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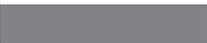


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The Distribution of Social Capital, Confidence in Public Bodies, and Electoral Participation in India^{*}

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Abstract

Most studies of distribution in developing countries are concerned with the distribution of material resources, most usually income or consumption and, sometimes, wealth. On the other hand, most studies of social capital are grounded in countries of the developed world. In this paper we depart from both traditions by analysing the distribution of social capital in a developing country (India). In so doing, we establish a link with the subject matter of political economy by examining the relationship between the distribution of social capital, the distribution of *confidence* in public bodies, and *electoral participation*.

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1. INTRODUCTION

The concept of social capital has recently gained large attention as a robust contributor to economic success through various channels (Knack and Keefer 1997, Goldin et Katz 1999, Algan et Cahuc 2010). However, few studies have looked into the distribution of social capital in developing countries, even though it would be most efficient to compensate for the numerous market failures found there and improve the effective functioning of institutions. Indeed, if social capital does foster trust, as the literature shows, and more particularly confidence in formal institutions, the latter may become more effective, which is crucial as well functioning institutions have been recognized as great contributors to economic development. Thus it is of paramount importance to investigate social capital, especially as a determinant to trust in the context of developing countries. Most studies of distribution in developing countries are concerned with the distribution of material resources, most usually income or consumption and, sometimes, wealth. At best, they would focus on social fragmentation at the aggregate level but seldom on individual's social capital and networks. For instance, La Porta et al. (1999) show that government quality is higher in regions that are less fragmented. Why is that so? Perhaps, the presence of minorities that have long been discriminated against decrease the average degree of trust towards institutions that in turn hampers their good functioning. On that premise, the problem may not be fragmentation in itself but the lack of confidence from minority groups towards institutions. This example clearly shows the need to go beyond social fragmentation and look into the distribution of social capital and trust, more specifically in the developing part of the world. Unfortunately, this issue of social capital distribution, trust and discrimination has been too seldom addressed especially in the context of developing countries that would benefit most from an increase in social capital.

In this paper we merge the two approaches by investigating the effect of belonging to a group that has long been discriminated against on confidence in public bodies such as the police, the government, etc. as well as electoral participation in India. We more particularly insist on two results: (a) contrary to the US context, individuals belonging to discriminated groups, such as low caste and Muslims in India, tend to have more confidence in institutions (b) in accordance with previous results obtained in different contexts, participation to social activities is strongly correlated to trust in public bodies which in turn favrs participation to political life through voting.

Alesina and La Ferrara (2002) found that one of the strongest factors that reduce trust is belonging to a group that historically has been discriminated against. Although, the underlying psychological mechanism is far from clear, a couple of hypothesis could be brought forward. First, the expectations of an unfair treatment may reduce confidence and trust. For instance, Hoff and Pandey (2006) led an experiment where children from Northern India were asked to solve mazes. When children castes were made public, performance by the low caste dropped significantly. Although the underlying process could not be clearly identified, the authors hypothesize that the children were expecting an unfair treatment by the experimenters. Second, Hoff et al. (2011) show that low caste individuals exhibit a less

punitive behaviour towards norms violators than higher castes, which may in turn reduce their capacity to join forces in collective actions. Indeed, common expectation that norm violation will be punished is a vital condition to the set up of cooperation and fostering of trust. Third, trust does not travel well across ethnic barriers (Alesina and La Ferrara 2000, 2002). This result is also implied by Akerlof and Schiller (2008) confidence multiplier that relates to the transmission of increased confidence from a *small* number of persons in a group to a considerably *larger* number in the group. So, if there is an initial increase in confidence of one unit, the overall increase in confidence is $k \geq 1$. The strength of the multiplier depends on the *marginal transmission rate* (MTR). The MTR, which is the proportion of the initial increase in confidence that is passed on to others, will depend on two factors: (i) the degree of interaction between group members; and (ii) The starting level of confidence of the group. When confidence within a group is very high, the MTR will be low: most of the initial increase in confidence will be “saved” with very little being passed on. In the limit, when confidence has reached saturation point, nothing will be transmitted and $k=1$. Similarly, if there is little or no interaction between members of the group - or the group consists of non-interacting subgroups - the MTR will be low. Conversely, when confidence within a group is very low, the MTR will be high. Suppose there are K groups in society, with confidence levels: C_1, \dots, C_K . Suppose that $A=f(C)$ is the achievement function where $f(C)$ is concave. If social achievement, W is the sum of group achievements: $W = f(C_1)+f(C_2)+\dots+f(C_K)$, then social achievement (W) is maximised when every group has the same level of confidence: $C_1=C_2=\dots=C_K$.

Thus there appears to be some evidence that groups that have long been discriminated against trust less. Yet, what about trust in public institutions, especially when the latter have taken very pro-active policies in favour of the most deprived and looked down upon? Would these groups who are somewhat positively discriminated by public policies be more confident in the public bodies? This is one of the questions this article investigates. Moreover, would such a confidence influence individuals’ willingness to cast their votes?

The concept of social capital is at best fuzzy. Bourdieu who is known for having introduced the concept in sociology defines it as “the aggregate of the actual or potential resources which are linked to possession of a durable network of more or less institutionalized relationships of mutual acquaintance and recognition” (Bourdieu 1983). Putnam defines it as “features of social life –networks, norms and trust – that enable participants to act together more effectively to pursue shared objectives”. So social capital is strongly related to networks, yet how can these networks be measured? As Solow (1995) puts it “If social capital is to be more than a buzzword [...] the stock of social capital should be measurable, even inexactly”. Two main approaches have been used so far in the literature: either authors focus on personal relationships, who is in a reciprocal relationship with whom, the size and density of an individual’s personal network or through an individual’s participation to social activities either through associations and organisations. In both cases, the theoretical foundations are very close. Individuals who are strongly integrated into social networks, either personal or more organized ones are accustomed to repeated interactions with others and thus more likely to exhibit a more cooperative behaviour that would foster

trust and confidence in others (see for instance Greif 1993). The ultimate main product of social capital is therefore trust fostering and the sharing of norms and beliefs that would significantly reduce transaction costs and as such improve economic efficiency and success. Let's take the case of formal and political institutions. How can trust and shared norms, that are social capital by-products, reduce transaction costs? As Brehm and Rahn (1997) write, confidence in political institutions influence individuals' expectations that others will comply with authorities and such a shared belief leads to an equilibrium where "political authorities have less need to rely upon heavy-handed enforcement and politically expensive coercion to control citizens behaviour". Brehm and Rahn (1997) show that participation to social activities, what they call "civic engagement" increase confidence in political institutions. In this paper, we concur on this view and show that participation to various organisations and associations does significantly impact the confidence Indians have in various public bodies such as the police, the court, politicians etc. However, we take a more balanced approach by showing that some public bodies appear more trustworthy than others and that social capital also influences the ultimate democratic process that expresses itself through voting.

In brief, this paper examines the effect on confidence in various public bodies and propensity to vote of (1) social capital, as measured through both personal acquaintances and participation to social activities and (b) social groups, having at the back of our mind that some groups such as the ex-untouchables and the Muslims have long been discriminated against in India. To do so, this paper employs a unique set of data, encompassing India and its several social groups, which provides information on the various types of social capital possessed by individual households. These data are provided by Indian Human Development Survey (IHDS) for 2005 which, on the basis of an all-India survey, provided information 41,4554 households 215,754 members (Desai, *et. al.*, 2009). This survey provided information on various types of social capital possessed by an individual household under various headings:

1. **Social Networks.** Under this heading, households were asked if, *among their acquaintances and relatives*, there were doctors, teachers, government officials, policemen and other persons who might be expected to exercise influence in civil society. Furthermore, they were asked about the *nature* of the relationship (family or non-family?), *caste affinity* (same or different caste group (*jati*)?), and about *proximity* (same village/town?).
2. **Membership of Organisations.** Under this heading, households were asked if any member of the household belonged to one or more of a variety of organisations: youth clubs; women's organisations (*mahila samiti*); caste associations; non-governmental organisations (NGOs) and other associations directed towards collective action in particular areas.
3. **Confidence and Security.** Whether the household had "confidence" in various public bodies (politicians, police, government), whether they had been victims of crime, the degree of conflict in their villages, their sense of physical security in their immediate environment.

Needless to say, the distribution of the responses to such answers would differ between the households and, in particular, by different types of household. Households who scored highly on different metrics (income, wealth, education) might also score highly in terms of social networks, membership, confidence. In particular, households which belonged to the "higher castes" might be better endowed in terms of "social capital" - as defined in 1-3 above - compared to "lower caste" households. Lastly, the distribution of social capital might influence the rate of electoral participation as measured by whether, or not, a member of the household voted in the last *national election*.

The rest of the paper is structured as follows. Section (2) presents the Indian context and the data, section (3) the empirical strategy, section (4) the results and section (5) concludes.

2. DATA

The contextual background to the study is the division of Indian society into a number of social groups delineated by caste and religion. There is, first, the caste system, which stratifies Hindus, who constitute eighty percent of India's population, into mutually exclusive caste groups, membership of which is determined entirely by birth. Very broadly, one can think of four subgroups: *brahmins*; *kshatriyas*; *vaisyas*; and *sudras*. Brahmins, who were traditionally priests and teachers, represent the highest caste; *Kshatriyas* (traditionally, warriors and rulers) and *Vaisyas* (traditionally, moneylenders and traders) are "high caste" Hindus; the *Sudras* (traditionally performing menial jobs) constitute the "other backward classes" (OBC).

Then there are those persons (also Hindus) whom Hindus belonging to the four caste groups (listed above) regard as 'untouchable' in the sense that physical contact with them - most usually the acceptance of food or water - is polluting or unclean. Hereafter, we refer to the total of 180 million persons in India belonging to this category by their preferred name, *Dalits* (meaning, "broken" or "oppressed"). Then, there are about 85 million Indians classified as belonging to the "Scheduled Tribes" and termed *Adivasis* (meaning "original inhabitants"): of these, 70 million inhabit a relatively contiguous hill and forest belt.¹ Lastly, there are those who are not Hindus: about 120 million Muslims (generally poor, uneducated, in low-paid employment, living in *mohallas* or enclaves) and a much smaller number of - generally affluent, educated, and in good employment - Sikhs, Jains, and Christians.

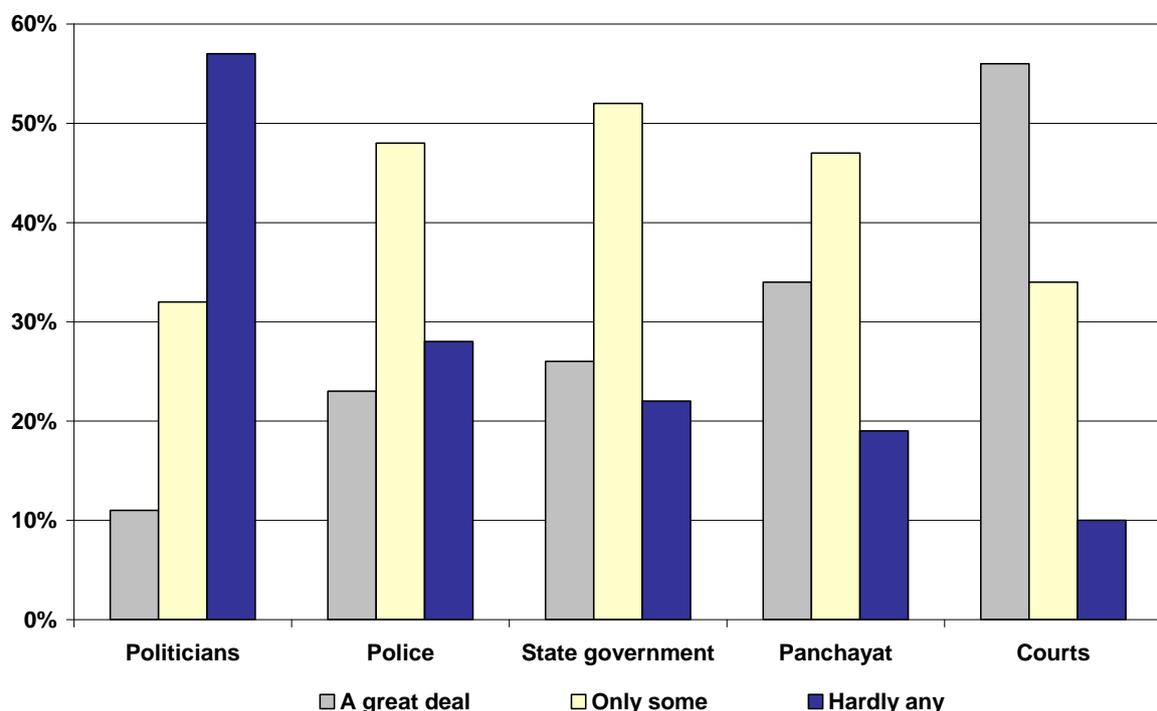
2.1. Confidence in Public Bodies

Figure (1) below shows that the proportion of the approximately 40,000 respondent households expressing "a great deal of confidence" was: 11 percent with respect to

¹ Extending across the states of Gujarat, Rajasthan, Maharashtra, Madhya Pradesh, Chhattisgarh, Jharkhand, Andhra Pradesh, Orissa, Bihar, and West Bengal with another 15 million living in the hills of North-Eastern India (Guha, 2007).

politicians, 26 percent with respect to state government, and 34 percent with respect to *panchayats* (local government operating at the level of the village, village block, or district). The obverse of this finding was that the proportion of households expressing "hardly any confidence" was: 57 percent with respect to politicians, 22 percent with respect to state government, and 19 percent with respect to *panchayats* (local councils). With respect to the justice system, people had much greater confidence in the courts compared to the police: only 23 percent of households had "a great deal of confidence", and 28% had "hardly any confidence", in the police compared to the 56 percent who expressed great confidence, and the 10 percent who expressed little confidence, in the courts.

Fig – 1: distribution of overall confidence in various public bodies



The unequal distribution of confidence between the different organs of the State, the different levels of government, and the different functions of the justice system carries three important messages. First, people were clearly able to distinguish between politicians and government; while they may not have had much confidence in the former they had confidence in the latter, even though politicians were an important constituent of government. Second, they had much greater confidence in government which was local (*panchayats*) than in government which was relatively remote (state government). Third, they had much less confidence in the bodies which apprehended criminals or prevented crime than in the bodies which dispensed justice, both to criminals and civil litigants.

A feature that is of particular interest to this study is the unequal distribution of confidence between the various caste/religious groups in Indian society. Compared to households from the richer and dominant groups, it was households from the poorer and more deprived groups that had more confidence in politicians and government. For example, as Table 1 shows, 65 percent of Brahmins, 58 percent of high-caste Hindus, and 69 percent of

Sikhs, Jains and others had "hardly any confidence" in politicians while these proportions were 54 percent for Adivasi Hindus and only 36 percent for Adivasi non-Hindus. Similarly, 37 percent of Brahmins compared to 30 percent of Dalits, had "hardly any confidence" in the police. This suggests that confidence in government and public bodies depends on more than personal experience - after all, many persons express views about the police without any direct contact with it - and in part of a wider knowledge about societal functioning based upon education and information.

2.2. Voting Behaviour

The second aspect of the political economy of India examined by this study is *electoral participation*, namely whether a member of a household voted in the latest national election. Overall 90 percent of the 40,770 households who responded to this question cast their vote. Table 2, which shows the electoral participation rate by caste/religious group, does not suggest any great divergence between the groups in their participation rates. The highest participation rates were 93 percent for Christians and the lowest for Muslim OBCs (88 percent) and *Adivasi* non-Hindus (87 percent), while Christians did vote more often than the average (93%).

Table 2: Electoral Participation by Caste/Religious Group

Group	Did not Vote	Voted	Total
Brahmin	235	2054	2289
	10	90	100
High-caste Hindu	621	6387	7008
	9	91	100
OBC Hindu	1420	12417	13837
	10	90	100
Dalit	738	7510	8248
	9	91	100
Adivasi Hindu	216	2267	2483
	9	91	100
Adivasi Other	121	822	943
	13	87	100
Muslim high caste	221	2124	2345
	9	91	100
Muslim OBC	230	1746	1976
	12	88	100
Christian	53	694	747
	7	93	100
Sikhs, Jains & others	91	803	894
	10	90	100
Total	3946	36824	40770
	10	90	100

Table 1: Degree of confidence by Caste / Religious Groups

Confidence in	Brahmin	High Caste Hindus	OBC Hindu	Dalit	Adivasi Hindu	Adivasi other	Muslim high caste	Muslim OBC	Christian	Sikh, Jains and others	Average
Police											
A great deal	9%	11%	11%	11%	14%	14%	7%	12%	8%	7%	11%
Only some	26%	32%	33%	29%	33%	49%	38%	31%	37%	24%	32%
Hardly any	65%	58%	56%	59%	54%	36%	55%	56%	55%	69%	57%
Politicians											
A great deal	20%	22%	25%	23%	27%	31%	18%	24%	30%	14%	23%
Only some	43%	50%	49%	47%	49%	53%	53%	49%	55%	36%	48%
Hardly any	37%	29%	26%	30%	24%	26%	29%	27%	15%	50%	28%
State government											
A great deal	25%	25%	29%	27%	29%	22%	19%	27%	21%	16%	26%
Only some	49%	52%	51%	51%	51%	64%	60%	50%	55%	43%	52%
Hardly any	25%	23%	21%	23%	21%	13%	24%	24%	24%	41%	22%
Panchayat											
A great deal	32%	35%	34%	35%	37%	30%	20%	32%	29%	50%	34%
Only some	48%	48%	46%	46%	44%	59%	60%	45%	55%	35%	47%
Hardly any	20%	17%	19%	20%	19%	11%	19%	23%	16%	16%	19%
Courts											
A great deal	57%	56%	58%	56%	61%	48%	50%	58%	52%	49%	56%
Only some	32%	34%	33%	33%	30%	44%	40%	32%	42%	32%	34%
Hardly any	12%	10%	9%	11%	10%	8%	10%	11%	6%	18%	10%

3. EMPIRICAL STRATEGY

In this paper we examine the effect of groups' membership and social capital on confidence in public bodies as well as the determinants of voting. We therefore resort to two models.

3.1. Confidence in Public Bodies

In order to test this hypothesis we estimated an *ordered logit* model in which the dependent variable, for a particular public body, took the value 1 if the household had "a great deal of confidence" in it; 2 if it had "some confidence" in it; and 3 if it had "hardly any confidence" in it. The higher the value taken by the dependent variable, the less confidence households have. Therefore, a negative relationship between an explanatory variable and the dependent variable actually means that the independent variable increases confidence. Five categories of public bodies are considered (i) politicians; (ii) state government; (iii) *panchayat* or local government; (iv) police; (v) courts.

There are three types of variables of interest.

- a) Group belonging: as mentioned in the introduction, one of the results from the literature on trust is that groups that have long been discriminated against are less likely to trust². In the Indian context, these groups are unquestionably the Dalits, the Adivasis and the Muslims. Other backward castes ("OBCs") do also suffer from discrimination as well, although their status is not as bad as the Dalits' or Adivasis' ones.
- b) Measures of social capital, through personal acquaintances and membership to various organisations and associations

Let y_i^* be the latent continuous measure of confidence in public bodies by individual i as defined by the following relationship:

$$y_i^* = \alpha_0 + \alpha_1 Group_{ij} + \alpha_2 Acquaintances_i + \alpha_3 Social\ participation_i + \alpha_4 X_i + \varepsilon_i$$

where :

$Group_{ij}$	Takes the value 1 if individual i belong to group j . Groups are Muslim, Dalit, Adivasi or OBCS. The reference category is therefore high caste and/or non Muslim. Please note that 93% of the non Muslim are Hindus.
$Acquaintances_i$	Data informs us whether the individual knows anyone who (i) works in hospitals and clinics (ii) works in a school (iii) in government services (iv) in panchayat. Four dummies were created based on this information: the first one takes the value one if the individual has any of these acquaintances; the second one takes the value 1 if the respondent has two of these acquaintances and so forth.

² See Alesina and La Ferrara (2002) for instance

Social participation_i Is a set of binary variables that informs us whether anyone in the household is a member of

- Trade union or business association
- Self-help group
- Religious or social group
- NGO
- Cooperative
- Attendance to public meeting called by the village panchayat during last year

X_i Is a set of control variables that are standard to the literature such as household's income and income source, education, and whether the household lives in an urban area and/ or a slum, and the number of years the household has been living in this place.

y_i is the observed ordinal variable so that for the j^{th} outcome $y_i=j$ for $j=1,2,3$ where 1 stands for a great deal of confidence; 2 for "some confidence" and 3 "hardly any confidence". y_i is determined from the model as follows

$$y_i = \begin{cases} 1 & \text{if } -\infty \leq y_i^* \leq \mu_1 \\ 2 & \text{if } \mu_1 \leq y_i^* \leq \mu_2 \\ 3 & \text{if } \mu_2 \leq y_i^* \leq \mu_3 \end{cases}$$

Where μ_i are thresholds to be estimated together with the coefficients. The probabilities for each ordinal outcome are therefore

$$P[y_i=1] = G(\mu_1 - \alpha_i x_i)$$

$$P[y_i=2] = G(\mu_2 - \alpha_i x_i) - G(\mu_1 - \alpha_i x_i)$$

$$P[y_i=3] = 1 - G(\mu_2 - \alpha_i x_i)$$

Where G is the logistic function and x_i is the set of explanatory variables as described in the above table.

Please note that the results from the estimations are presented using odds ratios. Given that the lowest value taken by the dependent variable is 1 for a "great deal of confidence" an odds ratio less than 1 means that an increase in the independent variable does increase the probability of having confidence.

3.2. Voting Behaviour

The second aspect studied here is *electoral participation*. Dependent variable is binary that takes the value 1 if the individual cast their vote during the 2004 national election. Therefore a logistic equation was estimated. Let W_i be the outcome for household i . The likelihood for household i to have voted is therefore defined as

$$P[W_i=1] = G(\beta_0 + \beta_1 Groups_{ij} + \beta_2 Confidence_i + \beta_3 Acquaintances_i \\ + \beta_4 Social\ Participation_i + \beta_5 Controls_i)$$

Where G is the logistic function. Independent variables are similar to those introduced in the confidence equations, except that confidence variables will also be entered as explanatory variables.

4. RESULTS

4.1. Confidence in public bodies

4.1.1. Base Specification

Table 3 below presents the results from the base specification. Generally speaking being from a discriminated group does increase confidence in public institutions. Being from an OBC, Adivasis or Dalit group significantly increase confidence in politicians, the police and the state government and courts in the OBC case. On the other hand, confidence in panchayat and courts is decreased among Muslims. Thus, these results are somewhat contrary to those obtained by the literature in different contexts³ that discriminated groups trust less, at least public institutions. Given that Adivasis, Dalits and OBCs are among the most deprived groups in Indian society, this finding speaks well of the quality of government in India, that has been very active in implementing policies to promote the economic welfare of the “weaker segments of society” as the Constitution puts it. Thus, we may hypothesize that the confidence discriminated groups have in public bodies largely depends on the latter’s attitudes towards them.

As far as social capital variables are concerned, having at least 2 acquaintances whether in school, at hospitals or clinics, in government agencies or in panchayat increases confidence in panchayat, courts and state government while it decreases confidence in the police. Most of the variables capturing social participation do significantly increase confidence in all 5 public bodies and sometimes in quite large amount as belonging to self help group. This is very much in accordance with the literature on social capital as outlined in the introduction and theoretical predictions according to which social activities increase the number of repeated interactions thereby mitigating the free rider problem and fostering cooperation. For instance, participation to the local political life through panchayat meeting attendance

³ For instance see Alesina and La Ferrara (2002) in the US context

significantly increases confidence in all selected public bodies but courts, which makes a lot of sense. Households which were members of self-help groups or NGOs had a higher likelihood of having “a great deal of confidence” and a lower likelihood of having “hardly any confidence”, towards all five public bodies⁴. However, households which were members of religious or social groups had a *lower* likelihood of having "a great of confidence", and a *higher* likelihood of having "hardly any confidence", towards both state government and *panchayats*.⁵ Membership of trade unions did not exert a significant effect on the degree of confidence felt towards politicians, state governments, or *panchayats*, but households with trade union membership had a *higher* likelihood of having "a great of confidence", and a *lower* likelihood of having "hardly any confidence", towards the police and the courts.

Income does not significantly influence confidence in any of the 5 selected public bodies. This is contrary to previous studies and rather unexpected. However, when the income variable is replaced by a dummy that indicates whether the household is below the poverty line, this variable becomes highly significant (table 10 in appendix) and negative. Therefore, the income effect is not linear and only being at the very bottom of the income distribution is relevant. The fact that poor are less confident is rather intuitive and may be a testimonial that policies in India are more felt as oriented towards specific groups (reservation policies and the likes) than the broad “poor” category.

Other studies have shown that education improves trust⁶. In this study we are able to distinguish between low level of education as proxied by the presence of a literate individual in the households and higher levels of education. While relatively low levels of education significantly increase confidence in nearly all of the selected public bodies, higher levels reduce confidence only in politicians and courts. Thus, the level of education that significantly matters as far as confidence is concerned is basic education in this context.

Finally, the number of years spent in the locality has a significant effect, although the odds ratio is close to one, suggesting that the effect is close to nil.

⁴ Except that membership of NGOs had no significant effect on the degree of confidence towards courts. For more details please refer to table 11 in appendix that displays marginal probabilities.

⁵ Except that membership of religious or social groups had a significant positive effect on the degree of confidence towards politicians.

⁶ See for instance, Helliwell and Putnam (2007) or Alesina and La Ferrara (2002)

Tab - 3: Confidence equations – Base Specification - Odds ratios

		Confidence in									
		(Politicians)		(Police)		(state government)		(Panchayat)		(courts)	
Groups		Coeff.	p-value	Coeff.	p-value	Coeff.	p-value	Coeff.	p-value	Coeff.	p-value
	Muslim	0.925**	(0.029)	1.019	(0.575)	1.029	(0.414)	1.271***	(0.000)	1.070*	(0.064)
	OBC	0.900***	(0.000)	0.805***	(0.000)	0.784***	(0.000)	1.018	(0.494)	0.894***	(0.000)
	Adivasi	0.736***	(0.000)	0.646***	(0.000)	0.766***	(0.000)	0.985	(0.722)	0.941	(0.162)
	Dalit	0.968	(0.321)	0.938**	(0.042)	0.818***	(0.000)	1.007	(0.814)	0.981	(0.569)
Acquaintances	1 acquaintance	0.997	(0.914)	1.045	(0.110)	0.909***	(0.001)	0.998	(0.932)	0.963	(0.194)
	2 acquaintances	0.959	(0.209)	1.095***	(0.004)	0.858***	(0.000)	0.866***	(0.000)	0.903***	(0.002)
	3 acquaintances	0.980	(0.549)	1.166***	(0.000)	0.890***	(0.000)	0.843***	(0.000)	0.819***	(0.000)
	4 acquaintances	1.063	(0.420)	1.459***	(0.000)	0.974	(0.724)	0.949	(0.492)	0.831**	(0.022)
Social Participation	Member Union/Busns	0.863***	(0.003)	0.757***	(0.000)	1.043	(0.384)	1.125**	(0.012)	0.767***	(0.000)
	Member Self Help	0.692***	(0.000)	0.577***	(0.000)	0.802***	(0.000)	0.936*	(0.060)	0.837***	(0.000)
	Member Relig/Social	0.885***	(0.000)	1.197***	(0.000)	1.066**	(0.036)	1.110***	(0.001)	1.017	(0.602)
	Member Development/NGO	0.614***	(0.000)	0.709***	(0.000)	0.902	(0.166)	0.930	(0.332)	1.031	(0.697)
	Member Cooperative	1.211***	(0.001)	1.054	(0.352)	0.992	(0.895)	0.756***	(0.000)	1.091	(0.142)
	Official in panchayat	0.881***	(0.000)	0.893***	(0.001)	0.953	(0.164)	0.787***	(0.000)	0.888***	(0.001)
	Attended panchayat meeting	0.848***	(0.000)	0.852***	(0.000)	0.888***	(0.000)	0.757***	(0.000)	1.009	(0.740)
Controls	HH Total income	1.000**	(0.039)	1.000*	(0.070)	1.000	(0.917)	1.000	(0.212)	1.000*	(0.096)
	Any literate in hhld	0.983	(0.617)	0.938**	(0.049)	0.902***	(0.002)	0.926**	(0.019)	0.867***	(0.000)
	Highest level of education in hhld: medium (class 5 to matric)	0.971	(0.361)	0.934**	(0.030)	0.975	(0.427)	0.926**	(0.015)	1.071**	(0.042)
	Highest level of education in hhld: high (matric +)	1.067*	(0.073)	0.955	(0.182)	1.050	(0.161)	0.951	(0.150)	1.125***	(0.001)
	Urban non slum	1.088***	(0.004)	0.935**	(0.017)	1.038	(0.186)	1.213***	(0.000)	1.122***	(0.000)
	Urban slum	1.352***	(0.000)	0.846**	(0.034)	1.145*	(0.085)	1.280***	(0.002)	0.720***	(0.000)
	Main income source: salaried	1.047	(0.185)	0.919**	(0.011)	1.072**	(0.039)	0.996	(0.914)	1.071*	(0.054)
	Main income source: trade	1.033	(0.385)	0.976	(0.492)	1.130***	(0.001)	1.042	(0.256)	1.125***	(0.002)
	Main income source: labour	1.071**	(0.025)	0.936**	(0.025)	1.178***	(0.000)	1.062**	(0.042)	1.076**	(0.022)
	Nb of years in place	1.001*	(0.094)	1.001*	(0.070)	1.000	(0.632)	0.999***	(0.000)	0.999***	(0.009)
Observations		34787		34736		34524		34456		33264	

P values in parentheses; * significant at 10%; ** significant at 5%; *** significant at 1%; Reference categories; Non-muslim; High caste; No acquaintance; Main income source: agriculture; Rural

4.1.2. Robustness checks

Three types of robustness checks have been performed. First, as in any subjective analysis answers may be influenced by individuals' unobservables such as innate optimism. Second, the individual's perception of his own experience may also be influential. If the individual feels that his situation has been deteriorating, he may not trust official institutions in improving his living. Both features, whether innate optimism or experience is captured by the answer to the following question: "Compared to 10 years ago, would you say your household is economically doing the same, better, or worse today". Two binary variables were then entered into the equation that take the value 1 if the individual answered better and 1 if he answered worse. The reference category is therefore "same". Results are presented in specifications (2) to (5) of tables 4 to 8.

Third, confidence in public bodies may be largely influenced by three types of context characteristics such as (a) the perception of conflict in village and (b) regional characteristics. For instance, households may be less confident in institutions if they experience conflicts. Households were asked if there was conflict in the village they lived both in the context of general conflict and in the context of inter-caste conflict: 54% of households reported that there was no conflict, with 71% claiming there was no inter-caste conflict, in their villages. Answers to these questions are incorporated in the base specification and results are presented in specifications (3) to (5) of tables 4 to 8. As far as regional characteristics are concerned, households may feel more confident in public institutions for improving their welfare in regions that are doing economically well. To control for this aspect, regional⁷ fixed effects and state fixed effects are introduced. Results are presented in specifications (4) and (5) respectively of tables 4 to 8. Base specification is presented for comparison purposes in the first column of tables 4 to 8.

The effect of group belonging on confidence in politicians, the police and the state government are unchanged by these various inclusions. Being from an OBC, Adivasi or Dalit caste significantly increases trust in the police and the state government, while confidence in politicians is only influenced by being from an OBC or Adivasi caste or being Muslim. However, coefficients associated with belonging to an OBC, Adivasi or Dalit castes become significant and positive after the inclusion of regional and state fixed effects while the negative impact of being Muslim on confidence is robust to the various specifications. As far as confidence in courts is concerned, only belonging to an OBC caste has a robust significant and positive effect.

The positive effect of social participation on confidence in politicians and the police is robust to the inclusion of additional controls and fixed effects, while it has either a mixed or little or non robust effect on confidence in state government, panchayats and courts. Symmetrically, acquaintances matter for confidence in courts, panchayats and state government. The effect is positive and robust, while it is negative and robust for the police and politicians.

⁷ 5 regional dummies were created: central that encompass Bihar, Madhya Pradesh, Rajasthan, Uttar Pradesh, Chattisgarh and Jharkhand. South includes Andhra Pradesh, Karnataka, Kerala and Tamil Nadu. West includes Maharashtra and Gujarat. East in Orissa, West Bengal, Assam, North Eastern states. Finally North is composed of Jammu and Kashmir, Himachal Pradesh, Uttarkhand, Punjab, Haryana and Delhi

Compared to individuals who perceived no change in their living conditions over the past 10 years, those who felt that their situations have worsened have less confidence in all five public bodies. Conversely, those who feel their situations have improved are more confident in all the selected institutions. This is in accordance with the results obtained in different context where individual economic success is associated with greater trust while difficult times induce a less trustful behaviour.

Finally, the perceived level of conflict has a differing effect depending on whether it is caste based or not. Compared to households who perceive a highly conflicting environment, those who think conflicts are either occasional or absent tend to have significantly less confidence in all public bodies, which is somewhat surprising and again speaks well of how institutions are perceived in managing difficult situations. This effect is probably one of the largest (*quantify with marginal probabilities*). On the other hand, compared to households who feel that caste based conflict is extremely frequent, only those who see no caste based conflict in their localities have significantly more confidence in public bodies.

Compared to households living in the Central region, households in the Southern and the Western regions - the two most developed regions in India - had a *higher* likelihood of having "a great of confidence", and a *lower* likelihood of having "hardly any confidence", towards all five public bodies: politicians, state government, *panchayats*, police, and the courts. Again, compared to households living in the Central region, households in all the other regions had a *higher* likelihood of having "a great of confidence", and a *lower* likelihood of having "hardly any confidence" towards the police and the courts. However, compared to households in other parts of India, households in the Northern region had less confidence in politicians and the state government while, under the same comparison, households in the Eastern region had less confidence in *panchayats*.

Tab - 4: Confidence in politicians – Robustness checks - Odds ratios

		(1)		(2)		(3)		(4)		(5)	
		Coeff.	p-values								
Groups	Muslim	0.922**	(0.022)	0.917**	(0.015)	0.926**	(0.031)	0.919**	(0.021)	0.915**	(0.017)
	OBC	0.900***	(0.000)	0.899***	(0.000)	0.890***	(0.000)	0.901***	(0.000)	0.952*	(0.082)
	Adivasi	0.727***	(0.000)	0.741***	(0.000)	0.721***	(0.000)	0.759***	(0.000)	0.909**	(0.044)
	Dalit	0.967	(0.310)	0.967	(0.315)	0.966	(0.294)	0.950	(0.134)	0.964	(0.283)
Acquaintances	1 acquaintance	1.000	(0.987)	1.022	(0.446)	1.009	(0.755)	1.009	(0.763)	1.051*	(0.099)
	2 acquaintances	0.963	(0.255)	0.992	(0.802)	0.964	(0.270)	0.942*	(0.078)	0.995	(0.880)
	3 acquaintances	0.982	(0.594)	1.026	(0.448)	1.003	(0.921)	0.929**	(0.035)	1.018	(0.624)
	4 acquaintances	1.062	(0.423)	1.130	(0.106)	1.105	(0.190)	1.038	(0.632)	1.090	(0.275)
Social participation	Member Union/Busns	0.859***	(0.002)	0.858***	(0.002)	0.868***	(0.004)	0.949	(0.302)	0.945	(0.281)
	Member Self Help	0.693***	(0.000)	0.707***	(0.000)	0.685***	(0.000)	0.822***	(0.000)	0.824***	(0.000)
	Member Relig/Social	0.885***	(0.000)	0.879***	(0.000)	0.868***	(0.000)	0.956	(0.161)	1.160***	(0.000)
	Member Development/NGO	0.613***	(0.000)	0.623***	(0.000)	0.614***	(0.000)	0.631***	(0.000)	0.729***	(0.000)
	Member Cooperative	1.213***	(0.001)	1.245***	(0.000)	1.236***	(0.000)	1.336***	(0.000)	1.274***	(0.000)
	Official in panchayat	0.881***	(0.000)	0.873***	(0.000)	0.862***	(0.000)	0.860***	(0.000)	0.893***	(0.002)
	Attended Panchayat meeting	0.848***	(0.000)	0.860***	(0.000)	0.861***	(0.000)	0.878***	(0.000)	0.895***	(0.000)
Additional controls	Change over 10 years: things better			0.768***	(0.000)	0.775***	(0.000)	0.785***	(0.000)	0.834***	(0.000)
	Change over 10 years: things worse			1.194***	(0.000)	1.194***	(0.000)	1.167***	(0.000)	1.168***	(0.000)
	Some conflict in village					1.355***	(0.000)	1.504***	(0.000)	1.594***	(0.000)
	No conflict in village					1.465***	(0.000)	1.646***	(0.000)	1.746***	(0.000)
	Some conflict among jatis					0.930	(0.219)	0.941	(0.310)	0.910	(0.118)
No conflict among jatis					0.703***	(0.000)	0.723***	(0.000)	0.735***	(0.000)	
Fixed Effects	No		No		No		Regional		State		
Observations	34787		34764		34546		34546		34546		

p values in parentheses; * significant at 10%; ** significant at 5%; *** significant at 1%

Reference categories; Non-muslim; High caste; No acquaintance; Main income source: agriculture; Rural; Change over 10 years: same; Conflict in village a lot; Conflict among jatis a lot; central region.

Other controls include: hhl below poverty line, education variables, urban, income sources and nb of years in locality

Tab - 5: Confidence in police – Robustness checks - Odds ratio

		(1)		(2)		(3)		(4)		(5)	
		Coeff.	p-values								
Groups	muslim	1.010	(0.766)	1.008	(0.822)	1.003	(0.938)	0.977	(0.508)	0.894***	(0.002)
	OBC	0.802***	(0.000)	0.801***	(0.000)	0.796***	(0.000)	0.801***	(0.000)	0.926***	(0.005)
	Adivasi	0.629***	(0.000)	0.636***	(0.000)	0.628***	(0.000)	0.627***	(0.000)	0.808***	(0.000)
	Dalit	0.933**	(0.027)	0.933**	(0.027)	0.922**	(0.010)	0.895***	(0.001)	0.933**	(0.034)
Acquaintances	1 acquaintance	1.053*	(0.062)	1.071**	(0.014)	1.057**	(0.046)	1.062**	(0.033)	1.074**	(0.013)
	2 acquaintances	1.105***	(0.002)	1.132***	(0.000)	1.102***	(0.003)	1.082**	(0.015)	1.093***	(0.008)
	3 acquaintances	1.179***	(0.000)	1.220***	(0.000)	1.209***	(0.000)	1.104***	(0.003)	1.092**	(0.012)
	4 acquaintances	1.476***	(0.000)	1.543***	(0.000)	1.574***	(0.000)	1.517***	(0.000)	1.397***	(0.000)
Social participation	Member Union/Busns	0.753***	(0.000)	0.752***	(0.000)	0.753***	(0.000)	0.882***	(0.009)	0.883**	(0.014)
	Member Self Help	0.578***	(0.000)	0.586***	(0.000)	0.580***	(0.000)	0.817***	(0.000)	0.900***	(0.005)
	Member Relig/Social Development/NGO	1.201***	(0.000)	1.197***	(0.000)	1.185***	(0.000)	1.332***	(0.000)	1.365***	(0.000)
	Member Cooperative	1.061	(0.294)	1.083	(0.158)	1.064	(0.274)	1.263***	(0.000)	1.201***	(0.002)
	Official in panchayat	0.891***	(0.001)	0.886***	(0.000)	0.873***	(0.000)	0.861***	(0.000)	0.916**	(0.013)
	Attended panchayat	0.852***	(0.000)	0.862***	(0.000)	0.875***	(0.000)	0.918***	(0.001)	0.907***	(0.000)
	Change over 10 years: things better			0.825***	(0.000)	0.820***	(0.000)	0.843***	(0.000)	0.869***	(0.000)
Additional controls	Change over 10 years: things worse			1.147***	(0.000)	1.142***	(0.000)	1.079**	(0.017)	1.125***	(0.000)
	Some conflict in village					1.239***	(0.000)	1.425***	(0.000)	1.461***	(0.000)
	No conflict in village					1.053	(0.100)	1.264***	(0.000)	1.295***	(0.000)
	Some conflict among jatis					0.951	(0.349)	0.902*	(0.059)	0.855***	(0.005)
	No conflict among jatis					0.741***	(0.000)	0.728***	(0.000)	0.690***	(0.000)
Fixed Effects	No		No		No		Regional		State		
Observations	34736		34713		34498		34498		34498		

p values in parentheses ; * significant at 10%; ** significant at 5%; *** significant at 1%

Reference categories; Non-muslim; High caste; No acquaintance; Main income source: agriculture; Rural; Change over 10 years: same; Conflict in village a lot; Conflict among jatis a lot; central region.

Other controls include: hhl below poverty line, education variables, urban, income sources and nb of years in locality

Tab - 6: Confidence in state government – Robustness checks - Odds ratio

		(1)		(2)		(3)		(4)		(5)	
		Coeff	p-values	Coeff	p-values	Coeff	p-values	Coeff	p-values	Coeff	p-values
Groups	Muslim	1.032	(0.363)	1.031	(0.378)	1.033	(0.349)	1.003	(0.937)	0.958	(0.238)
	OBC	0.786***	(0.000)	0.786***	(0.000)	0.782***	(0.000)	0.770***	(0.000)	0.901***	(0.000)
	Adivasi	0.773***	(0.000)	0.780***	(0.000)	0.768***	(0.000)	0.777***	(0.000)	0.914**	(0.049)
	Dalit	0.821***	(0.000)	0.821***	(0.000)	0.820***	(0.000)	0.791***	(0.000)	0.834***	(0.000)
Acquaintances	1 acquaintance	0.906***	(0.000)	0.914***	(0.001)	0.903***	(0.000)	0.909***	(0.001)	0.915***	(0.002)
	2 acquaintances	0.855***	(0.000)	0.862***	(0.000)	0.842***	(0.000)	0.842***	(0.000)	0.822***	(0.000)
	3 acquaintances	0.885***	(0.000)	0.899***	(0.001)	0.887***	(0.000)	0.854***	(0.000)	0.829***	(0.000)
	4 acquaintances	0.967	(0.647)	0.989	(0.884)	0.991	(0.908)	0.966	(0.640)	0.905	(0.195)
Social participation	Member Union/Busns	1.043	(0.385)	1.041	(0.403)	1.049	(0.325)	1.043	(0.384)	1.003	(0.956)
	Member Self Help	0.802***	(0.000)	0.809***	(0.000)	0.806***	(0.000)	0.801***	(0.000)	0.936*	(0.081)
	Member Relig/Social Member	1.065**	(0.040)	1.061*	(0.052)	1.055*	(0.081)	1.152***	(0.000)	1.132***	(0.000)
	Development/NGO	0.901	(0.159)	0.905	(0.180)	0.903	(0.172)	0.903	(0.170)	0.990	(0.905)
	Member Cooperative	0.990	(0.860)	0.998	(0.977)	0.983	(0.771)	1.078	(0.197)	1.093	(0.134)
	Official in panchayat	0.955	(0.178)	0.952	(0.151)	0.940*	(0.076)	0.935*	(0.051)	0.980	(0.565)
	Attended meeting	0.888***	(0.000)	0.893***	(0.000)	0.901***	(0.000)	0.877***	(0.000)	0.833***	(0.000)
	Additional controls	Change over 10 years: things better			0.916***	(0.000)	0.919***	(0.000)	0.932***	(0.003)	0.951**
Change over 10 years: things worse			1.098***	(0.003)	1.098***	(0.003)	1.082**	(0.014)	1.106***	(0.002)	
Some conflict in village					1.372***	(0.000)	1.384***	(0.000)	1.275***	(0.000)	
No conflict in village					1.147***	(0.000)	1.120***	(0.000)	1.045	(0.193)	
Some conflict among jatis					0.961	(0.467)	0.980	(0.721)	1.001	(0.984)	
No conflict among jatis					0.857***	(0.004)	0.899**	(0.045)	0.909*	(0.077)	
Fixed Effects		No		No		No		Regional		State	
Observations		34524		34500		34283		34283		34283	

p values in parentheses ; * significant at 10%; ** significant at 5%; *** significant at 1%

Reference categories; Non-muslim; High caste; No acquaintance; Main income source: agriculture; Rural; Change over 10 years: same; Conflict in village a lot; Conflict among jatis a lot; central region.

Other controls include: hhl below poverty line, education variables, urban, income sources and nb of years in locality

Tab - 7: Confidence in Panchayat – Robustness checks - Odds ratio

		(1)		(2)		(3)		(4)		(5)	
		Coeff	p-values								
Groups	muslim	1.259***	(0.000)	1.258***	(0.000)	1.265***	(0.000)	1.159***	(0.000)	1.100***	(0.008)
	OBC	1.013	(0.605)	1.012	(0.634)	1.003	(0.892)	0.974	(0.311)	0.942**	(0.027)
	Adivasi	0.957	(0.285)	0.971	(0.479)	0.951	(0.227)	0.875***	(0.002)	0.859***	(0.001)
	Dalit	1.000	(0.989)	1.001	(0.987)	0.991	(0.782)	0.934**	(0.034)	0.943*	(0.072)
Acquaintances	1 acquaintance	1.006	(0.821)	1.022	(0.430)	1.004	(0.893)	1.034	(0.230)	1.032	(0.269)
	2 acquaintances	0.876***	(0.000)	0.892***	(0.000)	0.863***	(0.000)	0.902***	(0.001)	0.888***	(0.000)
	3 acquaintances	0.854***	(0.000)	0.878***	(0.000)	0.855***	(0.000)	0.870***	(0.000)	0.880***	(0.000)
	4 acquaintances	0.965	(0.638)	0.999	(0.986)	0.990	(0.891)	1.047	(0.550)	1.023	(0.769)
Social participation	Member Union/Busns	1.121**	(0.015)	1.119**	(0.017)	1.114**	(0.023)	1.064	(0.198)	0.979	(0.669)
	Member Self Help	0.936*	(0.063)	0.949	(0.140)	0.936*	(0.063)	0.877***	(0.000)	0.962	(0.311)
	Member Relig/Social Member	1.113***	(0.000)	1.107***	(0.001)	1.093***	(0.003)	1.147***	(0.000)	1.067*	(0.062)
	Development/NGO	0.934	(0.360)	0.940	(0.407)	0.935	(0.374)	0.870*	(0.065)	1.010	(0.909)
	Member Cooperative	0.761***	(0.000)	0.773***	(0.000)	0.764***	(0.000)	0.904*	(0.087)	0.908	(0.105)
	Official in panchayat	0.784***	(0.000)	0.780***	(0.000)	0.771***	(0.000)	0.758***	(0.000)	0.765***	(0.000)
	Attended panchayat	0.757***	(0.000)	0.765***	(0.000)	0.774***	(0.000)	0.739***	(0.000)	0.704***	(0.000)
Additional controls	Change over 10 years: things better			0.888***	(0.000)	0.894***	(0.000)	0.935***	(0.004)	0.954*	(0.050)
	Change over 10 years: things worse			1.239***	(0.000)	1.244***	(0.000)	1.191***	(0.000)	1.183***	(0.000)
	Some conflict in village					1.510***	(0.000)	1.427***	(0.000)	1.427***	(0.000)
	No conflict in village					1.252***	(0.000)	1.145***	(0.000)	1.096***	(0.007)
	Some conflict among jatis					0.871**	(0.014)	0.826***	(0.001)	0.829***	(0.001)
	No conflict among jatis					0.700***	(0.000)	0.711***	(0.000)	0.771***	(0.000)
Fixed effects	No		No		No		Regional		State		
Observations	34456		34433		34216		34216		34216		

p values in parentheses ; * significant at 10%; ** significant at 5%; *** significant at 1%

Reference categories; Non-muslim; High caste; No acquaintance; Main income source: agriculture; Rural; Change over 10 years: same; Conflict in village a lot; Conflict among jatis a lot; central region.

Other controls include: hhl below poverty line, education variables, urban, income sources and nb of years in locality

Tab - 8: Confidence in courts – Robustness checks - Odds ratio

		(1)		(2)		(3)		(4)		(5)	
		Coeff	p-values	Coeff	p-values	Coeff	p-values	Coeff	p-values	Coeff	p-values
Groups	Muslim	1.064*	(0.090)	1.066*	(0.082)	1.070*	(0.066)	1.038	(0.312)	1.019	(0.613)
	OBC	0.889***	(0.000)	0.888***	(0.000)	0.888***	(0.000)	0.878***	(0.000)	0.931**	(0.012)
	Adivasi	0.926*	(0.082)	0.939	(0.156)	0.920*	(0.062)	0.899**	(0.018)	0.960	(0.408)
	Dalit	0.974	(0.432)	0.976	(0.465)	0.978	(0.517)	0.956	(0.180)	0.943*	(0.090)
Acquaintances	1 acquaintance	0.967	(0.253)	0.981	(0.517)	0.968	(0.265)	0.973	(0.349)	0.981	(0.528)
	2 acquaintances	0.910***	(0.005)	0.924**	(0.019)	0.904***	(0.003)	0.905***	(0.003)	0.876***	(0.000)
	3 acquaintances	0.829***	(0.000)	0.852***	(0.000)	0.837***	(0.000)	0.816***	(0.000)	0.778***	(0.000)
	4 acquaintances	0.847**	(0.041)	0.876	(0.103)	0.867*	(0.079)	0.864*	(0.073)	0.804***	(0.010)
Social participation	Member Union/Busns	0.770***	(0.000)	0.767***	(0.000)	0.761***	(0.000)	0.773***	(0.000)	0.774***	(0.000)
	Member Self Help	0.837***	(0.000)	0.850***	(0.000)	0.842***	(0.000)	0.892***	(0.004)	0.964	(0.375)
	Member Relig/Social Member	1.019	(0.550)	1.013	(0.689)	1.003	(0.914)	1.036	(0.275)	1.090**	(0.018)
	Development/NGO	1.036	(0.646)	1.042	(0.595)	1.048	(0.549)	1.034	(0.669)	0.894	(0.201)
	Member Cooperative	1.097	(0.122)	1.114*	(0.072)	1.108*	(0.087)	1.211***	(0.002)	1.213***	(0.002)
	Official in panchayat	0.885***	(0.001)	0.880***	(0.001)	0.871***	(0.000)	0.866***	(0.000)	0.873***	(0.000)
	Attended meeting	1.009	(0.719)	1.020	(0.431)	1.022	(0.400)	1.025	(0.339)	1.076***	(0.008)
	Additional controls	Change over 10 years: things better			0.906***	(0.000)	0.915***	(0.000)	0.935***	(0.007)	0.959*
Change over 10 years: things worse			1.299***	(0.000)	1.305***	(0.000)	1.266***	(0.000)	1.272***	(0.000)	
Some conflict in village					1.406***	(0.000)	1.417***	(0.000)	1.397***	(0.000)	
No conflict in village					1.278***	(0.000)	1.284***	(0.000)	1.244***	(0.000)	
Some conflict among jatis					1.056	(0.358)	1.026	(0.663)	1.039	(0.529)	
No conflict among jatis					0.897*	(0.056)	0.902*	(0.069)	0.916	(0.127)	
Fixed effect	No	No	No	Regional	State						
Observations	33264	33241	33030	33030	33030						

p values in parentheses ; * significant at 10%; ** significant at 5%; *** significant at 1%

Reference categories; Non-muslim; High caste; No acquaintance; Main income source: agriculture; Rural; Change over 10 years: same; Conflict in village a lot; Conflict among jatis a lot; central region.

Other controls include: hhl below poverty line, education variables, urban, income sources and nb of years in locality

4.1.3. Magnitude of the effects

A natural question to ask from the ordered logit model is how the probabilities of the *different degrees of confidence* would *change* in response to a change in the value of one of the variables. These probabilities are termed *marginal probabilities*. For discrete variables, the marginal probabilities refer to *changes* in the outcome probabilities consequent upon a move from the residual category for that variable to the category in question, *the values of the other variables remaining unchanged*. For continuous variables, the marginal probabilities refer to *changes* in the outcome probabilities consequent upon a unit change in the value of the variable, *the values of the other variables remaining unchanged*.

Table 11 in appendix presents the effect of a unit change in the variable of interest on the probability of having hardly any confidence and a great deal of confidence in the selected public bodies. Naturally, the sum of the marginal probabilities for the 3 outcomes is 0, thus marginal probabilities of having some confidence can be computed based on the probabilities for the two other outcomes.

First, the overall marginal probabilities for the selected independent variables are relatively small for confidence in panchayats and courts. Second, groups belonging and the social participation variables influences the likelihood of having no confidence vs. some or a great deal of confidence as marginal probabilities become positive for the second outcome. On the other hand, the effect of having acquaintances seems to influence rather the probability of having a great deal of confidence as opposed to some or little and the effect is about 1.5% to 2%. Third, groups belongings have the strongest effect together with the social participation variables taken as a whole. Being from an OBC caste reduces the likelihood of having little confidence in politicians, the police and the state government by about 3% to 4% on average and with respect to politicians, the police and the state government. Being from an Adivasi group reduces the same likelihood by about 5 to 8%. The largest effect is found for being a member of a development or NGO as it decreases by 11% the likelihood of having little confidence in politicians, by 7% in the police and 3% in panchayat. This again, speaks well of the endeavours in economic development public policies.

5. Voting behaviour

Table 9 presents the estimates for the voting equation. The dependent variable takes the value 1 if the individual cast a ballot during the 2004 national election. Specification (1) is the basic one, specification (2) introduces the variables that account for the household assessment of the change in their welfare over the past decade. Specification (3) includes variables about the perceived level of conflict whether caste based or not. Specifications (4) and (5) include regional and state fixed effects respectively.

Recall that confidence variables are coded 1 if the household has a great deal of confidence and 3 if they expressed little confidence. Thus, as odds ratios are below unity the higher the confidence variables (i.e. little confidence) the more likely is the dependent variable to take a value of 0 (i.e. did not vote). Thus and as expected, the more confidence

households have in state government, panchayat and courts, the higher the likelihood that they voted. This effect is robust to the inclusion of additional controls and state fixed effects, although this last specification is quite demanding. However, the effect is not large as switching from hardly any confidence to a great deal increases the likelihood to vote by about 1% to 2%. On the other hand, the less confidence they have in politicians the more likely they are to vote, although this effect is not robust to the inclusion of state fixed effects and is again quite small (about 1% switching from the lowest category to the highest).

However, discriminated groups, once confidence in various institutions is controlled for tend to vote less. Being from an OBC or an Adivasi group decreases the likelihood to vote by 2% while being either Dalit or Muslim has no significant effect compared to the reference group. However, the influence of the groups' variables is not robust to the inclusion of state fixed effects, probably as Adivasis tend to be in majority in very specific states. With respect to social capital variables, results are mixed. On the one hand, having acquaintances has a positive and robust effect on the probability to vote (an increase by 1 to 2% on the likelihood to vote). On the other hand, being a member of a union or business group, or of a cooperative or development has a negative and somewhat robust effect on the likelihood to vote (an effect of about 2%), while being a member of a religious or social group or panchayat meeting attendance is positively associated with voting (a marginal effect of 1 and 3% respectively). It makes a lot of sense that being involved in the polity management through attendance to local councils increases political participation through voting.

With respect to the various controls, the effects are as expected. Higher levels of education positively influence the probability to vote, while having an income below the poverty line has a non robust effect. Households who felt that their circumstances had improved over the last 10 years were more likely to vote compared to those who felt their circumstances had not changed, and the latter were more likely to vote compared to households who felt that their circumstances had deteriorated over the past decade. The presence of conflict acted as a disincentive to vote. *Ceteris paribus*, households who did not think there was any conflict in their village –either general or inter-castes- were most inclined to vote, followed by households who thought there was some conflict, with households who thought there was a lot of conflict being the least inclined to vote. The effect of the variables capturing the assessed change in welfare and perceived conflict are robust to state and regional fixed effects.

Tab - 9: Voting equation – Odds ratio

		(1)		(2)		(3)		(4)		(5)	
		Coeff	p-values	Coeff.	p-values	Coeff.	p-values	Coeff.	p-values	Coeff.	p-values
Groups	Muslim	0.981	(0.760)	0.978	(0.725)	0.978	(0.733)	0.996	(0.955)	0.969	(0.645)
	OBC	0.805***	(0.000)	0.807***	(0.000)	0.811***	(0.000)	0.770***	(0.000)	0.930	(0.174)
	Adivasi	0.767***	(0.001)	0.760***	(0.000)	0.769***	(0.001)	0.805***	(0.006)	0.862	(0.106)
	Dalit	0.957	(0.464)	0.956	(0.459)	0.985	(0.803)	0.985	(0.805)	1.039	(0.555)
Confidence	Confidence: Politicians	1.101***	(0.002)	1.111***	(0.001)	1.104***	(0.002)	1.119***	(0.000)	1.037	(0.290)
	Confidence: Police	0.955	(0.140)	0.958	(0.166)	0.972	(0.362)	1.044	(0.179)	0.996	(0.918)
	Confidence: State govt	0.917***	(0.006)	0.915***	(0.005)	0.913***	(0.004)	0.895***	(0.000)	0.913***	(0.007)
	Confidence: Panchayats	0.873***	(0.000)	0.877***	(0.000)	0.881***	(0.000)	0.885***	(0.000)	0.921**	(0.010)
	Confidence: Courts	0.870***	(0.000)	0.877***	(0.000)	0.869***	(0.000)	0.868***	(0.000)	0.841***	(0.000)
Acquaintances	1 acquaintance	1.182***	(0.001)	1.162***	(0.004)	1.163***	(0.004)	1.149***	(0.009)	1.194***	(0.001)
	2 acquaintances	1.333***	(0.000)	1.311***	(0.000)	1.340***	(0.000)	1.311***	(0.000)	1.438***	(0.000)
	3 acquaintances	1.056	(0.363)	1.027	(0.656)	1.026	(0.676)	1.025	(0.691)	1.570***	(0.000)
	4 acquaintances	0.968	(0.842)	0.935	(0.675)	0.907	(0.550)	0.889	(0.471)	2.020***	(0.001)
Social participation	Member Union/Busns	0.778***	(0.002)	0.782***	(0.002)	0.818**	(0.015)	0.743***	(0.000)	1.001	(0.996)
	Member Self Help	0.954	(0.484)	0.941	(0.364)	0.932	(0.295)	0.777***	(0.000)	1.044	(0.610)
	Member Relig/Social	1.135**	(0.030)	1.139**	(0.026)	1.151**	(0.017)	1.149**	(0.020)	1.325***	(0.000)
	Member Development/NGO	0.633***	(0.000)	0.627***	(0.000)	0.621***	(0.000)	0.652***	(0.000)	0.551***	(0.000)
	Member Cooperative	0.506***	(0.000)	0.495***	(0.000)	0.495***	(0.000)	0.442***	(0.000)	0.412***	(0.000)
	Official in panchayat	1.283***	(0.002)	1.291***	(0.001)	1.295***	(0.001)	1.296***	(0.001)	1.208**	(0.026)
	Attended panchayat meeting	1.552***	(0.000)	1.540***	(0.000)	1.493***	(0.000)	1.521***	(0.000)	1.664***	(0.000)

Table continues on next page.

Fixed effects	No	No	No	Regional	State
Observations	32740	32717	32509	32509	32196

p values in parentheses ; * significant at 10%; ** significant at 5%; *** significant at 1%

Reference group: ; Non-muslim; High caste; No acquaintance; Main income source: agriculture; Rural; Change over 10 years: same; Conflict in village a lot; Conflict among jatis a lot; central region.

Tab - 9: Voting equation (continued) – Odds ratio

		(1)		(2)		(3)		(4)		(5)	
		Coeff	p-values	Coeff.	p-values	Coeff.	p-values	Coeff.	p-values	Coeff.	p-values
Controls	Below poverty line	1.076	(0.129)	1.099**	(0.048)	1.094*	(0.062)	1.154***	(0.003)	1.032	(0.553)
	Any literate in hhld	1.021	(0.732)	1.009	(0.887)	1.012	(0.846)	1.026	(0.671)	1.011	(0.861)
	Highest level of education in hhld: medium (class 5 to matric)	1.234***	(0.000)	1.217***	(0.001)	1.181***	(0.005)	1.163**	(0.011)	1.091	(0.169)
	Highest level of education in hhld: high (matric +)	1.308***	(0.000)	1.265***	(0.000)	1.237***	(0.001)	1.217***	(0.003)	1.158**	(0.034)
	Urban non slum	1.033	(0.527)	1.024	(0.646)	1.027	(0.607)	1.016	(0.757)	0.970	(0.605)
	Urban slum	0.829	(0.125)	0.823	(0.112)	0.916	(0.494)	0.846	(0.198)	0.946	(0.686)
	Main income source: salaried	0.709***	(0.000)	0.705***	(0.000)	0.698***	(0.000)	0.712***	(0.000)	0.807***	(0.002)
	Main income source: trade	0.908	(0.175)	0.911	(0.189)	0.908	(0.177)	0.913	(0.208)	1.155*	(0.064)
	Main income source: labour	0.874**	(0.022)	0.888**	(0.046)	0.882**	(0.035)	0.833***	(0.002)	0.997	(0.961)
	Nb of years in place	1.008***	(0.000)	1.008***	(0.000)	1.009***	(0.000)	1.009***	(0.000)	1.010***	(0.000)
	Change over 10 years: things better			1.134***	(0.004)	1.146***	(0.002)	1.115**	(0.015)	1.016	(0.739)
	Change over 10 years: things worse			0.817***	(0.000)	0.824***	(0.000)	0.846***	(0.003)	0.881**	(0.035)
	Some conflict in village					1.192***	(0.004)	1.137**	(0.036)	1.189***	(0.008)
	No conflict in village					1.342***	(0.000)	1.260***	(0.000)	1.640***	(0.000)
	Some conflict among jatis					1.139	(0.150)	1.217**	(0.031)	1.130	(0.203)
No conflict among jatis					1.405***	(0.000)	1.448***	(0.000)	1.355***	(0.001)	
Fixed effects		No		No		No		Regional		State	
Observations		32740		32717		32509		32509		32196	

p values in parentheses ; * significant at 10%; ** significant at 5%; *** significant at 1%

Reference group: ; Non-muslim; High caste; No acquaintance; Main income source: agriculture; Rural; Change over 10 years: same; Conflict in village a lot; Conflict among jatis a lot; central region.

4. CONCLUSIONS

The level of confidence in public bodies is important, not only as it makes them more efficient but also, as this paper has shown as it strongly influences participation into the democratic process through voting. In accordance with previous results obtained in the context of developed countries, we show in the Indian setting that social capital, measured either through personal acquaintances or through social participation positively influences confidence in public bodies. However, we do not find evidence of a negative impact of belonging to groups that are discriminated against on confidence, au contraire. Being from a traditionally discriminated group tends to increase trust in most of the selected institutions. This may be attributable to the fact that the Indian government has for a long time been implementing strong affirmative action policies. Moreover, broadly speaking social capital positively influences propensity to vote.

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APPENDIX

Tab – 10 : Confidence equations – Base Specification - Odds ratios – Income variable replaced by below poverty line

Confidence in		(Politicians)		(Police)		(state gvt)		Co
		Coeff	p-values	Coeff	p-values	Coeff	p-values	
<i>Groups</i>	Muslim	0.922**	(0.022)	1.010	(0.766)	1.032	(0.363)	1.2
	OBC	0.900***	(0.000)	0.802***	(0.000)	0.786***	(0.000)	1.0
	Adivasi	0.727***	(0.000)	0.629***	(0.000)	0.773***	(0.000)	0.9
	Dalit	0.967	(0.310)	0.933**	(0.027)	0.821***	(0.000)	1.0
<i>Acquaintances</i>	1 acquaintance	1.000	(0.987)	1.053*	(0.062)	0.906***	(0.000)	1.0
	2 acquaintances	0.963	(0.255)	1.105***	(0.002)	0.855***	(0.000)	0.8
	3 acquaintances	0.982	(0.594)	1.179***	(0.000)	0.885***	(0.000)	0.8
	4 acquaintances	1.062	(0.423)	1.476***	(0.000)	0.967	(0.647)	0.9
<i>Social participation</i>	Member Union/Busns	0.859***	(0.002)	0.753***	(0.000)	1.043	(0.385)	1.1
	Member Self Help	0.693***	(0.000)	0.578***	(0.000)	0.802***	(0.000)	0.9
	Member Relig/Social	0.885***	(0.000)	1.201***	(0.000)	1.065**	(0.040)	1.1
	Member Development/NGO	0.613***	(0.000)	0.709***	(0.000)	0.901	(0.159)	0.9
	Member Cooperative	1.213***	(0.001)	1.061	(0.294)	0.990	(0.860)	0.7
	Official in panchayat	0.881***	(0.000)	0.891***	(0.001)	0.955	(0.178)	0.7
	Attended panchayat meeting	0.848***	(0.000)	0.852***	(0.000)	0.888***	(0.000)	0.7
<i>Controls</i>	Below poverty line	1.064**	(0.021)	1.120***	(0.000)	0.963	(0.152)	1.1
	Any literate in hhld	0.983	(0.612)	0.939*	(0.050)	0.902***	(0.002)	0.9
	Highest level of education in hhld: medium (class 5 to matric)	0.972	(0.381)	0.937**	(0.038)	0.974	(0.401)	0.9
	Highest level of education in hhld: high (matric +)	1.060	(0.100)	0.956	(0.188)	1.046	(0.195)	0.9
	Urban non slum	1.077**	(0.012)	0.922***	(0.004)	1.041	(0.155)	1.1
	Urban slum	1.335***	(0.001)	0.825**	(0.016)	1.154*	(0.070)	1.2
	Main income source: salaried	1.049	(0.171)	0.925**	(0.019)	1.069**	(0.049)	1.0
	Main income source: trade	1.034	(0.369)	0.979	(0.557)	1.128***	(0.001)	1.0
	Main income source: labour	1.070**	(0.028)	0.931**	(0.016)	1.180***	(0.000)	1.0
	Nb of years in place	1.001	(0.116)	1.001	(0.115)	1.000	(0.574)	0.9
	Observations		34787		34736		34524	

p values in parentheses ; * significant at 10%; ** significant at 5%; *** significant at 1%

Tab – 11: Confidence equations – Marginal probabilities

Confidence in	Politicians		Police		State government		I
	A great deal	Hardly any	A great deal	Hardly any	A great deal	Hardly any	
Groups							
Muslim	0,8%	-2,07%	0,39%	-0,45%	-0,05%	0,05%	-3,20%
	(0,024)	(0,021)	(0,510)	(0,506)	(0,937)	(0,937)	(0,000)
OBC	0,9%	-2,53%	3,76%	-4,31%	5,09%	-4,39%	0,006
	(0,000)	(0,000)	(0,000)	(0,000)	(0,000)	(0,000)	(0,311)
Adivasi	2,7%	-6,81%	8,64%	-8,34%	5,10%	-4,07%	3,01%
	(0,000)	(0,000)	(0,000)	(0,000)	(0,000)	(0,000)	(0,002)
Dalit	0,5%	-1,24%	1,89%	-2,16%	4,65%	-3,85%	1,51%
	(0,138)	(0,134)	(0,001)	(0,000)	(0,000)	(0,000)	(0,035)
Acquaintances							
1 acquaintance	-0,1%	0,2%	-1,0%	1,2%	1,9%	-1,6%	-0,7%
	(0,763)	(0,763)	(0,031)	(0,034)	(0,001)	(0,001)	(0,228)
2 acquaintances	0,5%	-1,5%	-1,3%	1,6%	3,4%	-2,8%	2,3%
	(0,083)	(0,079)	(0,014)	(0,017)	(0,000)	(0,000)	(0,002)
3 acquaintances	0,7%	-1,8%	-1,6%	2,0%	3,1%	-2,6%	3,1%

	(0,038)	(0,035)	(0,002)	(0,003)	(0,000)	(0,000)	(0,000)
4 acquaintances	-0,3%	0,9%	-6,2%	8,9%	0,7%	-0,6%	-1,0%
	(0,628)	(0,631)	(0,000)	(0,000)	(0,643)	(0,637)	(0,547)
Social participation							
Union/ Business	0,5%	-1,27%	2,1%	-2,48%	-0,8%	0,73%	-1,4%
	(0,303)	(0,302)	(0,009)	(0,009)	(0,384)	(0,384)	(0,198)
Self help group	1,8%	-4,79%	3,4%	-3,97%	4,3%	-3,80%	2,9%
	(0,000)	(0,000)	(0,000)	(0,000)	(0,000)	(0,000)	(0,000)
Member relig/social	0,4%	-1,10%	-4,5%	5,90%	-2,7%	2,49%	-3,0%
	(0,166)	(0,162)	(0,000)	(0,000)	(0,000)	(0,000)	(0,000)
Development/NGO	4,2%	-11,21%	5,5%	-6,48%	2,0%	-1,75%	3,1%
	(0,000)	(0,000)	(0,000)	(0,000)	(0,170)	(0,170)	(0,065)
Cooperative	-2,6%	7,05%	-3,9%	4,59%	-1,4%	1,29%	2,2%
	(0,000)	(0,000)	(0,000)	(0,000)	(0,197)	(0,197)	(0,087)
Know official in panchayat	1,4%	-3,68%	2,5%	-2,93%	1,3%	-1,16%	6,1%
	(0,000)	(0,000)	(0,000)	(0,000)	(0,051)	(0,051)	(0,000)
Attended panchayat meeting	1,2%	-3,2%	1,4%	-1,7%	2,6%	-2,2%	6,8%
	(0,000)	(0,000)	(0,001)	(0,000)	(0,000)	(0,000)	(0,000)

p values in parentheses