

THE ROLE OF RELIGION IN ECONOMIC GROWTH THE CASE STUDY OF IRAN

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Abstract: *One of the main concerns in some projects running a dual focus policy is the loss of a perspective in terms of merging its principle components particularly in the ceases that are consist of religion and belief. In Islamic Republic of Iran, where the dominant aspect is the official religion of Islam and Shiism creed, call for detailed attention and analysis. By considering the presence of credible evidence from Holy Quran and quotes of Imams (PBUH) verifying heaven and hell as well as participation in religious ceremonies and their direct and indirect effect on economical elements, it was predicted that we could have visible and palpable percentile econometric models. Therefore, this study examines the effect of religiosity on economic growth of the country. In this study, the effect of independent variables such as qualitative religiosity (including elements of believe in afterlife world, audit of good and bad practices, and heaven and hell) on the dependent variable of economic growth, using econometrics method as well as OLS. It's noteworthy that independent economic variables used in the model are non-oil investment and export. The result reveals:*

1. *There is a meaningful relationship between economic growth variable and non-oil-export.*
2. *There is a meaningful relationship between economic growth variable and religiosity indicator (percent).*
3. *There is a meaningful relationship between economic growth variable and religiosity indicator (qualitative variable).*
4. *There is a meaningful relationship between economic growth variable and the volume of investment.*

Key Words: *Religion; Religiosity; Economic Growth; Islam.*

INTRODUCTION

In debates on religion and economic performance two approaches are considerable. One research line believes that religion is affected by variables like developmental levels at economic and political fields in modern life. And, second approach studies the relationship between religion as an independent phenomenon and social-economical life as an effective dependent variable.

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The main research question of the present study is the extent to which religiosity influences economic performance?

We know that economic growth index is defined in terms of percentage of changes in GDP so we are trying to figure that if religion can affect economic growth. Therefore, other variables is considered as constant to figure that whether religiosity has effect on economic growth, independently, or not. Evaluating the impact of religiosity on economic growth, we use the indicator of "believe in resurrection and after life world, believe in auditing good and bad practices, as well as heaven and hell existence," the reason behind which would be explained in detail in later analysis section.

Conceptually, it is assumed that if religion is to influence economic performance, the impact would happen during shaping behavioral and personality characteristics such as work ethic, integrity, andIn this respect, religious beliefs are assumed as the most important outcome of religion as a practical matter which can contribute to economic growth, as well as a practical matter (not theoretical) that requires accountability.

It is axiomatic that in applied researches in Iran concerning the determinants of *economic growth*, the influence of religion has been ignored. Especially, since this reasoning is fully documented according to quotes and verses, the principles of *Islam* insist that religiosity in economics has a positive performance. However, the combination of verses and traditions with the basic economic concepts is partial or optimistically speaking, having related juridical sources, mixing them with practical issues like economic growth has been practically overlooked.

Therefore, this work is an attempt to study the impact of having religious beliefs like after-death life on economic growth by means of national data on people's religion.

REVIEW OF THE LITERATURE

Many experts such as Huntington (1996), Landes (1999) and Inglehart and Baker (2000) state that discussion about economic development should encompass the description of national culture, because culture is a thought that affects economic development and growth; and it might result from some personal characteristic like integrity and work ethic. Therefore, this chapter reviews the literature and researches done in the past on the issue. Therefore, considering huge amount of international literature compared to studies of national researchers, first, the background of study from the international point of view and then from the national point of view, has been evaluated.

THE ROLE OF RELIGION ON ECONOMIC DEVELOPMENT AND GROWTH FROM SCHOLARS' PERSPECTIVE

In recent years, the world is seeking recognition of their actors' behavioral aspects; meanwhile, -religious attitudes is one of the main factors responsible for the formation of their future behavior in all fields, and particularly, economic issues, and decision-makings. Hence, many experts and scholars are willing to address the consequential

economic impact of a specific religious orientation or religion which is highly respected and obeyed by the members of a society of the target population. Of course in economics, research on the relationship between religion and the economy starts to grow in 1970s decade and reached a peak in 1990s (Iannaccone, 1998). These researches are divided into two main categories: first, religion can be regarded as "dependent variable" to be considered; so it would be studied that how does economic development affect religious contributions and beliefs. On the other hand, religion can be described as "independent variable" in analysis and affect economic performance of an individual or community (McCleary and Barro, 2006). The second category of the researches is in relation with the present thesis since this study analyzes the role of religiosity in the economic growth of Iran. Explaining the first category, those theories that consider religion as dependent variable, are divided into two groups: supply-centered models and demand-centered models. For example, secularism is based on a demand-side analysis, according which economic development leads to a reduction of religious participation as well as religious beliefs level (ibid). In this regard, paragraph A (2003, p. 76) was quotes from John Wesley:

"I fear that we witness increased wealth leads to reduction of religion essence..., because religion must necessarily end up in perseverance and effort which lead to persistence, and abstinence, the same elements that inevitably bring about wealth. But with the increase of wealth, many features like pride, anger and love to the world would increase in all sides and shapes. In this process, hidden movement toward secularization and diligent utilitarian would supplant any attempt to develop divine rule; herein, economic disposition of bourgeois would come into existence."

Discussing the impact of religion on the economy, among all scholars talking about this point during the past century, Max Weber's *The Protestant Ethic and the Spirit of Capitalism* is the most famous (Iannaccone, 1998). So we would discuss his argument because of the importance of his comments.

In terms of the influential relation of religion on economy, Iannaccone(1998) argues that religious studies boost economy in three ways:

First, understanding and knowledge of non-market activities that are important to the economy, but they have been neglected. Secondly, the declaration of how economic models may answer questions about the beliefs, norms and values. Third is the identification of the effect of religion on economic tendencies, trends and activities, and groups and associations. For him (ibid) studies on religion and economics are divided into three main parts: First, researches interpreting the religious behavior from an economic perspective and using microeconomic theories and methods to explain the religious behavior of individuals, groups, and cultures; Second, studies analyzing the economic consequences and success stories of religion; Third, researches criticizing economic policies using religious principles and trying to promote them. Accordingly, we investigate the impact of religious beliefs on the economy at both levels of macro and micro economy.

In the current study of the role of religion in the economic performance, there are four different viewpoints as follows:

POSITIVE IMPACT OF RELIGION ON ECONOMIC PERFORMANCE OF SOCIETY

Some researches have directly studied the impact of religion on economy i.e. they suggest that how religion has changed the economic production and growth such as:

The important point in this survey is the research main approach according to which, religion affects economic results through the penetration of religious generation beliefs in people's characteristics such as honesty, work ethics, thrift, and foreigners' freedom. For example, belief in heaven and hell may affect the characteristics of people; with the impression that rewards and punishments associated with good and bad behaviors, would allocate to them in the afterlife. The main results of this study are as follows:

First conclusion: for a certain level of religious beliefs, rise of attention to church would reduce economic growth. But, at a certain level of attention to church in some religious beliefs – especially faith in heaven and hell as well as afterlife – leads to increase of economic growth. There are also evidences suggesting that the impact of fear of hell is relatively more than hope to heaven.

Second conclusion: the authors feel that stronger religious belief stimulates growth since more consistency of behaviors helps increase of established behaviors.

Third conclusion: higher level of attention to church decreases the economic growth it means more use of resources by religion section; while, the products of which (religious beliefs) is fixed. The result doesn't certainly mean that more attention to church has a pure negative impact on growth since the impact depends on the amount of influences of church-oriented attentions lead to empowerment of religions and in fact, economic growth.

Fourth conclusion: attention to the church can act as a symbol of the effect of organized religion on the regulations affecting the economic behaviors.

Among presented researches of past decades, the essay entitled "Christian Economics" by Woehrling (2001) was a prominent research studying the relationship between Christianity and the economy. Woehrling states that practice of the Christianity develops exchanges and leads to resources performance. Thus, in contrast to beliefs based on conventional economical human, higher and faster growth happens to the society. In this paper, we suggest that efficient operation of the market system needs properties that Christianity meets. These properties are human nature characteristics that cause development of public goods and overcome the shortcomings of playing field.

In the current decade, significant researches have been carried out. For example Noland (2005) examines the relationship between religion and economic performance data. As a result, based on cross-country and inter-country regression analysis, both the hypothesis that are non-correlated religious dependencies, have been repeatedly rejected. Also, the results of this article regarding Islam don't suggest that it never supports the suggestion meaning Islam is harmful. On the contrary, statistical analysis regarding

Islamic countries national situation and their intra-analysis show meaningful correlation between two. Therefore, at least we can say that Islam promotes economic growth evenly.

In his article, with respect to the empirical evidence from the 1980s, Tausch (2005) has attempted to show how related are Muslim culture and patterns of political, social, economic and cultural. He does the research through considering 14 of 109 developing countries, the information of which is fully available.

Except for researches that directly examine the influence of religion on economy as well as economic growth and production, some of most important are mentioned above, there are another category of researches that studies the indirect effect of religiosity on economy. Meaning that, affecting another category of economic development indexes, religiosity may lead to economic growth and development. These indicators are: the rate of human capital accumulation, social capital accumulation and physical capital accumulation. There are also several surveys studying the role of religion on the decision-making method as well as the behavior of economic agents. For example, using 1997-1981 data, Guiso et al. (2003) show that personal tendencies and preferences originated from religious beliefs and for example, personal preferences toward women working status as well as thrift originates from religious affiliation. Some of the main points of this work will be presented in the following part:

Coleman and Hoffer (1987) consider religious beliefs as a basis to produce social and human capital and conclude that students who attend religious schools are less willing to reduce their human capital. Also, through building social and family networks, relation with the other fellows, conscientiousness, respect for others, honesty and enforcing norms of solidarity, religion can be regarded as the basis of social capital, so that people would follow collective interest rather than personal interest (Candland, 2000). The model of Falk and Kilpatrick (2000) studying the development of social capital conceptualization, suggest that one of the main sources of building social capital are knowledge and religion. It's noteworthy that during recent years, many debates have been declared about the relationship between social capital, economic growth and development, and prominent role of social capital at the realization of developed countries' development as well as its role on acquiring economic development by developed and undeveloped countries. Spiritual capital is a kind of social capital that has been ignored in the past but recently has been mentioned seriously and due to its positive and important performance on solving economic problems, has been considered as a kind of separate and independent capital from social capital (Askari and Tohidi Nia, 2007).

Many studies also emphasize the fact that religious tendencies have a significant effect on investment in human capital (Lehrer, 1999). Also, some studies suggest that religious attitudes are able to increase the final proficiency of human capital and thereby influence the economic growth. (Habibullah Khan *et al.*, 2008). However, H'madoun (2010) studies the relationship between different aspects of religion and employment in 48 countries and suggest that tendency toward religious beliefs has a positive

relationship with workforce; however, intensive tendencies decrease the level of participation in employment and workforce.

Studying the religious beliefs of US Protestant, Catholic and Jewish citizens, as well as their consumer behavior, Hirschman (1983) has finally concluded that there is a positive meaningful relationship between these two variables.

Woodberry (2004) believes that empirical evidences in West show that very religious people are more inclined in voluntarily works and spend more money for informal donations; they are also show more support to volunteer organizations. Religious groups are also the main pivot of building humanitarian organizations, schools and hospitals. These play vital role in removing market deficiencies and effect on economic performance.

Renneboog and Spaenjers (2012) have analyzed the way attribution and religious ties influence financial decisions of Dutch households. Analyzing data of 1995-2008, they have concluded that religious households report their savings more frequently. The Catholic and Protestant households also have about three percent savings more than non-religious households.

THE IMPACT OF RELIGION ON ECONOMIC PERFORMANCE IS DIFFERENT DEPENDING ON RELIGION TYPE AND ITS CREED:

Many experts confirm that not all religions have the same impact on the economy such as Glaye and Vorhies (1989), Heath, Waters and Watson (1995) and Paldam (1999). They noted that all religions have the same results regarding the difference of religious attitudes on economic growth. For example, Health and colleagues (1995) studied the impact of religious learning on the income per capita in the United States for 1952-1971 and 1980, and some of their findings show that for example, around 1971, Jewish teachings has a positive and meaningful impact on per capita income, but the teachings of the Catholic and Protestant Christianity is negatively correlated with it.

Sood and Nasu (1995) studied the relationship between the type of consumer behavior of people and their own religion on US Japanese and Protestant followers. They conclude that the consumer behavior of these groups were significantly different from each other.

In another study, Guiso *et al.* (2003) found that Protestants, Catholics, and Hindus tend to private property, while Muslims are less inclined to this subject. Also, Protestants and Hindus accept imbalance of income toward higher growth but Jewish and Muslims don't. This imbalance and growth is also not accepted in all other religions. All religious tendencies have also a conservative attitude towards women's working out of home.

Stulz and Williamson (2003) also show a correlation between dominant religion and investors rights in the country at different contexts and concluded that first of all, there is a meaningful correlation between religion and stakeholders' rights. Secondly,

compared to Catholic countries, Protestant countries have more supports from investors.

Using US data, Guiso *et al.* (2006) also show that distinct attitude of US Catholics has a positive impact on the rate of national savings compared to that of Protestants and non-religious people.

Feldmann’s article (2007) is another research that studies the relationship between workforce supply and religious dependency. It shows that from 80 studied countries, Protestants countries have the highest rate of employment and participation in workforce.

As the last research instance, ArrunPada (2010) found out that based on their own social ethics, Protestants have more support from legal and political organizations and are dependent to their values compared to Catholics – these elements can reduce their transaction costs.

RESEARCH METHODOLOGY

This study is based on applied researches and it can be considered as a cause and effect research since it discovers such a relationship for a phenomenon in Iran. OLS method is used in this study; accordingly, the dependent variable is the rate of economic growth and non-oil exports growth rate and growth rate of gross investment are considered as two independent variables. In the model, there is also an independent variable as the quality of “religiosity” consisting of “belief in afterlife, heaven and hell, and auditing practices.” In this study, we are trying to determine that whether or not the variable quality of religiosity has significant effect on economic growth; it uses a regression analysis to figure out the result.

ECONOMIC VARIABLES DATA

| <i>Year</i> | <i>Economic Growth</i> | <i>Gross investment Growth</i> | <i>Non-oil Export Growth</i> |
|-------------|------------------------|--------------------------------|------------------------------|
| 74 | 0/0290415 | 0/0464194- | 0/6875759- |
| 75 | 0/0590458 | 0/223346 | 0/0570954- |
| 76 | 0/0276682 | 0/117675 | 0/0246689- |
| 77 | 0/0282864 | 0/0319631 | 0/1691234 |
| 78 | 0/01587313 | 0/0564250 | 0/1207654 |
| 79 | 0/0484173 | 0/0402902 | 0/0993676- |
| 80 | 0/032644 | 0/1324698 | 0/0754342 |
| 81 | 0/0788107 | 0/1293188 | 0/0934426 |
| 82 | 0/0752658 | 0/1162337 | 0/1597850 |
| 83 | 0/0623233 | 0/0878938 | 0/0711466- |
| 84 | 0/0670688 | 0/0830629 | 0/2202318 |
| 85 | 0/0640475 | 0/0291724 | 0/1450547 |
| 86 | 0/0483266 | 0/0637374 | 0/221318 |
| 87 | 0/008498 | 0/024557 | 0/240351 |
| 88 | 0/008498 | 0/024557 | 0/26786 |
| 89 | 0/021429 | 0/106946 | 0/30187 |

They are extracted from economic indexes of Central bank and Iran' Customs Statistics. Regarding analyzable data, it's noteworthy that in Econometrics models, the longer the time series and research domain are, the higher the quality of study is. However the necessary economic data are strong enough, the variable qualitative data of religiosity are only available for 1995-2010. So, the author was obliged to consider this time scope for analysis.

AN EXPLANATION OF QUALITATIVE VARIABLES

In terms of qualitative variables, their guidelines and data some clarification is required which follows:

Assessment and evaluation is one of the main goals is to achieve growth and perfection. For evaluation and interpretation, some indicators and criteria is needed to assess the situation accordingly.

The first research work was an article entitled "the Model of Measurement of Religiosity and making it a National Scale," performed by Khodayarifard et al. The purpose of this paper is to produce a standardized scale to measure the religiosity of Iran society. Accordingly, the structure and content of the religiosity measurement index was defines based on the Quran and the Hadith.

It's noteworthy that in this research, the structure of religiosity is considered according to theoretical foundations of Islam as follows:

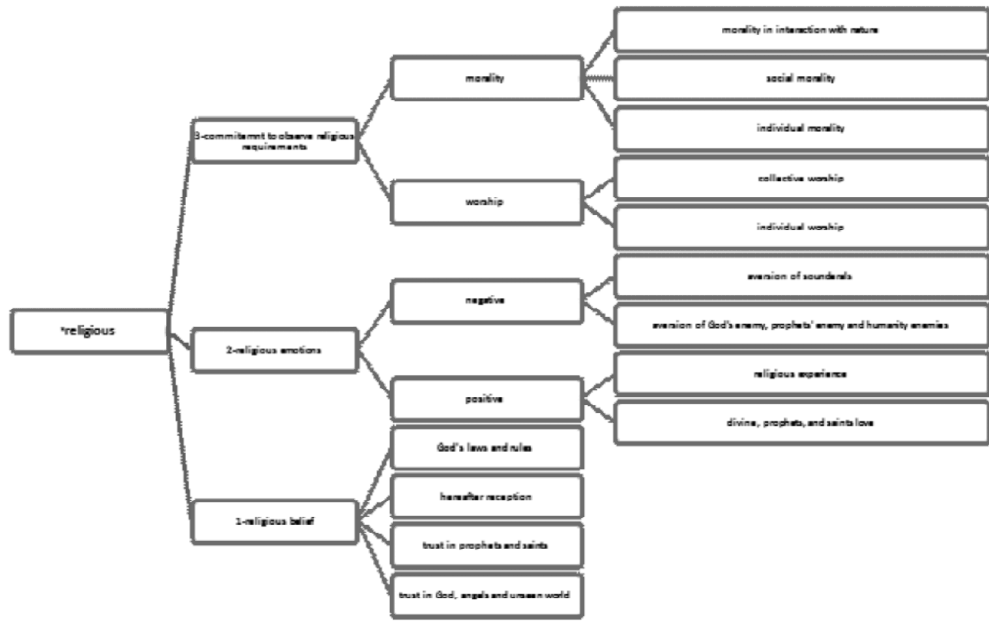


Figure 1: Structure of religiosity based on the theoretical foundations of Islam

According to the above-mentioned description of the indices and religious components, it was necessary to examine which of these indices are estimated and available for many years. Results showed that among all listed-above parameters, only for “belief in afterlife, heaven and hell, and auditing practices,” there are coherent and sequential estimates available in Islamic Propagation Organization and there is no information about time series or it’s not available due to various reasons including security issues. Therefore, in this study we have to use just one measure as an indicator of religiosity, its time series are as follows:

| Years | Religion | |
|-------|----------|-------|
| | PER | DUMMY |
| 74 | 85.3 | 1 |
| 75 | 86.7 | 1 |
| 76 | 85.5 | 1 |
| 77 | 84.9 | 1 |
| 78 | 88.1 | 2 |
| 79 | 91.3 | 3 |
| 80 | 92.15 | 3 |
| 81 | 83.55 | 1 |
| 82 | 90.55 | 2 |
| 83 | 82.85 | 1 |
| 84 | 83.25 | 1 |
| 85 | 92.65 | 3 |
| 86 | 84.3 | 1 |
| 87 | 88.5 | 2 |
| 88 | 92.7 | 3 |
| 89 | 95.4 | 3 |

As a result substantially, based on the percentage of the components like “belief in afterlife, heaven and hell, and auditing practices,” and using Likert Spectrum Logic, numbers 1, 2 and 3, respectively, are considered for moderate and high levels of religiosity.

ANALYSIS OF THE DATA

Testing hypotheses was performed using regression analysis as well as using correlation data and Eviews software version 6.

DATA NORMALCY CONTROL

Analytical methods (Jarque- Bera Test)

Table 2
Test for Jarque- Bera

| | <i>Jarque- Bera Statistics</i> | <i>level of significance</i> |
|-------------|--------------------------------|------------------------------|
| PER | 1.278772 | 0.527616 |
| GROWTHGROSS | 0.508894 | 0.775345 |
| GROWTHGDP | 62.99906 | 0.000000 |
| DUMMY | 2.102457 | 0.349508 |
| GROWTHEXOIL | 4.837733 | 0.089022 |

Studying hypotheses are defined as follows in Jarque- Bera Test:

$$\begin{cases} H_0 : \text{Observations follow Normal distribution.} \\ H_1 : \text{Observations do not follow Normal distribution.} \end{cases}$$

Therefore, given that the level of significance for all variables is more than 0.05, the hypothesis of normality of observations (null) is not rejected. Then, according to the observations following a normal distribution, parametric methods are used to analyze observations.

TESTING HYPOTHESES

Here, we are testing the significance of the impact of independent variables on dependent variables through testing several hypotheses. It's noteworthy that due to the research subject, our main hypothesis focuses on significant of religiosity on economic growth, so, other hypothesis are regarded as subsidiary.

THE RELATIONSHIP BETWEEN ECONOMIC GROWTH AND NON-OIL EXPORTS AND INVESTMENT AND RELIGIOSITY INDEX USING CORRELATION

To check out whether correlation between two variables is statistically significant, we test following hypotheses.

$$\begin{cases} H_0 : \rho = 0 \\ H_1 : \rho \neq 0 \end{cases}$$

Where, represents the correlation coefficient between two variables studied in the community.

By comparing the p-value of the test with error factor of 0.05, we can conclude that there is no significant correlation between economic growth variables and non-oil exports and investment and religiosity index.

TESTING FIRST (SUB) HYPOTHESIS

H0: There is not a significant relationship between economic growth and non-oil exports.

Table 4
Evaluation of the Correlation

| | | GROWTHGDP |
|-------------|-------------------------|-----------|
| GROWTHEXOIL | correlation coefficient | -0.462233 |
| | p-value | 0.0714 |
| | No. | 16 |
| DUMMY | correlation coefficient | -0.344811 |
| | p-value | 0.1909 |
| | No. | 16 |
| GROWTHGROSS | correlation coefficient | -0.150205 |
| | p-value | 0.5787 |
| | No. | 16 |
| PER | correlation coefficient | 0.946497 |
| | p-value | 0.0000 |

H1: There is a significant relationship between economic growth and non-oil exports.

Regression fit to the following hypothesis is as follows:

$$\text{Model 1 } \text{GROWTHGDP} = \beta_0 + \beta_1 * \text{GROWTHHEXOIL} + \varepsilon_1$$

According the above regression model, statistical hypothesis are placed as follows:

$$H_0 : \beta_1 = 0$$

$$H_1 : \beta_1 \neq 0$$

Table 4
Estimates of model (1) based on data OLS method

| Explanatory Variable | Parameter | Standardized percentages | t-statistics | Prob. |
|--------------------------------|-----------|--------------------------------------|--------------|--|
| C | 0.055089 | 0.015271 | 3.607319 | 0.0029 |
| GROWTHEXOIL | -0.075166 | 0.038539 | -1.950383 | 0.0714 |
| Watson camera =1.35 statistics | | F statistics = 3.8 P-value = 0.07 | | 0.213 = ² R 0.157 = ² R justified |

Comparing Fisher F-statistics with value of table, H_0 - meaning zero coefficients- is rejected (P-value > 0.05) and also the significance of regression of the model is not confirmed. Therefore, the first hypothesis regarding a significant relationship between the variables of economic growth and non-oil exports is not confirmed.

Testing Second (original) Hypothesis

H0: there is not a significant relationship between the variables of economic growth with religiosity index (percentage).

H1: there is a significant relationship between the variables of economic growth with religiosity index (percent).

Regression fit to the following hypothesis is as follows:

$$\text{Model 22 } \text{GROWTHGDP} = \beta_0 + \beta_1 * \text{PER} + \varepsilon_t$$

According to above-mentioned regression model, the statistical hypotheses are placed as follows:

$$H_0: \beta_1 = 0$$

$$H_1: \beta_1 \neq 0$$

Table 13-4
Estimates of model (2) according to OLS Data

| Explanatory Variables | Parameter | Standardized Coefficient | t-statistic | Prob. |
|---------------------------------|-----------|--|----------------|--|
| C | 0.489743 | 0.370816 | 1.320717 | 0.2078 |
| PER | -0.004901 | 0.004211 | -1.163976 | 0.2639 |
| Watson camera = 1.07 statistics | | F-statistics = 1.35 P-value = 0.263 | ² R | 0.088 = ² R justified 0.023 |

Comparing Fisher F-statistics with value of table, H_0 - meaning zero coefficients - is rejected (P-value>0.05) and also the significance of regression of the model is not confirmed. Therefore, the second hypothesis regarding a significant relationship between the variables of economic growth and religiosity index (percentage) is not confirmed.

Testing Third (Main) Hypothesis

H_0 : there is not a significant relationship between the variables of economic growth and the religiosity index (Qualitative Variable).

H_1 : there is a significant relationship between the variables of economic growth and the religiosity index (Qualitative Variable).

Regression fit to the following hypothesis is as follows:

$$\text{GROWTHGDP} = \beta_0 + \beta_1 * \text{GROWTHEXOIL} + \varepsilon_t \text{ Model 3}$$

According to above-mentioned regression model, the statistical hypotheses are placed as follows:

$$H_0: \beta_1 = 0$$

$$H_1: \beta_1 \neq 0$$

Table 5
Estimates of model (3) according to OLS Data

| Explanatory Variables | Parameter | Standardized Coefficient | t-statistic | Prob. |
|--------------------------------|-----------|---------------------------------------|----------------|--|
| C | 0.103909 | 0.036706 | 2.830826 | 0.0133 |
| DUMMY | -0.025031 | 0.018211 | -1.374459 | 0.1909 |
| Watsoncamera = 1.17 statistics | | F statistics = 1.88 P-value = 0.19 | ² R | 0.12 = ² R justified 0.013= |

Comparing Fisher F-statistics with value of table, H_0 - meaning zero coefficients - is rejected ($P\text{-value} > 0.05$) and also the significance of whole regression model is not confirmed. Therefore, third hypothesis regarding a significant relationship between the variables of economic growth and religiosity index (percentage) is not confirmed.

Testing Fourth (sub) Hypothesis

H_0 : there is not a significant relationship between the variables of economic growth and the volume of investment.

H_1 : there is a significant relationship between the variables of economic growth and the volume of investment.

Regression fit to the following hypothesis is as follows:

$$\text{Model 4 } \text{GROWTHGDP} = \beta_0 + \beta_1 * \text{GROWTHGROSS} + \varepsilon_t$$

According to the regression model, the following statistical hypotheses are placed as follows:

$$H_0 : \beta_1 = 0$$

$$H_1 : \beta_1 \neq 0$$

Table 6
Estimates of model (3) according to OLS Data

| Explanatory Variables | Parameter | Standardized Coefficient | t-statistic | Prob. |
|--------------------------------|-----------|--------------------------|-------------|----------------------------------|
| C | 0.088329 | 0.025608 | 3.449324 | 0.0039 |
| GROWTHGROSS | -0.390295 | 0.263002 | -1.484002 | 0.1600 |
| =1.55 Watson camera statistics | | = 2.02 statistics F | | R 0.135 = ² |
| | | P-value = 0.159 | | justified R 0.074 = ² |

Comparing Fisher F-statistics with value of table, H_0 - meaning zero coefficients - is rejected ($P\text{-value} > 0.05$) and also the significance of whole regression model is not confirmed. Therefore, fourth hypothesis regarding a significant relationship between the variables of economic growth and volume of investment is not confirmed.

CONCLUDING REMARKS

One of the prominent issues that the results of this study also highlights, is how does believe in hell and heaven effect individual ethics and practices? And also, which aspects of humanity can be improved with it? Because no doubt human society is alive with activity and participation of people and the participation is due to a necessary need to life demands. This study aims to investigate the influence of religiosity on economic growth in Iran. Results of statistical analysis using Eviews software totally indicated:

First, in spite of high level of belief in heaven and hell, it's observed that Iran society – as the most prominent Islamic country and also the only country that is based on Quran and Hadith – has achieved the lowest percentage of success in some religious individual and economical principals, the best examples is the prodigal. Iranian people are the most prodigal in the world. They waste their national resources in a significant way. Waste of resources is to the extent that, according to statistics, per capita consumption of water, energy, medicine, bread and other food sources as well as time to do a certain job in Iran is higher than international standards. This is not a simple assertion without citation. While the correct use of resources is one of the preconditions of each country's development, tables relating to the waste of resources in Iran show one of the reasons of non-development and the quality of the country; it is rooted from the attitudes of people in their personal and social life. People's approach to using resources shaping during years, wouldn't change simply; however, its consideration and reminder is always a hint to improve the current situation. While Islam emphasized otherwise, confrontation with the issue and some other problems means that our people ignore religion, at least in this regard. Therefore, the logical conclusion of this argument is that people do not believe in religious practice and here, this verse is to apply that "Say them you do not believe it (through Declaration of Faith) and you are only (apparently) Muslim. As a result, we can't expect that religious teachings influence economic growth and development.

Secondly, many economic religious teachings aim to improve and direct the individual practices in the field of production. In other words, a fundamental role of religion is to change the people's attitudes, so it affects decision-making and economic practices. Therefore, effectiveness of religiosity in economy needs a proper context i.e. people must be able to participate freely in an economy in order to analyze the role of religion on their attitude. But in Iran, due to having a governmental economy dependent to oil-incomes, the private sector essentially doesn't play a major role in economy in order to direct economic practices toward religion recommendations and observe its impact on growth and development.

Meanwhile, studying countries by Robert Borrow and others are the open field of private sector active participation, so religious teachings may affect people's individual economic practices and also have positive relationship with economic consequences.

Third, Islam teachings essentially affect quantitative aspect of the development - economic growth – as well as its qualitative aspects like social and economic justice, and poverty alleviation. The issue must be studied seriously and if the reality is mere role of religion on growth and economic variables influenced by the religious are some other factors, it is not surprising that the results of our analysis is so vague.

Fourth, considering the econometric methodology, using nonsystematic approach and model, exploiting a single component "belief in heaven and hell" as a qualitative variable of religiosity - with unclear quality of the data collection and unfavorable background of data collection in Iran – as well as this not-so-long-range

of analysis in our study, we may question that how effectively are we lead to a proper analysis.

Fifth, certainly, Islam principals are fully Cited and reasonable and would lead to economic growth and removing unemployment and inflation, etc., not in Utopia but in our current society if, all religious recommendations are followed seriously.

Recently, studies have been done in order to define and differentiate the application of "religion" and "spirituality" such as Marcrohadavi (2002) Zinbawer and others (1997) and Scott (2001).the important and key point in these results is that these studies and others are consistent; and about 75% of statistical community of US are described themselves as religious and more that 90% - including most of religious people- have introduced themselves spiritual. This can be generalized to Iran, but due to the wide range of deep religious content and also overwhelming attention to the verses and traditions and religious ceremonies, including participation in ceremonies, religious celebrations, secretions, and prayers, these kinds of researches have been rare.

This study tries to find a pathway for revolutions rooted from believe in heaven and hell affecting GDP or economic growth; however, in spite of several religious recommendations to follow in order to acquire spiritual and economic salvation, these are totally ignored by the people.

The most concerning issue is that non-Muslim scholars and thinkers are seriously considering the relationship between religion and economy from various points of view and several ways. Using these criteria, they help strengthening economical effective variables like economic growth, inflation and unemployment nationally and internationally. However, Muslim scholars are confined themselves to translating their debates to the extent that if we want to practice in this field, many obstacles we are faced by, the following are some of them.

Research concerns and practical solutions

1. Lack of information about Generalities of religious issues (in general) that can't be efficient in decision makings.
2. The prohibition on providing information as the principle and basis of research, by competent authorities.
3. Lack of time series data; on the other hand, lack of continuity in data collection processes during subsequent years.
4. Novelty of using Glark and Start model in Islamic fields.
5. Rely merely on studies of years 1988, 2000, 2003, 2004for National Survey of values and attitudes of Iranians.
6. High quantity and diversity of variables for collecting in order to participation in ceremonies, beliefs; so that Robert Borrow has merely focused on attending in church prayer as right-side variable but we have a high diversity for religious

- ceremonies like participation in Moharram and Safar ceremonies, holy Imams celebrations, Komail Prayer, Secretion, and many other prayers that are hold as formal traditions.
7. Un-necessity of having research studies about believe in heaven and hell, in particular
 8. Unacceptance the risk of failure in these researches by students and considering available easy statistical data as sufficient or surveys that only needs to change a variable.
 9. Failure to provide necessary information by acknowledged organizations due to different reasons like social consequences.

And at the end we would say:

O' God, for your beloved ones, help us to understand themselves as your property and belonged to You and be blessed at the "Return Day" and be placed in the best at "Dar-o-l Salam." May believe in Heaven and fear of Hell prevents us so that this thought would be expanded in individual economical practices and lead to development of our Imam' country.

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