

Examining Islamic Pro-Social Instruments in the Context of Indonesian Givers' Happiness

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Abstract: Giving or helping others can bring happiness and satisfaction to the giver. Participation in pro-social activities, such as donating to those in need, can increase happiness and satisfaction. This research explores the relationship between pro-social activities and subjective happiness in Indonesia, using data from the Indonesian Family Life Survey batch 5. By estimating a logistic model and calculating marginal effects, we assess this relationship. The results show a positive correlation between the amount of donation given and individual happiness levels. Additionally, income per capita and marital status have a positive association with happiness. Specifically, married individuals report higher levels of happiness than unmarried or divorced individuals. These findings have important implications for policymakers, particularly those involved in pro-social initiatives, such as the Ministry of Religion, BAZNAS, and the Indonesian Waqf Board. They suggest that promoting pro-social activities and policies supporting family formation and economic stability can increase happiness levels in Indonesian society. The Amil Zakat Institute, a stakeholder institution in Ziswaf funds management, can utilize this research to enhance the well-being of recipients and improve their standard of living. Furthermore, employing pro-social modeling through two-stage regression reveals that subjective well-being, measured by the monetary-based natural logarithm of consumer expenditure, can serve as a proxy for happiness associated with individual characteristics. These findings highlight that individual characteristics, specifically marital status, impact happiness levels. Further research could focus on examining specific types of donations to gain a deeper understanding of their respective effects on happiness.

Keywords: Islamic Pro-social activities, Subjective Happiness, Ziswaf, Logistic Model

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INTRODUCTION

Indonesia is home to approximately 231 million Muslims, making it the country with the highest Muslim population worldwide. This accounts for 86.7% of Indonesia's total population and around 13% of the global Muslim population (World Population Review, 2023). Consequently, Zakat, Infaq, Shodaqoh, and Waqf (collectively known as Ziswaf) hold significant potential in Indonesia (Luqman Hakim et al., 2021). Perbawa & Abdullah (2018) recognize Ziswaf as the largest component of charitable funds. Ziswaf encompasses zakat, Infaq, sadaqah, and waqf, all of which are integral to Islamic teachings. Several institutions, organizations, and platforms operate in Indonesia to gather philanthropic funds, including BAZNAS, LAZNAS, Indonesian Waqf Board, Dompot Dhuafa, Kitabisa.com, among others.

For instance, the Islamic Development Bank (IDB) estimates zakat potential in Indonesia to be at US\$16 billion (Rp217 trillion) (Beik et al., 2018). In 2020, BAZNAS successfully collected IDR 385.8 billion in zakat funds, marking a 30% increase from IDR 296 billion in 2019. Meanwhile, Kitabisa.com collected 472 donations in 2018 that funded 26,922 projects or campaigns, benefiting numerous individuals in fields such as education, microfinance, and poverty alleviation (Khamis et al., 2022). Moreover, these funds can also be utilized to support healthcare services (Kachkar, 2017).

In addition to being recognized for its friendly society, Indonesia has been ranked as the most generous country in 2021 according to the World Giving Index (WGI) (Charities Aid Foundation, 2021). Among Muslim-majority countries, the concept of charity holds significant importance, as it is seen as a means to bring extensive benefits and prosperity to society (Dennis et al., 2018). Zakat, being an obligatory form of charity, is the third pillar of Islam (Dhar, 2013). Muslims are obligated to pay zakat, either in the form of zakat fitrah (annual) or zakat maal (fulfilling haul or nisab requirements) (Perbawa & Abdullah, 2018; Junaidi & Rizkiyah, 2013). Proper distribution of zakat can serve as an Islamic financial instrument with the potential to alleviate poverty rates among vulnerable populations, including those with disabilities (Muhammad et al., 2022). Alongside zakat, waqf is acknowledged as a voluntary act of charity that serves as a source of income for social and economic development. It also aims to improve the well-being of marginalized groups such as the poor, insolvent, needy, orphans, and widows (Allah Pitchay et al., 2018; Khamis et al., 2022).

In non-Muslim countries, the concept of giving is not driven by religious obligation. However, contemporary scientific literature highlights the impact of charitable acts on societal happiness, making it a distinct psychological experience. Giving or helping others can bring happiness and satisfaction to the giver. While there is ample evidence supporting the positive contribution of charitable acts to societal happiness, there is a notable gap regarding the understanding of how Islamic financial instruments, specifically zakat, align with and influence individual well-being. Several studies demonstrate a positive correlation between giving to others (referred to as pro-social expenditure) and the happiness of the giver (Aknin et al., 2012, 2020; Choi & Kim, 2011; Gherghel et al., 2021; Lai et al., 2020; Miles et al., 2022). However, some studies present conflicting results. For example, Webb & Wong (2014) found that pro-social spending does not impact donor happiness. Eisenberg & Miller (1987) argue that their findings are not consistent and can be positive, negative, or both (Eisenberg & Miller, 1987). This research aims to fill the existing gap by exploring the potential of zakat, as an Islamic financial instrument, in fostering happiness within society. It draws parallels with the broader concept of charitable contributions evident in contemporary scientific discourse.

Three theories can elucidate the connection between giving and increased happiness. The first theory, perfect altruism, posits that the satisfaction of givers is determined by the resources received by the recipients, rather than the amount donated by the givers themselves (Andreoni J., 1989). In this perspective, donors are indifferent whether the recipients receive the donation from them or from others. However, this theory assumes that donors must have knowledge of the recipients' well-being in order to experience satisfaction. Thus, not all forms of donations

can be analyzed within this theoretical framework, as some may not explicitly convey information about the welfare of the recipients.

Perfect altruism is the first theory that addresses happiness in the context of giving. According to this theory proposed by (Andreoni J., 1989), the satisfaction of a donor is not influenced by the amount they contribute. Altruism, distinct from egoism and individualism, involves a concern for the needs and interests of others (Gantt & Reber, 1999). It entails acting in a way that enhances the sense of security, interests, or happiness of others, even if it potentially jeopardizes one's own safety. Sapa & Kara (2020) define altruism as a voluntary act of selflessly helping others or simply pursuing good deeds. The classification of a behavior as altruistic depends on the intentions of the helper.

The relationship between individuals is expected to foster the willingness to offer assistance to others without expecting anything in return, thereby fostering a sense of unconditional care and support (Asnaini et al., 2023). Building a civilized nation also relies on nurturing loving relationships among citizens (Asnaini et al., 2023). Furthermore, Paul Andrew & Enid (2020) discuss how altruism stands in contrast to egoism, as altruistic individuals demonstrate care and a willingness to help without any expectation of personal gain. Al-Uthaymeen (2016) defines altruism (Itsar) as prioritizing others over oneself, wherein individuals perceive the needs and interests of others as more significant than their own (Sapa & Kara, 2020). In essence, these scholars collectively define itsar as voluntarily prioritizing the well-being of others in worldly matters based on the hope for a reward in the hereafter.

Altruism in the context of Islam is closely connected to religiosity. The term "religion" originates from the Latin word "relegere" or "relegare." "Relegare" carries the fundamental connotation of being cautious and adhering strictly to norms and rules. Religion, therefore, encompasses beliefs, values, and norms that must be held and upheld with utmost attention to prevent deviation or straying away. The root word "relegare" also implies "binding," signifying a commitment to a sacred supernatural power. This power is believed to determine the way of life and influence human existence. Essentially, religion denotes a belief in the existence of a sacred supernatural power that shapes life, and its principles are followed with careful adherence to the prescribed path and rules to avoid deviation from the will of the sacred supernatural power (Sapa & Kara, 2020).

According to the outlined theories, pro-social spending can increase happiness by meeting three fundamental needs: relatedness, competence, and autonomy (Weinstein & Ryan, 2010). Relatedness emphasizes that the act of giving can enhance happiness when it fosters a social connection between the giver and the recipient. Research has shown that individuals experience greater happiness when their donations allow them to establish meaningful connections with others (Aknin & Whillans, 2021). For instance, zakat is a donation that Muslims give to fulfill their religious obligations, with the minimum amount determined by religious rules. There are two scenarios for donating zakat. Firstly, individuals can directly donate to those in need, enabling analysis within this framework. However, in the second scenario, people opt to donate their zakat through intermediaries known as "amil," who are responsible for receiving, managing, and distributing zakat. In this case, individuals may be unaware of the welfare of the zakat recipients as they entrust the distribution process to the amil. Consequently, analyzing

donor satisfaction using the Perfect Altruism theory becomes challenging. However, it can be accommodated by the Warm Glow Theory.

The Warm Glow Theory emerges as a critique of altruism, suggesting that multiple factors influence donor satisfaction. Various motivations, such as prestige, respect, friendship, social pressure, guilt, and other social and psychological goals, can drive people to donate (Andreoni J., 1989). Unlike Perfect Altruism, this theory posits that donors derive internal satisfaction from their contributions, even when their donations are completely anonymous (Andreoni J., 1989). Donor satisfaction hinges largely on the amount of their donation, leading them to prefer making contributions themselves rather than relying on contributions from others. Ultimately, the utility for donors is heavily influenced by the extent of their own donations.

And, second theory is Ihsan ethic. Ihsan is an important human characteristic encompassing acts of kindness and compassion towards parents, siblings, and neighbors. Similar to altruism, the Arabic term "Ihsan" denotes displaying compassion, particularly towards those who are vulnerable or in need. Islam emphasizes moderation in consumption, discouraging excessive indulgence to enable greater contributions to charitable causes for the less fortunate. This concept is known as *wasatiyyah*. Fulfilling religious obligations is a central aspect of practicing ihsan in the Muslim faith.

Ali (2011) highlights perceived Ihsan as a comprehensive philosophy encompassing mercy, tolerance, justice, care, and forgiveness. Khayat (2006) further emphasizes the connection between ihsan and individual consciousness and awareness of God in every action and behavior. Several verses in the Qur'an reinforce the relationship between perceived ihsan and one's religious devotion. For instance, the verses in Al-Maun (1-7) draw attention to those who reject religion by neglecting orphans and disregarding the need to provide for the impoverished. Similarly, the verses in Al-Fajr (17-20) admonish those who fail to honor orphans, neglect feeding the poor, and exhibit greed for wealth.

Generous individuals exhibit virtuous behavior, motivated by compassion and empathy in Islam. Al-Qardawi (1981) explains that Islam promotes compassion towards the poor, needy, and destitute. Acts such as alms, waqf, and zakat align with individuals' perception of ihsan, reflecting their benevolence toward others. Additionally, these acts of giving are seen as forms of worship, fostering a balance between worldly and afterlife expenditures. By spending on the hereafter through acts of generosity, individuals purify their wealth while also seeking the pleasure of Allah SWT.

The last theory is Islamic egalitarian, when Egalitarianism, as described by Nathan (1983), is the belief in the inherent value of equalizing intrinsically good things. It reflects the mindset of prioritizing the upliftment of the poor. The idea of egalitarianism is deeply embedded in Islamic teachings, as Qur'anic commentaries highlight Islam's promotion of equality for the collective social benefit of the ummah (McAuliffe, 1999).

The Qur'an emphasizes the equality of all believers before Allah through various verses. In particular, the Qur'an (49:13) emphasizes that individual moral worth and ownership of private property are detached from economic and social status, underscoring the importance of equality. The fundamental structure of Muslim rites further reinforces the concept of

egalitarianism within Islam. Practices such as congregational prayers, fasting during Ramadan, and the pilgrimage to Mecca aim to cultivate a sense of collectivism and egalitarian values. The aforementioned discussion highlights the significant connection between egalitarianism and individuals' perceptions of religious devotion. Syed (2008) highlights how positive attitudes towards equality, social justice, and selfless conduct play a vital role in nurturing a Muslim's sense of Islamic idealism.

In Upadhyaya's (1993) study, the public economics of Islamic egalitarianism are explored, focusing on the concept of justice. Upadhyaya offers an intriguing perspective on Islamic egalitarianism, stating that a wise individual will eat bread and willingly share it with a traveler in need, recognizing the inherent pleasure in giving and sharing. The religious or ideological person understands the joy in providing for those who are more disadvantaged, even at their own expense (Upadhyaya, 1993).

The concept of Islamic egalitarianism challenges the perspectives of the conventional worldview. It encourages individuals to prioritize the interests of others, placing their spending and actions in a rational framework. For instance, excessive spending by the wealthy can lead to inflated prices of essential goods, thereby undermining the purchasing power of the needy and poor. In contrast to the conventional perspective, Islam does not primarily prioritize equality but rather emphasizes equity and parity. Upadhyaya (1993) study on the Islamic nation-state argues that Islamic egalitarianism necessitates governments in Islamic countries to assume responsibility for ensuring equitable access to basic needs for all individuals. This discussion highlights how Islamic egalitarianism promotes actions that contribute to the welfare of others.

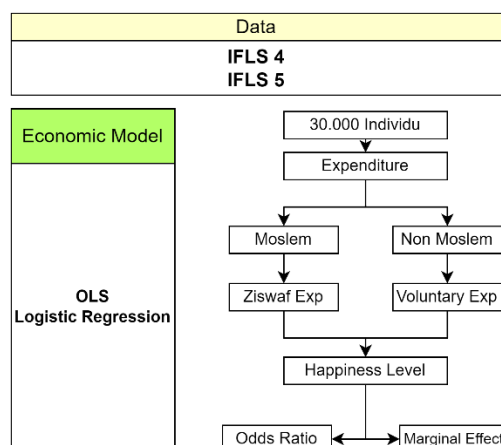
Multiple studies have demonstrated the influence of donations on the well-being of donors. (Aknin et al., 2012, 2020; Gherghel et al., 2021; Lai et al., 2020; Li, 2023) Multiple studies have demonstrated the influence of donations on the well-being of donors. Choi, Kim, and Choi (2015) showed that people who donate more than \$100 per month will have greater psychological well-being compared to people who donate only \$100 per month.

Research conducted in Korea by Kim et al. (2007) corroborates the positive impact of charitable giving on donor well-being. Furthermore, other studies suggest that the effect of giving on happiness depends on the method of donation. Harbaugh et al. (2007) discovered that people experience greater happiness when they have the freedom to donate to local charities compared to being compelled to do so. Weinstein & Ryan (2010) found that individuals derive more happiness when they have autonomy in determining the amount to give. Hence, the method of donation significantly affects happiness.

The factor of relatedness also plays a vital role in the relationship between donation and happiness. Aknin & Whillans (2021) revealed that individuals derive greater happiness when they spend money on people close to them as opposed to strangers. Moreover, findings from various studies (Aknin et al., 2020; Andreoni J., 1989; Gantt & Reber, 1999; Gherghel et al., 2021; Lai et al., 2020) indicate that people experience higher levels of happiness when they can witness the tangible impact of their donations. This underscores the importance of donation forms that provide concrete outcomes.

RESEARCH METHOD

Figure 1. Research Framework



Source: Research Model by Researchers, 2023

This research employed the quantitative approach with secondary data obtained from the Indonesia Family Life Survey (IFLS) batch 4 and 5 (Figure 1) to examine the association between pro-social behavior (donation) and levels of happiness. The IFLS data comprises longitudinal survey data or micro-survey data, encompassing individuals, households, and communities in Indonesia. It was collected and compiled by the RAND Corporation through household surveys conducted in 13 out of 27 provinces in Indonesia, namely DKI Jakarta, West Java, East Java, South Kalimantan, South Sulawesi, South Sumatra, West Nusa Tenggara, Central Java, D.I. Yogyakarta, Bali, North Sumatra, West Sumatra, and Lampung. The survey results represent approximately 83% of the Indonesian population, with a sample size exceeding 30,000 individuals residing in the selected 13 provinces of the 27 provinces.

This research introduces two new variables: subjective well-being and pro-social expenditure, which contribute to its novelty. The IFLS data is organized based on the dimension of religiosity, with a separation into two dummy variables: Muslim and non-Muslim samples. This segregation is implemented to account for the expenditure characteristics of the Muslim group. In practice, the Muslim group perceives pro-social expenditure, such as Ziswaf activities, as obligatory and compulsory. Conversely, for the non-Muslim sample, such obligations are voluntary and not enforced. The model used in this study is presented as follows:

$$S_{-ih} = a + \sum_{j=1}^m \beta_j C_{jh} + \sum_{k=1}^n \gamma_k X_{kih} + \sum_{l=1}^o \gamma_l Y_{lh} + u_{ih} \quad (1)$$

$$H_t = \ln (P_t | 1 - P_t) = \alpha + \beta T_t t + \epsilon_t$$

The model is estimated using the Ordinary Least Square (OLS) method. However, this method can yield biased results when the dependent variable is a dummy variable. To address this issue and establish a non-linear relationship between the dependent and independent variables, a probit model is employed. The probit model allows for the estimation of probability estimates but requires interpretation of the estimated coefficients as parameters of the latent model (Spermann, 2009). In the logistic model presented earlier (model 1), H_t signifies the logistic

model, where $\ln(P_t|1 - P_t)$ represents the odds ratio reflecting the level of an individual's happiness. A value of 1 for P_i designates an individual as happy, while a value of 0 indicates a lesser degree of happiness. The constants α and β denote the model's intercept and parameters for each variable, encompassing both individual and household characteristics. Finally, ϵ_t stands as the error term, representing the residual component of the regression.

In this study, the logit estimation parameters are interpreted using the concept of marginal effect. The marginal effect parameter represents the impact of a one-unit change in the independent variable on the probability of the dependent variable, assuming all other variables remain constant. Each observation has an individual marginal effect that is dependent on the value of the variable itself (Spermann, 2009). Table 1 presents the variables used in the analysis, along with their definitions and measurement methods.

Table 1. Variable Description

Variable	Definition
Subjective Well-Being	how people experience and evaluate their lives and specific domains and activities in their lives
Happiness	Justify the participants' feelings about their lives
Life Satisfaction	The degree to which a person positively evaluates the overall quality of his/her life as a whole.
Ln Pro-social Expenditure	Total expenditure on donations and pro-social actions
Individual Characteristics	
Married (dummy)	Dummy for married individuals (married=1)
Religion(dummy)	Dummy for individual groups based on two categories Muslim and no Muslim (Muslim=1)
Male (dummy)	Male and female gender group dummy (male=1)
Age square	Square of current age
Educ	Years of schooling of an individual
Household Characteristics	
Income Percapita	the amount of money earned per person in a nation or geographic region
Ln Income percapita	The natural logarithm of income per capita
Urban (dummy)	Dummy for location of residence in city or village (city=1)

RESULTS

Empirical Analysis

Table 2. Statistic Descriptive

Variable	Observation	Mean	Std. Dev	Min	Max
Happiness	35.639	1.968	0.5005	1	4
Ln Socexp	34.758	13.472	1.3348	6.9077	20.512
Married	26.552	0.6543	0.4756	0	1
Moslem	35.661	0.8933	0.3086	0	1
Male	36.385	0.4826	0.4997	0	1
Age	36.385	38.496	18.924	14	998
Age square	36.385	1840.062	10525.58	196	996004
Education	35.281	8.8113	4.3677	0	22
Income Percapita	36.021	408.482,2	330.059,9	0	5.860.000
Ln Income Percapita	35.936	12.64817	0.78779	6,9077	15,58366
Urban	37.152	0,6011	0,4896	0	1

Table 2 provides descriptive statistics for each variable, including the number of observations, mean, standard deviation, minimum, and maximum values. The analysis utilizes data from IFLS 5, consisting of 25,001 individuals. The variability in the number of observations across variables is due to missing data during the data cleaning process. The average per capita income for the total sample is IDR 408,482 per week, with a maximum value of IDR 5,860,000 per week. On average, individuals in the sample have completed 8 years of schooling, with a maximum of 22 years. The standard deviations for all variables are lower than the means, suggesting the absence of outliers in this study.

Table 3 presents the sample of the Muslim group and results regarding the direct effect of pro-social spending on the level of religiosity. Individuals who engage in higher levels of pro-social funds, including donations, tend to experience increased happiness. This finding is consistent with research conducted by Kaya et al. (2021), which suggests that people who donate for the sake of inner peace and comfort exhibit higher levels of life satisfaction. Additionally, household characteristics such as income per capita and marital status significantly contribute to higher levels of happiness. The marginal effect of pro-social spending is found to increase happiness levels by 0.96 percent. Table 1 provides an overview of the happiness levels observed in the study, showcasing the journey of happiness. Meanwhile, income per capita and being married have a larger impact on happiness, with increases of 2.1 percent and 3.8 percent, respectively.

Table 3. Logit Model Estimation Results between Pro-social and Happiness

VARIABLES	happiness	odds ratio	Marginal Effect (dy/dx)
Moslem			
Lnsocexp	-0.0858*** (0.0133)	0.918*** (0.0122)	0.00960*** (0.00149)
lnincomepcp	-0.192*** (0.0234)	0.825*** (0.0193)	0.0215*** (0.00262)
married	-0.354*** (0.0352)	0.702*** (0.0247)	0.0380*** (0.00362)
male	0.00565 (0.0324)	1.006 (0.0326)	-0.000632 (0.00362)
age	0.00619*** (0.00223)	1.006*** (0.00225)	-0.000693*** (0.000250)
age2	5.06e-06 (2.23e-05)	1.000 (2.23e-05)	-5.66e-07 (2.50e-06)
educ	-0.0591*** (0.00417)	0.943*** (0.00393)	0.00661*** (0.000464)
urban	-0.0497 (0.0348)	0.951 (0.0331)	0.00554 (0.00386)
Constant cut1	-6.072*** (0.298)	0.00231*** (0.000688)	
Constant cut2	-1.625*** (0.293)	0.197*** (0.0578)	
Constant cut3	0.529* (0.299)	1.698* (0.508)	
Observations	22,464	22,464	22,464

Standard errors in parentheses: *** p<0.01, ** p<0.05, * p<0.1

Table 4 presents the sample of non-Muslim groups. In the non-Muslim sample, the results show that pro-social spending has a negative and significant coefficient on the happiness level. The estimation results show that the more one spends on donation, the happier one is. In addition,

the level of income percapita also has an influence on the level of happiness. Married individuals are 1.5 per cent happier than unmarried individuals.

Table 4. Logit Model Estimation Results between Pro-social and Happiness

VARIABLES	happiness	odds ratio	Marginal Effect (dy/dx)
non moslem			
Insoexp	-0.0696** (0.0315)	0.933** (0.0294)	0.00717** (0.00324)
lnincomepcp	-0.152** (0.0674)	0.859** (0.0579)	0.0157** (0.00694)
married	-0.152 (0.101)	0.859 (0.0865)	0.0154 (0.0100)
male	0.116 (0.0937)	1.123 (0.105)	-0.0120 (0.00964)
age	0.0114 (0.0136)	1.011 (0.0138)	-0.00117 (0.00140)
age2	-6.14e-05 (0.000152)	1.000 (0.000152)	6.32e-06 (1.56e-05)
educ	-0.0481*** (0.0112)	0.953*** (0.0107)	0.00495*** (0.00115)
Urban	-0.136 (0.0989)	0.873 (0.0863)	0.0139 (0.0100)
Constant cut1	-5.228*** (0.892)	0.00537*** (0.00478)	
Constant cut2	-1.042 (0.881)	0.353 (0.311)	
Constant cut3	1.475 (0.900)	4.373 (3.936)	
Observations	2,547	2,547	2,547

Standard errors in parentheses: *** p<0.01, ** p<0.05, * p<0.1

Table 5 presents the estimation results for all samples in this study, indicating a significant negative relationship between pro-social spending and subjective well-being indicators. This means that an increase in donation spending leads to increased happiness. On average, a one percent increase in the average pro-social spending of all observations is associated with a 0.8 percent increase in the probability of people being happy with their current situation. The effect of pro-social spending is further influenced by the financial capacity of the family, as an increase in average per capita expenditure corresponds to an 18.2 percent increase in happiness levels. Interestingly, marital status has a notable impact on happiness, with married individuals experiencing a 33.6 percent increase in happiness compared to those who are not married. Education, on the other hand, has a lower marginal effect compared to marriage and per capita expenditure. Hence, it can be concluded that higher education does not necessarily translate to higher levels of happiness, although on average, there is a 5.6 percent increase in happiness for every one percent increase in education.

Discussion

The estimation results indicate a good correlation between donation spending and happiness for all sample groups. This research is supported by findings of research by Aknin et al. (2012);

VARIABLES	Moslem	Moslem	Non-Moslem	Non-Moslem	All Sample	All Sample	All Sample	All Sample
	Happiness Coef	Happiness Odds ratio	Happiness Coef	Happiness Odds ratio	Happiness Coef	Happiness Odds ratio	(dy/dx) happiness	Marginal Effect
Insocepx	-0.0858*** (0.0133)	-0.0858*** (0.0133)	-0.0696** (0.0315)	-0.0696** (0.0315)	-0.0730*** (0.0122)	-0.0730*** (0.0122)	-0.0730*** (0.0122)	0.00812*** (0.00135)
Lnincomepcp	-0.192*** (0.0234)	-0.192*** (0.0234)	-0.152** (0.0674)	-0.152** (0.0674)	-0.182*** (0.0221)	-0.182*** (0.0221)	-0.182*** (0.0221)	0.0202*** (0.00246)
married	-0.354*** (0.0352)	-0.354*** (0.0352)	-0.152 (0.101)	-0.152 (0.101)	-0.336*** (0.0331)	-0.336*** (0.0331)	-0.336*** (0.0331)	0.0359*** (0.00340)
male	0.00565 (0.0324)	0.00565 (0.0324)	0.116 (0.0937)	0.116 (0.0937)	0.0186 (0.0306)	0.0186 (0.0306)	0.0186 (0.0306)	-0.00207 (0.00340)
age	0.00619*** (0.00223)	0.00619*** (0.00223)	0.0114 (0.0136)	0.0114 (0.0136)	0.00640*** (0.00187)	0.00640*** (0.00187)	0.00640*** (0.00187)	-0.000712*** (0.000208)
age2	5.06e-06 (2.23e-05)	5.06e-06 (2.23e-05)	-6.14e-05 (0.000152)	-6.14e-05 (0.000152)	4.29e-06 (1.75e-05)	4.29e-06 (1.75e-05)	4.29e-06 (1.75e-05)	-4.77e-07 (1.95e-06)
educ	-0.0591*** (0.00417)	-0.0591*** (0.00417)	-0.0481*** (0.0112)	-0.0481*** (0.0112)	-0.0567*** (0.00390)	-0.0567*** (0.00390)	-0.0567*** (0.00390)	0.00630*** (0.000432)
Urban	-0.0497	-0.0497	-0.136	-0.136	-0.0674**	-0.0674**	-0.0674**	0.00746**

	(0.0348)	(0.0348)	(0.0989)	(0.0989)	(0.0328)	(0.0328)	(0.0328)	(0.00361)
Constant cut1	-6.072***	-6.072***	-5.228***	-5.228***	-5.750***	-5.750***	-5.750***	
	(0.298)	(0.298)	(0.892)	(0.892)	(0.279)	(0.279)	(0.279)	
Constant cut2	-1.625***	-1.625***	-1.042	-1.042	-1.342***	-1.342***	-1.342***	
	(0.293)	(0.293)	(0.881)	(0.881)	(0.275)	(0.275)	(0.275)	
Constant cut3	0.529*	0.529*	1.475	1.475	0.853***	0.853***	0.853***	
	(0.299)	(0.299)	(0.900)	(0.900)	(0.281)	(0.281)	(0.281)	
Observations	22,464	22,464	2,547	2,547	25,011	25,011	25,011	25,011

Table 5. All Sample Model

Standard errors in parentheses: *** p<0.01, ** p<0.05, * p<0.1

Kim et al. (2007); Dunn et al. (2014); Rowland & Curry (2019); Akinin et al. (2020); Moche & Västfjäll (2022). Despite the limitations of this study, such as the inability to examine specific types of donations due to data constraints, it generally demonstrates that donation spending has the power to influence individuals' happiness levels. This underscores the importance of prioritizing the effectiveness of the Ziswaf application program for improved management purposes (Muhaimin & Munir, 2023). Community participation can take various forms, including corporate social responsibility activities (Suwandi et al., 2021), religious-based philanthropy such as shadaqah, and crowdfunding initiatives involving the community and private companies in Indonesia (Rochani et al., 2021). In addition to increasing the happiness of the donors themselves, these efforts inevitably bring joy to the recipients of the donations. It would be beneficial and insightful to examine the specific types of donations and their impact on various outcomes. Currently, the government is actively focusing on philanthropic instruments and donation campaigns. This study can further support the government's goal of intensifying donation campaigns to foster inclusivity and happiness among both donors and recipients. Ultimately, this research sheds light on the importance of promoting and encouraging acts of kindness in both research and real-world donation activities.

The estimation results reveal intriguing findings. It appears that marriage has a significant positive impact on happiness, as married individuals exhibit a greater marginal effect compared to those who are unmarried. This finding aligns with previous research by Grover & Helliwell (2019), which highlights the happiness-boosting potential of marriage. Another noteworthy result is that education contributes less to overall happiness compared to other variables. While education does have a positive effect on happiness, this study suggests that the pursuit of education often requires substantial effort, potentially diminishing the happiness factor. Lastly, income plays a prominent role in determining happiness, evident in the strong influence of higher per capita expenditure. This suggests that the perception of happiness being tied to financial and monetary aspects remains relevant. However, it is important to acknowledge that solely equating happiness with money overlooks the influence of qualitative factors.

CONCLUSION

Based on the results of the research and discussion, it can be concluded that there is a positive correlation between pro-social spending (donation spending) and happiness across all sample groups. Notably, there is a progressive influence of pro-social spending on individual happiness levels. On average, individuals who engage in greater pro-social spending are more likely to experience higher levels of happiness in their lives. The results demonstrate that donation spending contributes to increased happiness. Specifically, a one percent increase in the average pro-social spending of all observations corresponds to a 0.8 percent increase in the probability of people being happy with their current situation. It is important to acknowledge that the impact of pro-social spending is also influenced by the financial capacity of the family, where higher average per capita expenditure leads to an 18.2 percent increase in happiness levels.

Notably, marital status has a noteworthy impact on happiness levels. Individuals who are married experience a 33.6 percent increase in happiness compared to those who are not married. In contrast, the marginal effect of education is lower than that of marriage and per

capita expenditure. Therefore, it can be concluded that higher education does not necessarily guarantee high levels of happiness, although on average, there is a 5.6 percent increase in happiness for every 1 percent increase in education. Additionally, the study reveals that pro-social spending has a significant impact on all individuals, with a slightly higher impact observed among Muslims compared to non-Muslims.

These findings hold significant implications for policymakers, particularly those involved in pro-social initiatives such as the Ministry of Religion, BAZNAS, and the Indonesian Waqf Board. The findings suggest that fostering pro-social activities and implementing policies that support family formation and economic stability can enhance levels of happiness within Indonesian society. Additionally, stakeholders such as the Amil Zakat Institute, responsible for managing Ziswaf funds, can utilize this research as a reference to promote happiness and satisfaction among contributors and achieve a multiplier effect in improving the standard of living for recipients. Moving forward, future research could focus on examining the impact of specific types of donations, providing a more comprehensive understanding of their effects on various outcomes.

LIMITATION

This study has limitations due to the unavailability of specific types of donation data. Nevertheless, it is evident that donation spending contributes to shaping individuals' happiness levels. Understanding the impact of different types of donations would provide further insights. Currently, the government is actively focusing on various forms of philanthropic instruments, including donations. It is hoped that this study will reinforce the government's goal of intensifying donation campaigns to foster an inclusive sense of happiness among both donors and recipients. Encouraging such acts of goodness is important for both research and actual donation activities.

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