of happiness as compared to unmarried individuals, in this case the variable is statistically insignificant. A good health leads to high level of satisfaction. These results are similar to with the findings of Layard (2002), Frey and Stutzer (2002), Steven and Wolfers (2008), Abdel-Khalek (2010) and Cunado and Gracia (2012).

**Table 8: Model 4 and 5**

Variables	Model 4	VIF Model 4	Model 5	VIF Model 5
(Constant)	-3.392 (0.00)	--	-3.889 (0.000)	--
Gender	0.391 (0.00)	1.156	0.404 (0.000)	1.159
Marital status	-0.042 (0.553)	1.282	-0.050 (0.476)	1.284
Health	0.144 (0.002)	1.091	0.128 (0.005)	1.106
LnIncome	0.249 (0.000)	1.315	0.260 (0.000)	1.323
Spirituality	0.498 (0.000)	1.073	0.465 (0.000)	1.143
Courage	--	--	0.120 (0.003)	1.100

The main variable of interest i.e. spirituality, introduced in the model 4 and 5. The result in Table 8 depicted that spirituality has positive and significant role in producing happiness. Spirituality is an essence where a person feels himself near to Allah Almighty. The nearness to God brings mental satisfaction. Spirituality is non-materialistic and a non-economic good but it has significant role in producing happiness. Because the Bible and Holy Quran clearly demonstrate that purified in their heart and mind will have success in their current life as well as in the afterlife. The individual having such perception and set of believes feels more satisfied and behaves in a systematically different manner compared to a person who do not possess such qualities of soul to may get success in the life in world and afterlife. Another quality of soul is courage. In above table model 5 it is evident that courage is significantly and positively associated with happiness. Keeping all other things constant, if courage increases it is more likely to increase happiness.

**Table 9: Test for Constant Variance**

	Model 1	Model 2	Model 3	Model 4	Model 5
Chi square	0.280	0.165	0.036	6.010	4.860
Prob > chi2	0.599	0.193	0.547	0.014	0.028

p>.05 means no heteroscedasticity

The Table 9 shows the test for constant variance. In model 1, 2 and 3 the test did not detect the problem of heteroscedasticity however in model 4 and 5 there was the problem of non-constant variance which was catered through generating robust standard errors. The robust errors were slightly different from the actual standard errors (results attached in Appendix A, table A.1 and figure A.1)

## **5. Conclusion and Policy Recommendations**

Happiness is always remained concern for individual as it is an important goal that every human wants to achieve. There are several ways from which happiness can be gained, such as consumption of goods and services, recreation, spending on others, giving gifts but one of the very different way is achieving happiness is nearness to Allah Almighty. There are different studies which have mentioned age, marital status, and gender and health matters in producing happiness. Some of other studies have concluded that spirituality also matters in producing wellbeing and happiness and others says it is also important for clinical patients (Egan et al., 2011; Murray, 2004; McCord et al., 2004; Tacey, 2004).

Our results in section 4 on spirituality let us conclude that spirituality is an important part of human soul and then body. It produces mental satisfaction and other psychological effect. It leads to nearness of God, which makes mind and heart both satisfied and happy for being near to the super being. A good relationship with God and/or relative has an end associated with benefits and/or happiness, similarly other relationships may also produce happiness.

According to our results we further demonstrate that the non-economic factors such as change in social relations is associated with producing happiness. The other variables i.e. change in business/financial situation also take part in creating happiness for an individual. If a business get worse, obviously this will produce dissatisfaction and cause frustration to that individual and if the vice versa then the individual will be happy and satisfied due to the betterment and flourishing of his business. Moreover, across gender, females have reported higher level of happiness compared to male counterpart. Similarly those people who have reported good health are happier as compared to those who have bad health.

The literature also provides evidence on the positive role of social capital and social relationships in producing happiness. Our results are consistent with the theory that social capital produces happiness.

The study concludes that among other variables such as social, political, economic and psychological, the divine capital component i.e. spirituality, a universal value may also have potential in explaining and producing happiness. The Holy Quran states that “And your Lord said, Pray to Me, I shall acknowledge your call. Undoubtedly those who are too proud to worship Me, soon will enter the Hell despised” (Qur’an, 40:60). Attaining nearness to God and directly praying to him will surely lead to success as the verse clearly demonstrated that those who disobey Him will enter Hell. Therefore, the purification of mind and heart brings prosperity and blessing promised by the God. It is evident from our results that spirituality affects happiness in active way. These results let us further conclude that spirituality and the other religious variables that are neglected in main stream economics have strong influence on individuals’ wellbeing and his other allocation behavior.

The variables of religion and faith such as morality, spirituality and religiosity are needed to be further explore under human behavior approach via adopting multidisciplinary slant. This leads to the opening of new dimensions and ways for studying consumer theory by incorporating the role of religious variables i.e. variables of divine religion Christianity, Judaism and mainly Islam.

Keeping in view the conclusions of the current study it is recommended that:

- 1.** Sufficient resources should be allocated in R&D for exploring the religious dimensions such as morality and spirituality for achieving sustained wellbeing.
- 2.** Investment in the development of religious physical capital as well as investment in human capital under religious perspective should be done for producing systematic and sustained change in happiness across the country, region or world.
- 3.** There is a need to develop single platform for Economic policy makers and Religious scholars & Jurists for making religion-based

economic model for prosperity and wellbeing of individuals at first and state at later.

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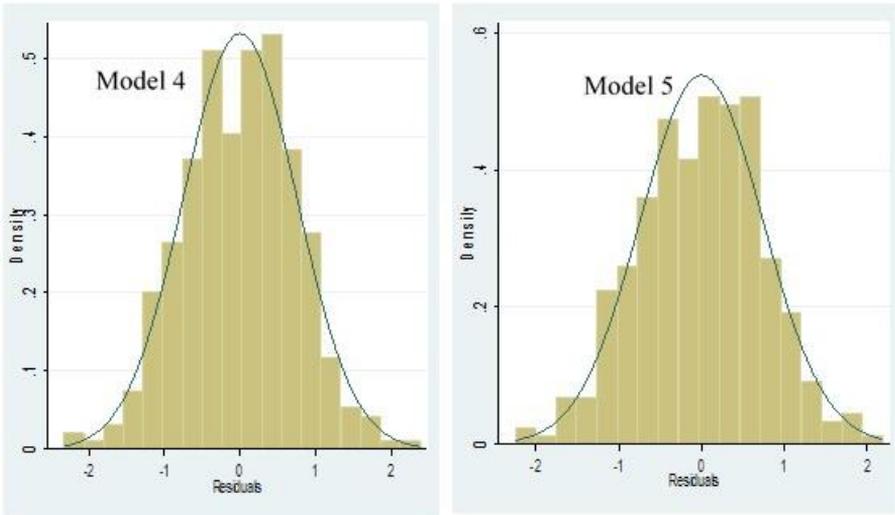
**Appendix- A****Table A1:**

<b>Model 4</b>	<b>B</b>	<b>Robust Std. Error</b>	<b>Beta</b>	<b>t</b>	<b>Sig</b>	<b>VIF</b>
(Constant)	-3.392	0.535		-6.354	0.000	
Gender	0.391	0.093	0.189	4.100	0.000	1.156
Marital status	-0.042	0.074	-0.029	-0.594	0.553	1.282
Health	0.144	0.047	0.141	3.164	0.002	1.091
Log of income	0.249	0.050	0.251	5.105	0.000	1.315
Spirituality index	0.498	0.046	0.505	11.381	0.000	1.073
<b>Model 5</b>	<b>B</b>	<b>Robust Std. Error</b>	<b>Beta</b>	<b>t</b>	<b>Sig.</b>	<b>VIF</b>
(Constant)	-3.889	0.554		-7.026	0.000	
Gender	0.404	0.092	0.195	4.284	0.000	1.159
Marital status	-0.050	0.077	-0.034	-0.713	0.476	1.284
Health	0.128	0.047	0.126	2.824	0.005	1.106
Log of income	0.260	0.049	0.262	5.380	0.000	1.323
Spirituality index	0.465	0.047	0.471	10.408	0.000	1.143
Courage	0.120	0.042	0.133	2.989	0.003	1.100

## Appendix-B

Residuals are normally distributed for regression model 4 and 5 respectively as evident from the graphs below.

**Figure 1B:**



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