

# Religion, Minority Status and Trust: Evidence from a Field Experiment\*

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## Abstract

This paper reports the results from a field experiment conducted in Bangladesh and in West Bengal (India) to analyze the effect of multiple identities on trust behavior. These two regions are similar in terms of socio-economic characteristics, ethnicity and language but have different religious composition. Using this variation we examine whether identity based on religion or the relative status that it generates within the population affects trust. We find that in both locations individuals belonging to the minority group exhibit positive in-group bias in trust, while individuals belonging to the majority group in both countries show positive out-group bias in trustworthiness. Behavior is therefore driven by relative status. Differences in the behavior of religious and non-religious individuals can explain the observed patterns.

**Key words:** Trust, Religion, Status, In-group and Out-group, Field Experiment, South Asia.

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# 1 Introduction

Understanding how identity affects behavior is of considerable importance in many fields and disciplines. Indeed, historians have documented how societies have used different mechanisms to impress upon individuals the notion of pride from belonging to particular groups.<sup>1</sup> The social psychology literature has long emphasized the importance of group identity on interactions between individuals in a society (see Tajfel, 1970, Tajfel et al., 1971). While the economics literature on this topic is fairly recent, there is now a large body of evidence that shows that economic decisions made by individuals are strongly influenced by group membership and ties to both social and cultural networks (see for example Akerlof, 1997, Akerlof and Kranton, 2000, 2005, 2010, Fershtman and Gneezy, 2001, Hoff and Pandey, 2006, Esteban et al., 2012). Analyzing the effect of identity on behavior is however complex because individuals can simultaneously identify themselves along many different dimensions. In such situations, which identity drives behavior is an open question (Chen et al., 2014).

In this paper we examine the role of multiple identities to investigate how individuals interact with others in a segmented society. We focus on South Asia, which is highly fragmented in terms of religion. The question of how individuals interact with others belonging to their own religion compared to those belonging to different religions is of immense importance in this region. Hindu-Muslim conflict has been a common occurrence here, going back at least to the riots during the partition of India in 1947, if not earlier. See Mitra and Ray (2014) and Samad (1998) for more on this issue in the context of India and Bangladesh respectively. The majority of Indians are Hindus, while the majority of Pakistanis and Bangladeshis are Muslims. However there is a sizable number of Muslims residing in India and Hindus form the bulk of the minority in Bangladesh and Pakistan. In such an environment, the issue of multiple identities becomes important.

We are particularly interested in the effects of identity based on religion and on the status that it generates. We use the term status to specifically characterize whether a particular individual is a part of the majority group or the minority group within the population in terms of religion.<sup>2</sup> Separating the effects of religion from status requires that status be exogenously varied holding religion (and socio-economic conditions) constant. This is problematic as in any particular society religion and status is perfectly correlated. For example, a Hindu in India always has majority status. Fortunately the international border between West Bengal in India and Bangladesh allows us to disentangle the effects of the different identities. West Bengal and Bangladesh are similar in terms of socio-economic characteristics, ethnicity and language but have very different religious compositions. Hindus are the majority in West Bengal but the minority in Bangladesh while Muslims are the minority in West Bengal but the majority in Bangladesh.

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<sup>1</sup>See Hoff and Pandey (2014) for a review of the evidence.

<sup>2</sup>Our use of majority/minority to define status in terms of relative group size is not unique. Similar definitions have been used extensively in the social psychology literature (see Simon et al., 2001).

An example will help make this issue clearer. Suppose we observe Muslims are behaviorally different from Hindus in West Bengal. Can we attribute this difference to religion, or is it driven by status? For us to claim that religion dictates behavior, we have to observe that Hindus and Muslims behave in exactly the same way in Bangladesh i.e., the behavioral difference persists even though status has changed. For us to however claim that status drives behavior, we have to observe that individuals with a particular status behave in the same way irrespective of their religion, i.e., individuals having minority status (Muslims in West Bengal and Hindus Bangladesh) and those having majority status (Hindus in West Bengal and Muslims in Bangladesh) behave in the same way across otherwise similar locations.

In this paper, we use an artefactual field experiment conducted in villages of West Bengal and Bangladesh to examine whether identity influences behavior and in the presence of perfectly correlated multiple identities (religion or the status it generates), which identity drives behavior. Recent economics literature has focused on the importance of both religious values and religious groups in driving behavior of individuals in social interactions. While there is no robust evidence of the effect of religious values, some studies show that affiliation to religious groups can affect individual behavior. See Hoffman (2013) for a summary of this literature and Fehr and Hoff (2011) for a discussion of the relevance of religion on behavior and preferences. This has also coincided with an increase in research that examines the impact of different facets of religion, including religious identity and religiosity, on economic growth, development and subjective well-being. See for example Campante and Yanagizawa-Drott (2014).

Our outcome of interest is Trust, which has been documented to have a strong influence on social and economic development of societies. Economic interactions between individuals are not only governed by contractual relationships but also by trust between individuals, which often plays a crucial role in facilitating interaction and trade. Indeed, Arrow (1972) has argued that *virtually every commercial transaction has within itself an element of trust*. This role of trust is particularly important in the regions where we conduct this analysis. Here the rule of law and hence the ability of the courts and officials to legally enforce contracts is limited. It has also been shown that trust between people, which potentially reduces transactions cost of interactions, is conducive to economic and social development (see Bohnet et al., 2010, and the references cited there).<sup>3</sup>

Subjects in our study are invited to participate in an artefactual field experiment where they take part in the Investment game or the Trust game (Berg et al., 1995). More details on the game are presented in Section 3.1. To tease out the effect of identity on behavior, we make religion and by default status salient. The main research questions that we seek to examine in this paper are: (1) Do individuals discriminate based on religion? Alternatively

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<sup>3</sup>See Cardenas and Carpenter (2008) and Chaudhuri (2009) for a review of results from Trust games conducted in different parts of the world. The non-academic literature has also started acknowledging the importance of trust in open societies. For example, Thomas Friedman writing in the New York Times after the Boston bombing argues that “trust is built into every aspect, every building, every interaction and every marathon in our open society” (New York Times April 2013).

do individuals discriminate based on the status it generates within the society? (2) Does discrimination, or lack of trust, or failure to reciprocate trust reflect an in-group bias or is there a systematic discrimination against individuals belonging to particular groups? (3) Do religious individuals behave differently compared to non-religious individuals? Can this heterogeneity explain discrimination on the basis of identity?

Our results show first, that there is a common theme across locations: it is status rather than religion that dictates behavior. We find that in both locations individuals belonging to the minority group, i.e., Muslims in West Bengal and Hindus in Bangladesh, exhibit positive in-group bias in trust, while individuals belonging to the majority group in both countries show positive out-group bias in trustworthiness. Minorities thus systematically benefit in both countries – through positive in-group bias in Trust from fellow minorities and positive out-group bias in Trustworthiness from the members of the majority. Second, differences in the behavior of religious and non-religious individuals can explain our primary results. We find systematic evidence that religious individuals show significantly greater in-group bias in Trust compared to non-religious individuals; however non-religious individuals exhibit significant out-group bias in Trustworthiness. This result again holds in both locations.

The current literature on identity and behavior does not examine the possibility of interactions between multiple identities. Our paper thus contributes to this literature by presenting a tractable way of disentangling the interactions between multiple identities. We add to the growing evidence on the general impact of social identity on discrimination (see Fershtman and Gneezy, 2001, Hoff and Pandey, 2006, Chen and Li, 2009, Afridi et al., 2014, Delavande and Zafar, 2013, Hoff and Pandey, 2014) and on the heterogeneous impacts of the strength of association to a particular identity on behavior (see Benjamin et al., 2010, Chen et al., 2014).

## 2 Setting

We conduct the experiment in two different countries – specifically in the state of West Bengal in India and in Bangladesh. Prior to the partition of British India in 1947, both these regions existed as one state, Bengal (see Figure 1). An overwhelming majority of people in these two locations speak the same language and share similar cultures. The big exception is in terms of religion. See selected descriptive statistics in Table 1. In Bangladesh, the majority are Muslims (90%), where as in West Bengal the majority are Hindus (73%). Hindus form the largest minority (9.6%) and in West Bengal Muslims form the largest minority (25%). It is this variation that allows us to filter out the effect of religion (being Hindu or Muslim) from the effect of status (majority or minority) that it generates. Restricting ourselves to a single location does not allow us to do so.

This issue of trust is very pertinent in this region. Survey evidence show that neither Indians nor Bangladeshis are particularly trusting: while 40% of Indians say that people

can in general be trusted, only 22% of Bangladeshis do so. The segmented nature of the society is also reflected in the fact that while 50% of Indian Muslims completely trust Non-Hindus, only 22% of Hindus do so. However trust in Hindus is similar across Indian Hindus and Muslims, at 52%.<sup>4</sup> Empirical evidence on the relationship between identity based on religion and trust in this region is mixed. Johansson-Stenman et al. (2009) find mixed results when investigating whether being Hindu or Muslim affects trust behavior in rural Bangladesh. The results of their Trust experiment show no effect of religion on trust, while results from an accompanying survey show that both Hindus and Muslims show positive in-group bias in trust. An inter-ethnic trust game field experiment conducted by Chuah et al. (2013) in urban India also confirm intergroup bias. In terms of intensity of affiliation to a religious identity, or religiosity, again evidence from this region is mixed. On one hand Johansson-Stenman et al. (2009) find no effect of participation in religious ceremonies on trust behavior in rural Bangladesh. On the other, Ahmed (2009) demonstrate that religiosity increases pro social behavior in northwest India.<sup>5</sup>

### 3 Experimental Design, Recruitment and Data

#### 3.1 Choices

The subjects in our experiment participated in three games: The Trust game, the (Triple) Dictator game and the Risk game.

#### Trust Game

The Trust game is a two-player game in which players can play one of two roles: that of a Trustor or a Trustee. Each Trustor is given an endowment,  $E$  and asked to decide to transfer any part of this endowment,  $x$  to an anonymous Trustee. The experimenter triples this  $x$  and gives it to the matched Trustee, who in turn is asked to choose whether to transfer any money back, out of  $3x$  to the Trustor. So the income of the Trustor is  $E - x + R$  where  $R$  is the amount returned by the Trustee; the income of the Trustee is  $3x - R$ . In this setting, any transfer made by the Trustor to the anonymous Trustee can be interpreted as a measure of Trust; any amount returned by the Trustee is a measure of Trustworthiness.

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<sup>4</sup>Authors' computations using data from the World Values Surveys.

<sup>5</sup>Theoretically, in a society characterized by religious diversity the net effect of religion on social cooperation, including trust is ambiguous. On one hand we have all religions of the world urging their followers to extend benevolence to others, including to strangers (Neusner and Chilton, 2005). On the other, most religious traditions emphasize the importance of communities formed by followers of the same religion, which endows the follower with a specific identity while creating a distinction between followers and non-followers (Berman, 2000).

We obtain the decisions of the Trustee are obtained using a strategy method. To do this the Trustee is asked to specify an amount to return  $R(x)$  for every possible amount of  $x$  chosen by the Trustor. To keep things manageable we restrict  $x$  to specific integer amounts. Specifically, the endowment is 160 Taka ( $\sim$  USD 2 at the prevailing exchange rate) in Bangladesh and 120 Rupees ( $\sim$  USD 2 at the prevailing exchange rate) in West Bengal. Trustors could choose to send a percentage  $s \in \{0, 12.5, 25, 37.5, 50, 62.5, 75, 87.5, 100\}$  of the endowment to his/her anonymous partner residing in a nearby (not the same) village. This translates to the following sets:  $\{0, 20, \dots, 160\}$  Taka and  $\{0, 15, \dots, 120\}$  Rupees in the case of Bangladesh and West Bengal respectively.<sup>6</sup> The Trustee therefore had to provide conditional responses i.e., how much they want to return for each of the 8 possible choices made by the Trustor. For  $x = 0$ , there is no decision to be made.<sup>7</sup>

The Trustor's contributions in the trust game can be influenced by his preferences towards altruism, efficiency or risk. Similarly, the Trustee's reciprocity might also be influenced by his preferences towards altruism. To account for these possibilities each Trustor (Trustee) in our sample played a Triple Dictator (Dictator) game and a Risk game in addition to the Trust game. See Cox (2004), Ashraf et al. (2006), Etang et al. (2011) for more on the issue of use of multiple games in this context.

### Triple Dictator/Dictator Game

Each Trustor participated in a Triple Dictator Game and each Trustee participated in a Dictator Game. The Triple Dictator game is identical to the first phase of the Trust game in that the Trustor is given an endowment and asked to make a transfer to an anonymous Trustee. However, unlike in the Trust game, the Trustee does not have the option of returning any money, which rules out trust or investment as a motive for sending money. In this setting the motivation for transferring money is unconditional kindness or altruism and/or indeed a taste for efficiency as the money is tripled. A Dictator game is similar to the Triple Dictator game, except that the contributions made by the Trustor is not tripled by the experimenter before being passed onto the Trustee, ruling out an efficiency motive.

### Risk Game

In the Risk game, each player was given the option of investing any part of an initial endowment in a hypothetical risky project that had a 50-percent chance of tripling the amount invested; alternatively the amount invested could be lost with a 50-percent probability. The individual could keep any amount he/she chose not to invest.

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<sup>6</sup>At the time of conducting the experiments, the exchange rate was approximately 1 Rupee = 1.5 Taka.

<sup>7</sup>Evidence from laboratory experiments suggests that measured trustworthiness is lower using the strategy method (see Casari and Cason, 2009). However in this paper we are not interested in the absolute level of trustworthiness; rather we focus is on the relative trustworthiness across the different groups.

Since each subject played multiple games, the order in which the games were played was varied randomly to control for order effects. Only one game was randomly chosen for payment purposes, through a lottery conducted after all participants had taken part in all three games. If the Trust game was chosen for payment purposes, then the payoff depended on the actual amount that was chosen by the Trustor and the conditional response of the Trustee; if the Risk game was chosen for payment purposes, then a coin was tossed to determine whether the project was successful or not and if the Dictator or the Triple Dictator game was chosen, then payments were made for both roles.

## 3.2 Treatments

To answer our primary research questions we need to examine whether (i) the individual's own religion affects his/her behavior; and (ii) information on the religion of the anonymous partner affects his/her behavior. To do this we made religion salient. Each participant – Trustor and Trustee – is informed whether her anonymous partner is Hindu or Muslim.<sup>8</sup> To answer the third question we use survey data to categorize individuals as religious and non-religious.

In addition to information on the religion of the partner, every participant was told that they would be randomly matched with a person from a *different but nearby village*; so the Trustors and Trustees always resided in different villages. To ensure anonymity and avoid confounds that could have arisen from past interactions, names of the potential partners were never revealed.

We conducted four treatments. In the first two, each participant, i.e., each Trustor and Trustee, was told that (s)he would be randomly matched with a person belonging to the same religion but from a different village. So the treatments were *Hindu\_Hindu* or *Muslim\_Muslim*. In the second two, each participant was told that (s)he would be randomly matched with a person belonging to a different religion from a different village. So the treatments were *Hindu\_Muslim* or *Muslim\_Hindu*.<sup>9</sup>

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<sup>8</sup>Religion was made salient by reading out the following statement as a part of the instruction: *As you can observe, there are 8 participants in this room. All of these 8 people are from your own village. Similarly there are 8 other participants in a room like this in a nearby village. Each of you will be paired with one other person in that room in the other village. However, we will not tell you who you are paired with. The number of Hindus in the other room is X, number of Muslims Y, number of Christians Z and the number of Buddhists is 8-(X+Y+Z). Similarly the number of Hindus in this room is A, the number of Muslims B, the number of Christians C and the number of Buddhists 8-(A+B+C). Under no circumstance you will be paired with anyone from this room. All the participants in the other room, just like you in this room, know the distribution in both rooms.* There were never any Christians and Buddhists in those who participated and in every session, the religion of all participants in a particular role were the same i.e., the group of participants in a particular session was homogeneous.

<sup>9</sup>We also conducted a *Control* treatment, which is similar to the treatments discussed above, However in the *Control* treatment sessions, neither the individuals' own identity, nor their partners' identity was made salient. The results from the *Control* treatment sessions therefore cannot be directly compared to where religion was made salient for both Trustors and Trustees.

### 3.3 Recruitment

We conducted sessions in 16 villages in both Bangladesh and West Bengal, a total of 32 villages. In South Asia most villages are mixed in terms of religion, but households belonging to different religions are segregated in terms of residential location i.e., within a village Hindus and Muslims reside in separate hamlets (*paras* or *muhallahs*). The proportion of minorities in our sample villages range from 5 – 85 percent. In most villages we conducted 3 sessions with 8 participants in each session.<sup>10</sup> Each session lasted for approximately 2 hours and the average payout to participants was approximately US\$4, which was more than the prevailing daily wage rate in these villages. Each subject participated in only one session. We wanted the villages in West Bengal and Bangladesh to be similar, including distance from the capital city, so we chose villages that were approximately 80 kilometers or 2 hours of driving from the relevant capital city (Kolkata in West Bengal and Dhaka in Bangladesh). As Table A.1 shows, in terms of village level characteristics, the villages in West Bengal and Bangladesh are similar: using a non-parametric Mann-Whitney test ( $N = 16$ ), the null hypothesis that the villages are drawn from the same distribution can never be rejected. The sessions were conducted during the period May – July 2012. We randomly selected participants based on what treatment was assigned to each particular session in a village. For example, if we needed Hindu subjects for a particular session in a particular village, we recruited from the Hindu *para*. At the time of recruitment by research assistants, potential participants were informed that they were to participate in research, were informed of the venue and time, duration of the session and the show up fee (Tk 150 in Bangladesh and Rs 100 in West Bengal).

Our experimental protocol is similar to that used in Burns (2012). We conducted parallel sessions in two different villages. If participants from village A were randomly assigned the role of the Trustors, those from village B were assigned the role of Trustees. Once all three decision tasks were completed, one of the three tasks were chosen for payment purposes through a lottery which was conducted in the Trustor village. To ensure transparency, the whole lottery process was relayed live to the Trustee village via a mobile phone call. If the Trust or the Triple Dictator/Dictator game was chosen for payment purposes, the choices of the Trustors was relayed across using mobile phones; in the case of the Trust game, the conditional response of the Trustees was also relayed across using mobile phones.<sup>11</sup> No other feedback was provided. Participants then filled out a questionnaire, received payments and the session concluded. Trustors and Trustees were always from the same country i.e., we

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<sup>10</sup>In some villages we only had two sessions (because of logistical reasons) but we had more than 8 participants in each of them.

<sup>11</sup>It is useful to illustrate the procedure. Suppose the Trust game was chosen for payment purposes. All offers made by the Trustors were first collected and the Trustees were informed of the offers via a mobile phone call to the partner village. Once the call had been initiated in the presence of the subjects, the call initiator left the room before transmitting the actual offers as decisions were all private, but left the room door open so that subjects could verify that he was still on the phone. It was explained to the participating subjects that this was being done in order to maintain the privacy of their offers by ensuring that the other subjects in their room could not hear what offers they had made. The same procedure was followed in the partner village.



do not examine whether nationality drives behavior.

### 3.4 Sample Averages

Table 2 presents the sample averages on a number of observables by treatment. This data was collected using a post-experiment survey. Column 5 in this table reports  $p$  – values for a t-test of the null hypothesis that the means are identical across the four treatments. Barring a few exceptions, the null hypothesis that the means are identical across the four treatments cannot be rejected. To account for the differences in means across treatments, our regressions below control for demographic characteristics: we include age, years of schooling, household income, marital status (married), household size, years lived in village, whether taken loan from a microfinance institution (MFI) in the past one year as additional explanatory variables.

On average Trustors offer around 27 percent of their endowment in the Trust game (see Table 3). There is however no significant difference (computed using the Mann-Whitney ranksum test) in the offers made by religion, status and location. In Bangladesh while there is no difference in offers made by Hindus and Muslims, Muslims expect more in return (Mann-Whitney  $z = -2.143$ ,  $p$  – value = 0.03). However in terms of actual returns Muslim Trustees return less than what the Trustors expect. Both in West Bengal and in Bangladesh minority Trustors allocate more to the risky asset and the difference is statistically significant. This holds in the pooled data. In West Bengal only minority (Muslim) Trustors offer a significantly higher proportion of their endowment in the Triple Dictator game. In the Bangladesh and in the pooled sample, contribution by the minority Trustors in the Triple Dictator game is higher than the contribution by the majority Trustor though the difference is never statistically significant.

## 4 Empirical Analysis

### 4.1 Trustor Behavior

Panel A in Figure 2 presents the distribution of the proportion of the endowment sent by the Trustors in West Bengal and Bangladesh, separately for Hindus and Muslims. There is very little difference in the two distributions in either location and the null hypothesis that the distributions are not different cannot be rejected using a Kolmogorov-Smirnov test. The difference in means, presented in Table A.2 tells the same story. But this is not the end of the story because of two important reasons. First, the proportion sent by the Trustors as presented in Figure 2 is not conditional on the identity of the Trustee; and second, the proportion sent by the Trustor is potentially confounded by preferences for altruism, efficiency and risk.

Our controls for altruism, taste for efficiency and risk may not be orthogonal to our treatment. There are two reasons for this: (i) individual’s preference towards risk, altruism or taste for efficiency may be affected by status or religion and (ii) knowledge about the partner’s religion or status may also lead a subject to use different norms for fairness or put different value on the specific fairness norm, dictating other regarding preferences.<sup>12</sup> Therefore, it is important to interact these additional control variables with the treatments in our analysis.

#### 4.1.1 Trust Regressions

The starting point is the regression results for the West Bengal and Bangladesh sample presented in columns 1 and 2 in Table 4. We present the coefficient estimates from a Tobit regression where the standard errors are clustered at the session level to account for within session correlations.<sup>13</sup> The dependent variable is the proportion of the endowment sent by the Trustor in the Trust game ( $t$ ). We consider regressions of the following form:

$$t = \beta_0 + \beta_1 Hindu\_Muslim + \beta_2 Muslim\_Hindu + \beta_3 Muslim\_Muslim + \gamma \mathbf{Z} + \varepsilon \quad (1)$$

Here  $X\_Y$  denotes the Trustor belongs to religion  $X$  and the Trustee belongs to religion  $Y$ ;  $X, Y \in \{Hindu, Muslim\}$ . The reference group is *Hindu\_Hindu*, i.e., both the Trustor and the Trustee are Hindu. We are interested in the difference estimates. So  $\beta_1$  captures the nature of a Hindu Trustor’s bias towards a Muslim Trustee compared to a Hindu Trustee.  $\beta_1 > (<) 0$ , implies that a Hindu Trustor transfers larger (smaller) amounts to a Muslim Trustee than to a Hindu Trustee. Similarly,  $\beta_2 - \beta_3$  captures the bias of a Muslim Trustor towards a Hindu Trustee. A value of  $\beta_2 - \beta_3 > (<) 0$  implies that a Muslim Trustor transfers larger (smaller) amounts to a Hindu Trustee than to a Muslim Trustee. The set of additional controls ( $\mathbf{Z}$ ) include the proportion of the endowment sent in the Triple Dictator game, the proportion of the endowment allocated to the risky asset in the Risk game, a set of demographic characteristics of the Trustor – age, years of schooling, household income, marital status (married), household size, years lived in village, whether taken loan from a microfinance institution (MFI) in the past one year – and a set of order of Trust game dummies to control for order effects. We also include interactions of the proportion of the endowment sent in the Triple Dictator game and interaction of endowment allocated to the risky asset in the Risk game with Muslim dummy to account for the fact that risk preferences could vary by religion.

To examine how the religion of the matched partner affects the Trustor’s choices, we look at the difference estimates presented in Panel B in Table 4. These differences are computed

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<sup>12</sup>For the rest of the paper we use the term trust to denote pure trust, which describes the transfers made by the Trustors after controlling for altruism or/and taste for efficiency or risk preference and trustworthiness to denote pure trustworthiness that describes the transfers made by the Trustees after controlling for altruism.

<sup>13</sup>The Tobit regression takes into account upper and lower censoring of the data. The OLS results, which are not presented, are qualitatively similar.

using the coefficient estimates presented in Panel A. They reveal that in West Bengal  $\beta_2 - \beta_3 < 0$ , i.e., Muslim Trustors exhibit significant in-group bias, while in Bangladesh  $\beta_1 > 0$ , i.e., Hindu Trustors exhibit significant in-group bias: in West Bengal, Muslim Trustors send 26 percentage points more to Muslim Trustees than to Hindu Trustees ( $p$ -value = 0.03); in Bangladesh Hindu Trustors send almost 9 percentage points more to Hindu Trustees than to Muslim Trustees ( $p$ -value = 0.02). Recall that Hindus are the minority in Bangladesh while Muslims are the minority in West Bengal. This implies we have a common *minority effect* in Trust behavior in both locations.

**Result 1** *In both locations, minority Trustors exhibit significant in-group bias.*

This common *minority effect* in Trust behavior is further corroborated by the pooled regression results presented in column 1 of Table 6.<sup>14</sup> The difference estimates presented in Panel B show that minority Trustors transfer around 18 percentage points more to minority Trustees than to majority Trustees ( $p$ -value = 0.02). This in-group bias in Trust by the minority is perhaps not surprising, given the history of communal riots and religious violence aimed at minorities in these societies.

The results presented in Tables 4 and 6 also show that the majority Trustors never discriminate *against* the minority. In Bangladesh in fact Muslim Trustors exhibit *positive* out-group bias in Trust. The difference estimates in column 2 of Table 4 show that have  $\beta_2 - \beta_3 > 0$ : Muslim Trustors send 21 percentage points more to Hindu Trustees than to Muslim Trustees ( $p$ -value = 0.03). This result from Bangladesh is consistent with evidence from social psychology, which finds that members of the higher status group (majority) sometimes engage in positive out-group bias or *reverse discrimination* favoring the lower status out-group or the minority (see Mullen et al., 1992, page 106). Additionally Hewstone et al. (2002) argue, members of the high status group or the majority show in-group bias when the relative size of the two groups is similar; they are however more willing to exhibit magnanimity towards the minority when the relative size difference of the two groups is large. In Bangladesh Hindus comprise a much small percentage of the population than Muslims do in West Bengal. This size difference can explain the difference in out-group bias in Trust of the majority in Bangladesh and West Bengal.

## 4.2 Trustee Behavior

Panel B in Figure 2 presents the distribution of the average proportion returned by the Trustees (measure of trustworthiness) in West Bengal and Bangladesh, by religion of the

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<sup>14</sup>Note that here we estimate the following variant of equation (1)

$$t = \beta_0 + \beta_1 Majority\_Minority + \beta_2 Minority\_Majority + \beta_3 Minority\_Minority + \gamma \mathbf{Z} + \varepsilon$$

Trustee.<sup>15</sup> The null hypothesis that the distributions are identical cannot be rejected using a Kolmogorov-Smirnov test. The difference in means, presented in Table A.3 tells the same story. This figure again does not tell us the full story because it does not account for the identity of the Trustor each Trustee is matched with and also because the proportion returned by the Trustee could potentially be confounded by altruism.

#### 4.2.1 Trustworthiness Regressions

We present in Tables 5 and 6 the coefficient estimates from Tobit regressions where we pool the data over the 8 conditional choices made by the Trustees, and the standard errors are clustered at the individual level. We therefore consider regressions of the following form:

$$tw = \beta_0 + \beta_1 Hindu\_Muslim + \beta_2 Muslim\_Hindu + \beta_3 Muslim\_Muslim + \gamma \mathbf{Z}' + \varepsilon \quad (2)$$

Here  $X\_Y$  denotes the Trustee belongs to religion  $X$  and the Trustor belongs to religion  $Y$ ;  $X, Y \in \{Hindu, Muslim\}$ . The reference group is *Hindu\_Hindu* i.e., the Trustee and the Trustor are both Hindus. Again we are interested in the difference estimates. So  $\beta_1$  captures the pattern of behavior of Hindu Trustees and  $\beta_2 - \beta_3$  captures the pattern of behavior of the Muslim Trustees.  $\beta_1 > (<) 0$  implies that Hindu Trustees exhibit out-group (in-group) bias in trustworthiness;  $\beta_2 - \beta_3 > (<) 0$  implies that Muslim Trustees exhibit in-group (out-group) bias in trustworthiness. The dependent variable is the proportion returned by the Trustee and the set of explanatory variables ( $\mathbf{Z}'$ ) are similar to those included in equation (1), except here we include proportion sent in the Dictator game and we do not include the risk preference dummy. Additionally the regressions control for the different levels of  $s$  – the proportion of endowment sent by the matched Trustor.

We seek to examine two questions here. First, are there systematic patterns in Trustworthiness? Second, are the expectations of the Trustors validated? To answer these questions would we examine the difference estimates presented in Panel B of Tables 5 (columns 1 and 2) and in 6 (column 2). First, consider the location specific regressions presented in Table 5. We find evidence of significant out-group bias in Trustworthiness by the Hindus in West Bengal and Muslims in Bangladesh: Hindu Trustees in West Bengal return almost 18 percentage points more to Muslim Trustors than to Hindu Trustors ( $p - value = 0.02$ ). In Bangladesh Muslim Trustees return 12 percentage points more to Hindu Trustors than to Muslim Trustors ( $p - value = 0.08$ ). The results for the pooled data, presented in column 2 of Table 6, show that the majority exhibit significant out-group bias in Trustworthiness: majority Trustees return 11 percentage points more to minority Trustors than to majority Trustors ( $p - value = 0.02$ ). Minority Trustees never discriminate on the basis of the religion of the Trustor.

As in the case of Trust, we find evidence of a common theme in Trustworthiness. We call this a common *majority effect*.

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<sup>15</sup>Trustees had to choose the proportion they choose to return for every possible level of transfer made by the Trustor. This average is computed over the Trustee decisions over all possible choices.

**Result 2** *Majority Trustees exhibit out-group bias in Trustworthiness. Minority Trustees do not discriminate.*

So while there are systematic patterns in Trustworthiness, the expectations of the minority Trustors are not validated. That said, both the Trust and the Trustworthiness regressions show that minorities benefit: through significant in-group bias in Trust by the minority in both locations; and through out-group bias in Trustworthiness by the majority. Additionally in Bangladesh, the minority benefit through positive out-group bias in on the part of the majority (Muslim) Trustors

The positive out-group bias in Trustworthiness on the part of the majority requires further explanation. Suppose that the behavior of the Trustors is the norm in the society: (i) members of the minority group trust other members of the minority group more than they trust members of the majority group; and (ii) members of the majority group do not favor or discriminate against either group. Assume also that everyone in the society is aware of this norm. One consequence of this norm is that majority Trustees expect to receive lower transfer from minority Trustors than from majority Trustors. Then for a majority Trustee, any  $s > 0$  received from a minority Trustor has greater information content than the same  $s$  received from a majority Trustor because the minority Trustor is making a bigger deviation from the societal norm. Applying the notion of sequential reciprocity (see Dufwenberg and Kirschsteiger, 2004), this implies that conditional on receiving the same amount from both a majority and a minority Trustor, a majority Trustee would treat the contribution from the minority Trustor as kinder and reciprocate by returning more. Also, for higher levels of  $s$  the difference in reciprocity is going to be larger.

Since information on Trustee behavior is collected using the strategy method, we can test this assertion directly. For this argument to be valid, the *Majority\_Minority* – *Majority\_Majority* difference should be larger for higher values of  $s$ . To test this we look at the regression results are presented in Table A.4 in the Appendix. Here the sample is stratified by low ( $s \leq 0.5$ ) and high ( $s > 0.5$ )  $s$ . In West Bengal, for  $s \leq 0.5$ , Hindu Trustees return 17 percentage points more to Muslim Trustors than to Hindu Trustors. This increases to 18.5 percentage points for  $s > 0.5$ . In Bangladesh the corresponding differences are 11 and 18.5 percentage points respectively. It is important to note however that the proportion returned by the Trustee decreases with  $s$ , irrespective of the identity of the matched partner in both West Bengal and Bangladesh. The 17 percentage point difference in proportion returned by the majority Trustees for low  $s$  in West Bengal therefore translates to a 62 percent difference, given that on average Hindu Trustees return 27.5 percent to Hindu Trustors for low  $s$ . On the other hand a 18.5 percentage point difference in proportion returned by the Hindu Trustees for high  $s$  translates to a 130 percent difference given that on average Hindu Trustees return 14 percent to Hindu Trustors for high  $s$ . Figure 3 presents these differences for the low and high values of  $s$  in percentage terms, separately for the West Bengal sample, the Bangladesh sample and the pooled sample. It is clear from this figure that the out-group bias on the part of the majority Trustee (captured by *Majority\_Minority* – *Majority\_Majority* as a proportion average *Majority\_Majority* transfer)

is higher for higher levels of  $s$  chosen by the Trustee. The choices made by the minority Trustor that are perceived as being kinder is reciprocated more by the majority Trustee.<sup>16</sup>

### 4.3 Robustness

We examine the robustness of our results by conducting a number of additional regressions. We start with the Trust regressions. The difference estimates are presented in Panel A of Table 7.<sup>17</sup> In column 2 we include *stated high trust* as an additional explanatory variable in the Trust regressions.<sup>18</sup> As a part of the survey that accompanied the experiment, participants had to answer a question on their general trust level. The variable *stated high trust* was based on the response of this question.<sup>19</sup> In the regression results presented in column 3 we include a set of village characteristics: connectedness of the village, measured by the distance of the village from a highway and three dummies for the presence of a primary school, a secondary school and a health center in the village. Specifically connectedness is captured by a dummy variable that takes the value of 1 if the village is less than 10 kms from a highway. Next we interact each of these village characteristics with the minority dummy (column 4). Finally we add dummies for exposure to riots (in the village and anywhere) in columns 5 and 7 respectively; and the interaction of the exposure to riots with the minority dummy (columns 6 and 8). Comparing the robustness results in columns 2 – 8 to the baseline results presented in column 1 we see that the minority in-group bias is robust to the inclusion of these additional characteristics. The results show that *Minority\_Majority* – *Minority\_Minority* difference are always statistically significant. Additionally in quantitative terms these estimates are not very different from the baseline results presented in column 1.

Panel B in Table 7 presents the corresponding results for Trustworthiness (decisions made by the Trustee). Again comparing the results to those in column 1 we see that our main result (majority out-group bias in Trustworthiness) is robust – the difference estimate *Majority\_Minority* – *Majority\_Majority* is always positive and statistically significant and not very different from those presented in column 1.

The regression results presented in Table 7, show that the main results (see Result 1 and Result 2) are robust to the inclusion of these additional characteristics. Minorities exhibit significant in-group bias in trust; and while their expectations are not validated they continue to benefit as the majority exhibit significant out-group bias in trustworthiness.

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<sup>16</sup>We would like to thank John List for suggesting this.

<sup>17</sup>We do not present the coefficient estimates. They are available on request.

<sup>18</sup>In column 1 we present, for ease of comparison, the baseline results from column 1 in Table 6.

<sup>19</sup>Participants were asked their opinion about this particular statement: In general, people can be trusted. They were asked to respond along a likert scale between 1 to 5, where 1 is strongly disagree, 2 is disagree, 3 is neutral, 4 is agree and 5 is strongly agree. The dummy variable *stated high trust* = 1 if the answer to the above question was either 4 or 5.

## 4.4 Status at National and Village Level

So far in our analysis we have defined status at the national level, i.e., Hindus (Muslims) are a majority (minority) in West Bengal and Muslims (Hindus) are the majority (minority) in Bangladesh. All our sample villages are mixed, but the proportion of minorities in these villages vary considerably (from 5 to 85 percent). This allows us to analyze whether status defined on the basis of proportion of minority in the village changes our main results. We define a village to be a minority dominated village if the proportion of minority in the village exceeds 50 percent. We then re-categorize status based on whether an individual is a minority or a majority in at the village level: for example Hindu in a Muslim majority village in West Bengal is now categorized as a minority.

We re-estimate equations (1) and (2) with this new definition of minority status. The corresponding difference estimates are presented in Panel B, columns 1 – 6 of Table 8. We continue to find evidence of significant in-group bias in trust on the part of the minority Trustors (the pooled result in column 3 show that minority Trustors send 18 percentage points more to minority Trustees than to majority Trustees) and significant out-group bias in trustworthiness on the part of the majority Trustees (the pooled result in column 6 show that majority Trustees return 9 percentage points more to minority Trustors than to majority Trustors). Our main results (1 and 2) continue to hold even when we consider this alternative definition of minority status.

One question that arises in the light of these results is whether status defined at the national or the village level has a stronger effect on behavior. For example, we have (from Result 1) evidence of systematic in-group bias by the minority Trustors (defined at the national level). What happens when individuals who are a minority at the national level are majority at the village level? Do they continue to behave according to their national level status or do they change? In order to answer this question we categorize individuals into four categories:

$$Minority^N Minority^V, Minority^N Majority^V, Majority^N Minority^V, Majority^N Majority^V$$

where  $Minority^N Minority^V$  denotes that an individual is a minority at both the national and the village level (for example a Hindu residing in a Muslim majority village in Bangladesh) and so on. We re-estimate equation (1) using these four categorizations and compute the difference estimates. The estimation equation takes the following form:

$$t = \nu_0 + \nu_1 Minority^N Minority^N \_Minority + \nu_2 Minority^N Minority^N \_Majority + \nu_3 Minority^N Majority^V \_Minority + \gamma \mathbf{Z}_{VN} + v \quad (3)$$

Given data constraints we are able to run this regression only for the minority Trustors in the pooled data. The difference estimates are presented in Panel B, column 7 Table 8. A Trustor who is a minority at the national level and at the village level sends 25 percentage points more to a minority Trustee than to a majority Trustee. The intensity of the in-group bias reduces once the individual who is a minority at the national level becomes a

majority at the village level, though the magnitude is still quite large (almost 80 percent of the original effect). The status at the national level appears to be the norm and does not change even if the national and local (village) status do not match.

## 4.5 Differential effect of Religiosity

Groups are typically heterogeneous, even if they are formed on the basis of some common characteristics. For example even though groups consist of individuals of the same religion, there are members in the group who associate more strongly than others; i.e., some individuals are more religious than others. The next question that we seek to answer is as follows: To what extent are the results driven by this heterogeneity? To do this, we re-examine the behavior of the Trustors and the Trustees, by categorizing them as religious or non-religious. We do this depending on their response to the question: how often do you pray or perform *namaaz*? Individuals who pray or perform *namaaz* everyday are categorized as religious, those that do not are categorized as non-religious. Both in West Bengal and in Bangladesh, Hindus are more religious than Muslims using this definition.<sup>20</sup>

Panel A in Figure A.1 in the Appendix presents the distribution of the proportion sent by the Trustors by location and religiosity. Panel B presents the corresponding proportion returned by the Trustees. Once again these do not control for the identity of the matched partner or for other regarding preferences. Using a Kolmogorov-Smirnov test, the null hypothesis that religiosity has no effect on Trust and Trustworthiness cannot be rejected for 7 out of the 8 comparisons. In Bangladesh, non-religious Muslims exhibit significantly higher Trustworthiness compared to religious Muslims ( $p - value = 0.07$ ). However, as before this is not the end of the story.

We estimate variants of equation 1 and 2 as follows:

$$\begin{aligned}
 t = & \alpha_0 + \alpha_1 \text{Minority}^R\_Majority + \alpha_2 \text{Minority}^{NR}\_Majority + \alpha_3 \text{Minority}^R\_Minority \\
 & + \alpha_4 \text{Minority}^{NR}\_Minority + \alpha_5 \text{Majority}^{NR}\_Majority + \alpha_6 \text{Majority}^R\_Minority \\
 & + \alpha_7 \text{Majority}^{NR}\_Minority + \eta \mathbf{Z}_1 + u
 \end{aligned} \tag{4}$$

$$\begin{aligned}
 tw = & \alpha_0 + \alpha_1 \text{Minority}^R\_Majority + \alpha_2 \text{Minority}^{NR}\_Majority + \alpha_3 \text{Minority}^R\_Minority \\
 & + \alpha_4 \text{Minority}^{NR}\_Minority + \alpha_5 \text{Majority}^{NR}\_Majority + \alpha_6 \text{Majority}^R\_Minority \\
 & + \alpha_7 \text{Majority}^{NR}\_Minority + \eta \mathbf{Z}_2 + u
 \end{aligned} \tag{5}$$

The variables can be interpreted as before. For example, in equation 4,  $\text{Minority}^R\_Majority$  denotes that the Trustor is a religious minority, matched with a majority Trustee; in equation 5,  $\text{Minority}^R\_Majority$  implies that the Trustee is a religious minority matched with

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<sup>20</sup>In West Bengal, 77 percent of Hindu Trustors are categorized as religious, compared to 52 percent of Muslim Trustors. The corresponding figures are 56 percent and 29 percent for Hindus and Muslims in Bangladesh. On the other hand 83 percent of Hindu and 42 percent of Muslim Trustees in West Bengal and 53 percent of Hindu and 32 percent of Muslim Trustees in Bangladesh are categorized as religious. The differences are always statistically significant.



a majority Trustor. Trustors do not know whether the Trustees are religious or not and vice versa: they only know the religion of their anonymous partner. Columns 1 – 3 in Table 9 presents the Tobit regression results for Trust (Trustor behavior), while columns 4 – 6 present the corresponding results for Trustworthiness (Trustee behavior). Again we focus on the difference estimates, presented in Panel B.

The Trust Regression results, presented in columns 1 – 3 in Table 9 show that the religious minority in both West Bengal and Bangladesh exhibit strong in-group bias: in West Bengal religious Muslims send one and a half times more to Muslims than to Hindus ( $p - value = 0.00$ ). Similarly in Bangladesh religious Hindus send 50 percent more to Hindus than to Muslims ( $p - value = 0.00$ ). In the pooled data this translates to religious minority Trustors sending 100 percent more to minority Trustees than to majority Trustees ( $p - value = 0.00$ ). The non-religious minority Trustors however do not discriminate and this holds for all three samples. The overall in-group bias in Trust on the part of the minority (Result 1) is therefore driven by the strong in-group bias exhibited by the religious minority Trustors in both locations. Majority Trustors, irrespective of whether they are religious or non-religious, never discriminate.

The results from the Trustworthiness regressions, presented in columns 4 – 6 in Table 9 show that the minority, irrespective of whether they are religious or non-religious, do not discriminate, i.e., do not show any evidence of bias. While the religious majority do not discriminate, the non-religious majority Trustees exhibit significant out-group bias. In West Bengal, the non-religious Hindu Trustees return 35 percentage points more to Muslim Trustors than to Hindu Trustors ( $p - value = 0.00$ ); and in Bangladesh non-religious Muslim Trustees return 20 percentage points more to Hindu Trustors than to Muslim Trustors ( $p - value = 0.02$ ). This pattern of behavior on the part of the non-religious majority therefore drives the overall out-group bias in Trustworthiness on the part of the majority (Result 2).

Our results therefore imply that individuals who associate more strongly with their religion behave differently compared to individuals who do not associate as strongly. These findings are consistent with the existing models predicting heterogeneous effects of priming (see Benjamin et al., 2010), which suggests that individuals with a higher level association with a category, will exhibit stronger tendencies towards adhering to the category norm. Result 1 suggests that the category norm for minorities is to exhibit in-group bias. This implies that religious minority Trustors will show stronger positive in-group bias compared to their non-religious counterparts. Our result relating to minority behavior is thus consistent with this implication. With regards to the majority out-group bias in Trustworthiness it is not clear what the category norm is, because of the inherent reciprocity concerns associated with the behavior of the Trustee. Nevertheless, results showing non-religious majority exhibiting positive out-group bias while their religious counterparts not discriminating is good news for minorities. Additionally the nature of this behavior across religious and non-religious majority Trustees is instinctively reasonable: evidence from the psychology literature suggests that group members who value own group membership less, i.e., associate less strongly with the category norm, are more likely to display out-group favoritism (see

for example Mullen et al., 1992).<sup>21</sup>

## 5 Conclusion

We conduct an artefactual field experiment in two different locations in South Asia to disentangle the interaction between multiple identities based on religion and their differential impacts on trust behavior. This is a departure from the existing literature on identity and behavior, which have often ignored such an interaction. Using a novel experimental design we show that it is identity based on status rather than religion *per se* that dictates both trust and trustworthiness. We highlight the importance of identifying the interactions between multiple identities in segmented societies and separating out the influence of each of these identities on behavior.

We also find that our treatment has heterogeneous impacts on members of the same group. Religious minorities systematically exhibit stronger in-group bias in Trust compared to their non-religious counterparts. On the other hand, the non-religious majority Trustees exhibit stronger out-group bias in Trustworthiness than the religious majority, who do not discriminate. This is certainly good news for the minority, who have often been at the receiving end of negative discrimination and violence in these regions. However, the minorities in both these locations still show out-group discrimination in trust behavior which is consistent with the notion of *realistic threats*, which could arise from the economic and political power of the majority (Stephan and Stephan, 2000).

This paper has adopted an experimental approach towards understanding and examining the effects of identity and multiple identities on behavior. Using experiments allows us to collect data and information on actual behavior rather than what respondents report to be their behavior. Indeed it has been shown that there could, in principle, be a fair amount of divergence between the two (see Glaeser et al., 2000). How generalizable these results are remains an open question. Does behavior in a laboratory setting translate to similar behavior outside? Findings of a few studies that combine data from laboratory experiments with behavior in real settings show that predictions based on behavior in laboratories translate to real life interactions (Karlan, 2005, Benz and Meier, 2008, Baran et al., 2010).

Sen (2006) argues that a general sense of social identity and priorities plays a significant role in individuals' economic decisions. Therefore a better insight of identities will facilitate our understanding of fractionalization within communities. Trust is a crucial component of

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<sup>21</sup>It is important to distinguish our categorization of valuation in terms of religiosity to that in the psychology literature. In the psychology literature valuation of group membership is based on status. The argument is that membership in a low status group is valued lower than a membership in a high status group. Our categorization is different. We argue that within the same group different members value the group membership differently and thus people who value group membership less are more likely to show out-group favoritism.

economic interaction between individuals and it is not inconceivable that bias or discrimination in Trust that we observe in our experimental setting will be reflected in discrimination in other spheres of life. Understanding the nature of the bias will certainly help in designing appropriate policies and thus is a crucial first step in integrating segmented societies.

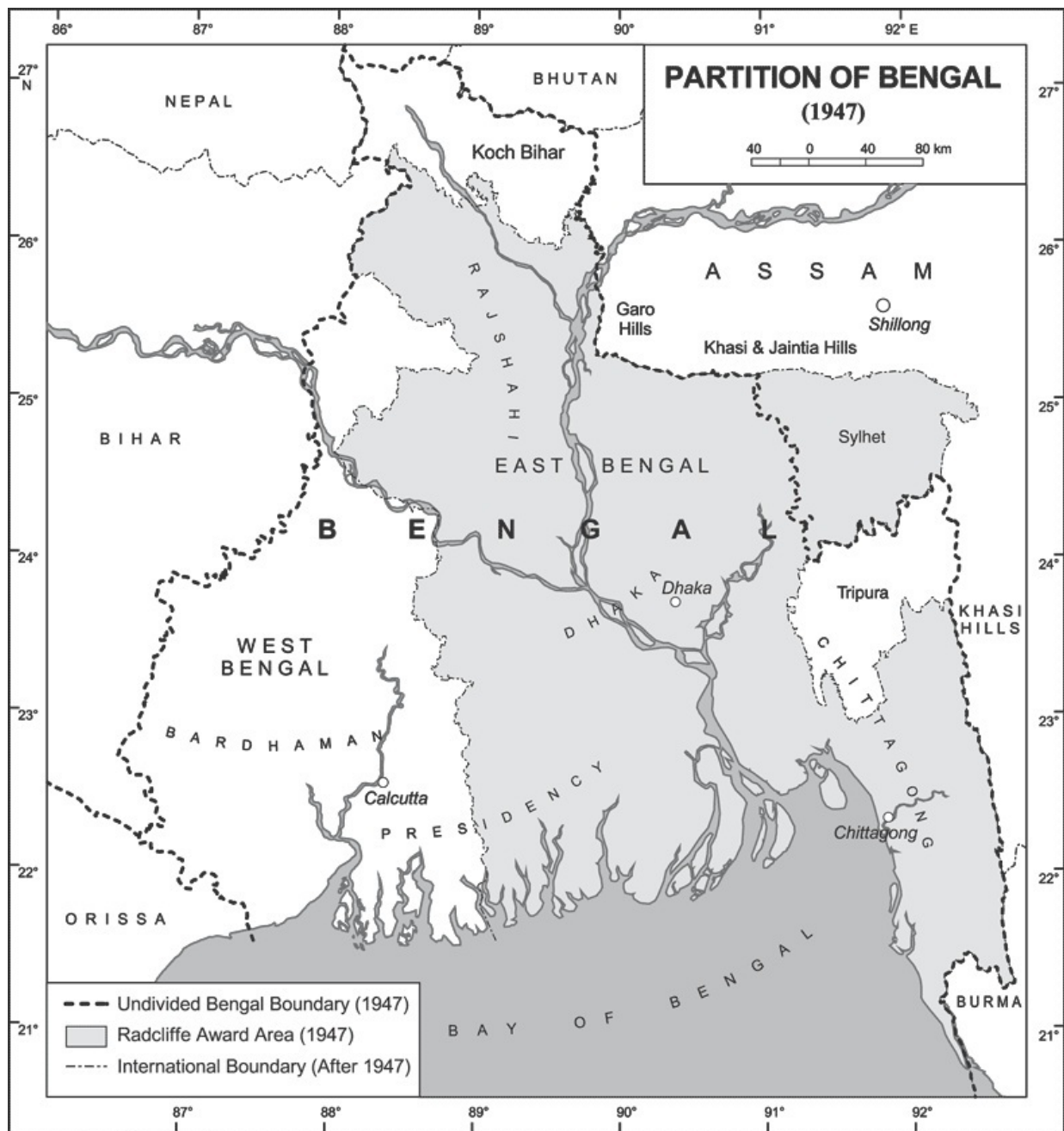
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Figure 1: West Bengal and Bangladesh (East Pakistan) at the time of Independence in 1947



Notes:  
 The international Boundary has remained unchanged since 1947.  
 In 1947 East Bengal became a part of Pakistan (East Pakistan). East Pakistan obtained independence in 1971 and is now Bangladesh. Source Ahmad (1958)

Table 1: Comparison between West Bengal and Bangladesh

	West Bengal	Bangladesh
Ethnicity of the majority	Bengali	Bengali
Political System	Democratic	Democratic
State Religion	None	Islam
Official Languages	Bengali and English	Bengali and English
Population	91,347,736	161,083,804
Urban population (%)	28 (as of 2001)	28 (as of 2011)
Literacy (%)	77	56.8
Per capita income (USD) (PPP equivalent - 2011 Estimated)	2300	1700
Infant Mortality rate	38 (2005)	49 (2011)
Life Expectancy	65-69 (2001)	60.5(2001)
People under poverty line (2004-5) (%)	28	40
HDI Ranking (2001)	0.625	0.5
Daily wage rate for manual labor (2012)	200 Rs	300 Tk
Percentage Hindu	73 (2001)	9.6 (2005)
Percentage Muslim	25 (2001)	89.5 (2005)

Notes:

Data on comparable years are not always available and statistics are presented for the latest year for which data is available.

Table 2: Average Sample Characteristics by Treatment

	<i>Hindu_Hindu</i> (1)	<i>Hindu_Muslim</i> (2)	<i>Muslim_Hindu</i> (3)	<i>Muslim_Muslim</i> (4)	<i>p – value</i> (5)
<b>Panel A: Trustors</b>					
Age	37.18 (2.16)	34.47 (1.83)	33.92 (1.51)	37.33 (1.8)	0.94
Education	7.55 (0.52)	7.73 (0.61)	6.25 (0.66)	7.89 (0.58)	1.59
Income	5877.55 (520.88)	5022.45 (366.35)	6584.31 (623.38)	5284.89 (468.92)	1.91
Married	0.73 (0.06)	0.84 (0.05)	0.84 (0.05)	0.80 (0.06)	0.77
Household Size	5.59 (0.29)	5.27 (0.41)	6.49 (0.44)	6.07 (0.4)	1.97
MFI Loan in Last Year	0.29 (0.07)	0.35 (0.07)	0.39 (0.07)	0.33 (0.07)	0.42
Number of Years in Village	31.43 (2.29)	27.78 (2.24)	29.56 (1.94)	35.84 (2.09)	2.52*
Number of Years in Village (Male)	36.58 (2.51)	33.06 (2.78)	32.91 (2.23)	38.13 (2.00)	1.22
<b>Panel B: Trustees</b>					
Age	38.52 (2.09)	35.54902 (1.88)	31 (1.65)	34.59091 (2.19)	2.51*
Education	5.92 (0.69)	6.823529 (0.64)	5.957447 (0.58)	7.613636 (0.64)	1.52
Income	5995.92 (553.54)	6437.255 (895.80)	6538.298 (850.13)	6565.909 (565.85)	0.13
Married	0.96 (0.03)	0.78 (0.06)	0.74 (0.06)	0.70 (0.07)	4.02**
Household Size	4.73 (0.29)	4.65 (0.26)	4.91 (0.30)	5.53 (0.36)	1.68
MFI Loan in Last Year	0.34 (0.07)	0.22 (0.06)	0.38 (0.07)	0.30 (0.07)	1.18
Number of Years in Village	31.06 (2.66)	31.71 (2.00)	24.77 (2.04)	33.23 (2.20)	2.67*
Number of Years in Village (Male)	38.93 (3.27)	30.38 (3.01)	35.63 (2.57)	33.83 (2.31)	1.45

Notes:

For each variable, columns 1 – 4 show the treatment specific means and the corresponding standard deviations (in parenthesis). Column 5 reports *p – values* for a test of the null hypothesis that the means are identical across the four treatments. \*\*\* $p < 0.01$ , \*\* $p < 0.05$ , \* $p < 0.1$ .



Table 3: Choices and Expectations by Trustor's Religion/Status

	Offer in Trust Game (1)	Offer in Triple Dictator Game (2)	Proportion in Risky Asset (3)	Expected Return in Trust Game (4)	Actual Return in Trust Game (5)
<b>West Bengal</b>					
Trustor Hindu	27.34 (2.90)	14.06 (2.03)	32.03 (2.92)	27.43 (3.46)	23.63 (1.89)
Trustor Muslim	32.55 (4.21)	23.17 (3.92)	41.67 (3.84)	27.08 (3.24)	21.84 (1.81)
Difference	-5.21	-9.11**	-9.64**	0.35	1.79
<b>Bangladesh</b>					
Trustor Hindu	22.25 (2.80)	20.00 (2.79)	40.50 (4.20)	25.00 (4.60)	21.99 (2.47)
Trustor Muslim	28.38 (2.94)	19.27 (2.63)	30.99 (2.93)	30.08 (3.49)	22.58 (2.32)
Difference	-6.13	0.73	9.51*	-5.08	-0.59
<b>Pooled</b>					
Trustor Majority	27.86 (2.06)	16.67 (1.67)	31.51 (2.06)	28.63 (2.46)	23.12 (1.48)
Trustor Minority	27.29 (2.54)	21.55 (2.38)	41.07 (2.84)	26.08 (2.81)	21.92 (1.55)
Difference	0.57	-4.88	-9.56***	2.55	1.2

Notes:

Figures in parenthesis denote standard deviations.

\*\*\* $p < 0.01$ , \*\* $p < 0.05$ , \* $p < 0.1$  where all  $p$  - values are for t-tests of the null hypothesis that the means are identical between the majority and the minority.

Figure 2: Proportion sent by the Trustor (Panel A) and Trustee (Panel B) in West Bengal and Bangladesh, by Religion

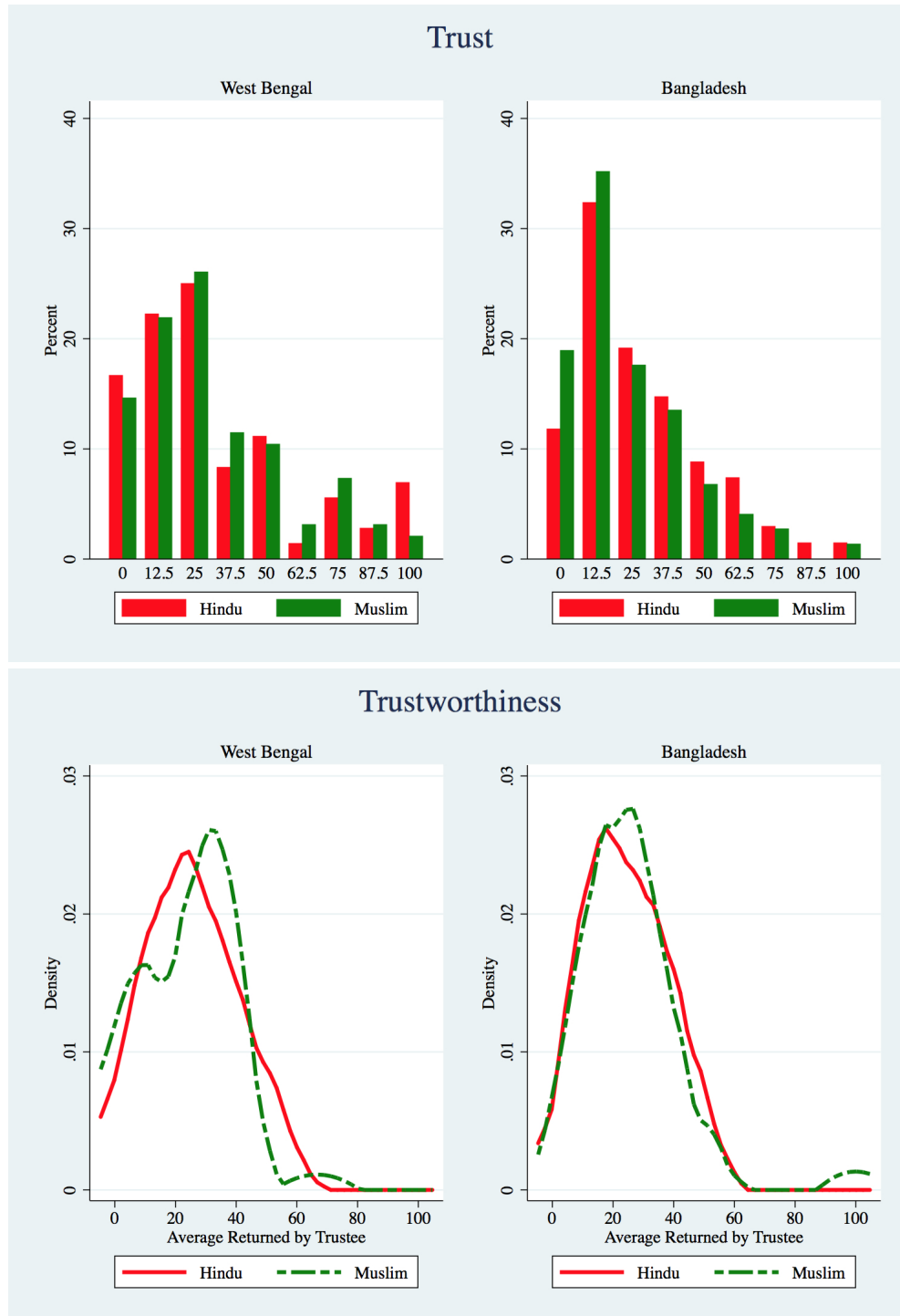


Table 4: Trust Regressions by Country

	West Bengal (1)	Bangladesh (2)
<b>Panel A: Regression Results</b>		
<i>Hindu_Muslim</i>	-3.639 (14.638)	-8.718** (3.832)
<i>Muslim_Hindu</i>	-14.545 (11.661)	14.160 (10.482)
<i>Muslim_Muslim</i>	11.750 (10.832)	-6.533 (6.912)
Proportion Sent in TD game	0.691 (0.417)	0.789*** (0.154)
Proportion Sent in TD game $\times$ <i>Hindu_Muslim</i>	-0.215 (0.497)	0.050 (0.169)
Proportion Sent in TD game $\times$ <i>Muslim_Hindu</i>	0.216 (0.528)	-0.432 (0.409)
Proportion Sent in TD game $\times$ <i>Muslim_Muslim</i>	-0.589 (0.470)	-0.102 (0.182)
Proportion in risky asset	0.611*** (0.186)	0.146 (0.094)
Proportion in risky asset $\times$ Muslim	-0.179 (0.284)	0.293* (0.175)
Constant	3.406 (18.814)	4.928 (11.580)
$\sigma$	22.233*** (2.510)	13.773*** (1.557)
Proportion of censored observation	0.19	0.15
Sample Size	93	97
<b>Panel B: Difference Estimates</b>		
<i>Muslim_Hindu</i> – <i>Muslim_Muslim</i>	-26.29**	20.69**
<i>Hindu_Muslim</i> – <i>Hindu_Hindu</i>	-3.639	-8.718**

Notes:

Coefficient estimates from Tobit regression presented. Standard Errors, clustered at the session level, in parenthesis. \*\*\* $p < 0.01$ , \*\* $p < 0.05$ , \* $p < 0.1$ . Dependent variable is proportion of the endowment sent by the Trustor. Regressions control for set of household and individual characteristics and order in which games were played.  $X.Y$ :  $X$  Trustor,  $Y$  Trustee;  $X \in$  (Hindu, Muslim);  $Y \in$  (Hindu, Muslim). Reference category *Hindu\_Hindu*.

Table 5: Trustworthiness Regressions by Country

	West Bengal (1)	Bangladesh (2)
<b>Panel A: Regression Results</b>		
<i>Hindu_Muslim</i>	17.748** (7.478)	1.145 (6.896)
<i>Muslim_Hindu</i>	5.910 (10.170)	16.225* (8.779)
<i>Muslim_Muslim</i>	-2.656 (10.494)	3.953 (7.656)
Proportion sent in Dictator Game	0.436*** (0.122)	0.430*** (0.212)
Proportion sent in Dictator Game $\times$ <i>Hindu_Muslim</i>	-0.418** (0.180)	-0.035 (0.282)
Proportion sent in Dictator Game $\times$ <i>Muslim_Hindu</i>	0.177 (0.232)	-0.327 (0.305)
Proportion sent in Dictator Game $\times$ <i>Muslim_Muslim</i>	0.043 (0.257)	0.030 (0.249)
Constant	16.688 (14.908)	16.867* (8.608)
$\sigma$	18.989*** (1.075)	17.343*** (1.597)
Proportion of censored observation	0.19	0.10
Sample Size	752	768
<b>Panel B: Difference Estimates</b>		
<i>Muslim_Hindu</i> – <i>Muslim_Muslim</i>	8.566	12.27*
<i>Hindu_Muslim</i> – <i>Hindu_Hindu</i>	17.75**	1.145

Notes:

Coefficient estimates from Tobit regression presented. Standard Errors, clustered at the individual level, in parenthesis. \*\*\* $p < 0.01$ , \*\* $p < 0.05$ , \* $p < 0.1$ . Dependent Variable: Proportion of the amount received by the Trustee that is returned to the Trustor. Regressions also control for proportion sent by Trustor (strategy method) set of household and individual characteristics, and order of games.  $X_Y$ :  $X$  Trustee,  $Y$  Trustor;  $X \in$  (Hindu, Muslim);  $Y \in$  (Hindu, Muslim, Control). Reference category *Hindu\_Hindu*.

Table 6: Trust and Trustworthiness Regressions by Majority/Minority Status. Pooled Data

	Trustors (Trust Regressions) (1)	Trustees (Trustworthiness Regressions) (2)
<b>Panel A: Regression Results</b>		
<i>Majority_Minority</i>	7.998 (7.036)	10.632** (4.754)
<i>Minority_Majority</i>	-7.929 (5.593)	4.880 (5.721)
<i>Minority_Minority</i>	10.132 (7.009)	-1.309 (5.339)
Constant	3.001 (7.650)	11.914 (7.559)
$\sigma$	20.049*** (1.839)	18.696*** (1.107)
Proportion of censored observation	0.17	0.14
Sample Size	191	1,520
<b>Panel B: Difference Estimates</b>		
<i>Minority_Majority</i> – <i>Minority_Minority</i>	-18.06**	6.189
<i>Majority_Minority</i> – <i>Majority_Majority</i>	7.998	10.63**

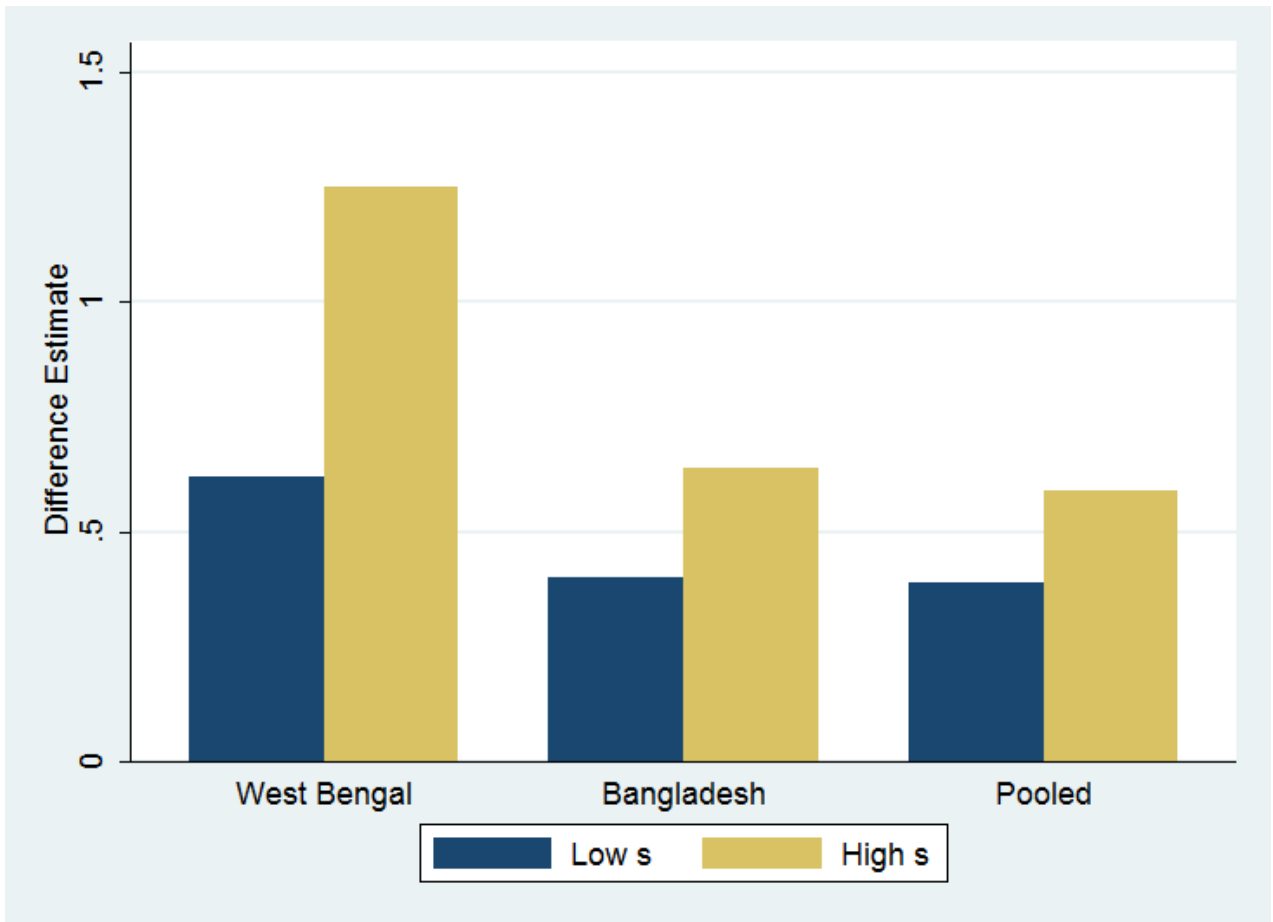
Notes:

Coefficient estimates from Tobit regression presented. \*\*\*  $p < 0.01$ , \*\*  $p < 0.05$ , \*  $p < 0.1$ .

Column 1: Dependent variable is proportion of the endowment sent by the Trustor. Regressions control for proportion sent in the Triple Dictator game and interactions with the treatments, proportion sent in the risk game and interactions with minority status, set of household and individual characteristics, Bangladesh dummy and order in which games were played.  $X.Y$ :  $X$  Trustor,  $Y$  Trustee;  $X \in (\text{Majority}, \text{Minority})$ ;  $Y \in (\text{Majority}, \text{Minority})$ . Standard Errors, clustered at the session level, in parenthesis. Reference category *Majority\_Majority*.

Column 2: Dependent Variable: Proportion of the amount received by the Trustee that is returned to the Trustor. Regressions control for proportion sent in the Dictator game and interactions with the treatments, proportion sent by Trustor (strategy method), set of household and individual characteristics Bangladesh dummy, and order in which games were played.  $X.Y$ :  $X$  Trustee,  $Y$  Trustor;  $X \in (\text{Majority}, \text{Minority})$ ;  $Y \in (\text{Majority}, \text{Minority})$ . Standard Errors, clustered at the individual level, in parenthesis. Reference category *Majority\_Majority*.

Figure 3: Majority out-group bias for low and high  $s$



Notes:

Height of bars denote the magnitude of the difference estimate  $Majority_{Minority} - Majority_{Majority}$  for low and high  $s$ , as a proportion of the average proportion sent by a majority Trustor to a majority Trustee for the relevant  $s$ .

Table 7: Robustness of Results

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>Panel A: Difference Estimates. Trust Regressions.<sup>†</sup></b>								
<i>Minority_Majority</i> – <i>Minority_Minority</i>	-18.06**	-18.97**	-19.08**	-20.28**	-19.12**	-19.49**	-20.00**	-19.74**
<i>Majority_Minority</i> – <i>Majority_Majority</i>	8.002	7.520	9.457	-3.252	-4.214	-5.304	-3.715	-3.375
Sample Size	190	190	190	190	190	190	190	190
<b>Panel B: Difference Estimates. Trustworthiness Regressions.<sup>‡</sup></b>								
<i>Minority_Majority</i> – <i>Minority_Minority</i>	6.189		4.850	4.392	4.874	5.006	5.631	5.920
<i>Majority_Minority</i> – <i>Majority_Majority</i>	10.63**		12.22**	11.92**	12.28**	12.20**	13.27**	13.00**
Sample Size	1,520		1,520	1,520	1,520	1,520	1,520	1,520

Notes:

Coefficient estimates from Tobit regression presented. \*\*\*  $p < 0.01$ , \*\*  $p < 0.05$ , \*  $p < 0.1$ .

<sup>†</sup>: Dependent variable is proportion of the endowment sent by the Trustor. Regressions control for proportion sent in the Triple Dictator game and interactions with the treatments, proportion sent in the risk game and interactions with minority status, set of household and individual characteristics, Bangladesh dummy and order in which games were played. Standard Errors, clustered at the session level, in parenthesis.  $X\_Y$ :  $X$  Trustor,  $Y$  Trustee;  $X, Y \in$  (Majority, Minority). Column 1: Baseline results. See difference estimates presented in column 1 of Table 6.

<sup>‡</sup>: Dependent Variable: Proportion of the amount received by the Trustee that is returned (to the Trustor). Regressions control for proportion sent in the Dictator game and interactions with the treatments, proportion sent by Trustor (strategy method), set of household and individual characteristics Bangladesh dummy, and order in which games were played. Standard Errors, clustered at the individual level, in parenthesis.  $X\_Y$ :  $X$  Trustee,  $Y$  Trustor;  $X \in$  (Majority, Minority);  $Y \in$  (Majority, Minority). Column 1: Baseline results. See difference estimates presented in column 3 of Table 6.

Column 2: Include stated Trust; Column 3: Include connectedness; presence of primary school in village, presence of secondary school in village, presence of health centre in village; Column 4: Column 3 + interactions with minority status; Column 5: Include witness riot in village; Column 6: Column 5 + interaction with minority status; Column 7: Include witness riot anywhere; Column 8: Column 7 + interaction with minority status;

Table 8: Status Defined at Village Level

	Status Defined at Village Level						Village or National <sup>++</sup>
	Trust <sup>†</sup>			Trustworthiness <sup>‡</sup>			
	WB (1)	BD (2)	Pooled (3)	WB (4)	BD (5)	Pooled (6)	Pooled (7)
<i>Majority<sup>V</sup>_Minority</i>	-7.962 (9.652)	12.519** (6.049)	-3.742 (6.961)	16.683*** (6.401)	10.327* (5.826)	8.949** (3.995)	
<i>Minority<sup>V</sup>_Minority</i>	8.417 (13.899)	2.467 (6.712)	0.522 (8.718)	6.873 (8.854)	8.095 (7.262)	7.613 (6.925)	
<i>Minority<sup>V</sup>_Majority</i>	-20.943* (11.073)	-15.557* (9.017)	-17.339*** (6.000)		11.712 (8.263)	6.923 (7.537)	
<i>Minority<sup>N</sup>Minority<sup>V</sup>_Minority</i>							14.007 (20.462)
<i>Minority<sup>N</sup>Majority<sup>V</sup>_Majority</i>							-20.095* (10.697)
<i>Minority<sup>N</sup>Minority<sup>V</sup>Majority</i>							-11.611 (13.077)
Constant	9.277 (14.223)	9.083 (13.379)	11.970 (10.104)	22.567 (14.180)	12.374* (7.385)	14.401* (7.543)	11.766 (10.982)
$\sigma$	22.472*** (2.688)	14.078*** (1.838)	19.976*** (1.837)	19.344*** (1.145)	17.481*** (1.719)	18.784*** (1.109)	20.539*** (2.906)
Sample Size	93	97	190	752	768	1,520	95
<b>Panel B: Difference Estimates</b>							
<i>Majority<sup>V</sup>_Majority</i> - <i>Majority<sup>V</sup>_Minority</i>	7.962	-12.52**	3.742	-16.68***	-10.33*	-8.949**	
<i>Minority<sup>V</sup>_Minority</i> - <i>Minority<sup>V</sup>Majority<sup>V</sup></i>	29.36***	18.02**	17.86**	-6.873	3.617	-0.690	
<i>Minority<sup>N</sup>Majority<sup>V</sup>_Minority</i> - <i>Minority<sup>N</sup>Majority<sup>V</sup>_Majority</i>							20.09*
<i>Minority<sup>N</sup>Minority<sup>V</sup>_Minority</i> - <i>Minority<sup>N</sup>Minority<sup>V</sup>_Majority</i>							25.62**

Notes:

Coefficient estimates from Tobit regression presented. \*\*\* $p < 0.01$ , \*\* $p < 0.05$ , \* $p < 0.1$ . Results presented from pooled regression with *Majority<sup>V</sup>\_Majority* as the reference category. In West Bengal majority denotes Hindu and minority denotes Muslim. In Bangladesh majority denotes Muslim and minority denotes Hindu.

<sup>†</sup>: Dependent Variable in columns 1 – 3 is the Proportion of the endowment sent by the Trustor. Regressions control for the proportion sent in the Triple Dictator game and its interaction with the treatments (as in Tables 4 and 6), set of household and individual characteristics, Bangladesh dummy and order of games.  $X.Y$ :  $X$  Trustor,  $Y$  Trustee. Standard Errors, clustered at the session level, in parenthesis. Status defined at the village level.

<sup>‡</sup>: Dependent Variable in columns 4 – 6 is proportion of the amount received by the Trustee that is returned to the Trustor. Regressions control for proportion sent in the Dictator Game and its interaction with the treatments (as in Tables 5 and 6), proportion sent by Trustor (strategy method), set of household and individual characteristics Bangladesh dummy, and order of games. Robust Standard Errors in Parenthesis.  $X.Y$ :  $X$  Trustee,  $Y$  Trustor. Standard Errors, clustered at the individual level, in parenthesis. Status defined at the village level.

<sup>++</sup>: Dependent Variable in column 7 is the Proportion of the endowment sent by the Trustor. Regressions control for the proportion sent in the Triple Dictator game and its interaction with the treatments (as in Tables 4 and 6), set of household and individual characteristics, Bangladesh dummy and order of games.  $X.Y$ :  $X$  Trustor,  $Y$  Trustee. Standard Errors, clustered at the session level, in parenthesis. Status defined at the national and village level.



Table 9: Differential Impacts of Religiosity.

	West Bengal (1)	Trustors <sup>†</sup> Bangladesh (2)	Pooled (3)	West Bengal (4)	Trustees <sup>‡</sup> Bangladesh (5)	Pooled (6)
<b>Panel A: Regression Results</b>						
<i>Minority<sup>R</sup>_Majority</i>	-45.164* (24.005)	0.328 (9.244)	-20.349 (13.017)	-8.619 (15.537)	-10.796 (7.384)	0.584 (7.744)
<i>Minority<sup>NR</sup>_Majority</i>	-14.835 (24.728)	-1.886 (13.612)	-15.858 (14.651)	13.615 (15.327)	5.723 (6.851)	11.279 (7.205)
<i>Minority<sup>R</sup>_Minority</i>	11.186 (18.785)	13.363 (9.534)	10.032 (11.318)	-7.217 (11.234)	-14.041 (9.396)	-6.730 (6.382)
<i>Minority<sup>NR</sup>_Minority</i>	-1.694 (24.437)	-6.374 (15.189)	-7.170 (14.807)	2.698 (12.821)	12.443 (7.788)	4.657 (7.219)
<i>Majority<sup>NR</sup>_Majority</i>	-1.332 (24.948)	15.735 (11.626)	-0.699 (13.120)	-3.725 (9.687)	2.847 (9.624)	0.444 (7.232)
<i>Majority<sup>R</sup>_Minority</i>	-9.730 (21.235)	24.001 (15.977)	-0.844 (11.821)	15.214* (8.306)	-3.688 (12.994)	5.402 (5.607)
<i>Majority<sup>NR</sup>_Minority</i>	6.687 (30.867)	27.188** (13.072)	11.752 (13.915)	31.278*** (8.519)	23.007*** (7.993)	19.459*** (6.428)
Constant	16.189 (23.130)	-6.654 (15.885)	6.990 (14.211)	12.023 (17.605)	19.225** (9.282)	9.741 (8.775)
$\sigma$	20.715*** (2.494)	13.291*** (1.397)	19.197*** (1.733)	18.621*** (1.081)	16.558*** (1.443)	18.412*** (1.044)
Sample Size	95	98	193	752	768	1,520
<b>Panel B: Difference Estimates</b>						
<i>Minority<sup>R</sup>_Minority</i> – <i>Minority<sup>R</sup>_Majority</i>	56.35***	13.04***	30.38***	1.402	-3.244	-7.314
<i>Minority<sup>NR</sup>_Minority</i> – <i>Minority<sup>NR</sup>_Majority</i>	13.14	-4.489	8.688	-10.92	6.720	-6.622
<i>Majority<sup>R</sup>_Majority</i> – <i>Majority<sup>R</sup>_Minority</i>	9.730	-24.00	0.844	-15.21	3.688	-5.402
<i>Majority<sup>NR</sup>_Majority</i> – <i>Majority<sup>NR</sup>_Minority</i>	-8.019	-11.45	-12.45	-35.00***	-20.16**	-19.02**

Notes:

Coefficient estimates from Tobit regression presented. \*\*\*  $p < 0.01$ , \*\*  $p < 0.05$ , \*  $p < 0.1$ . Results presented from pooled regression with *Majority<sup>R</sup>\_Majority* as the reference category. In West Bengal majority denotes Hindu and minority denotes Muslim. In Bangladesh majority denotes Muslim and minority denotes Hindu.

<sup>†</sup>: Dependent Variable in columns 1 – 3 is the Proportion of the endowment sent by the Trustor. Regressions control for the proportion sent in the Triple Dictator game and its interaction with religiosity and the treatments (as in Tables 4 and 6), set of household and individual characteristics, Bangladesh dummy and order of games.  $X_Y$ :  $X$  Trustor,  $Y$  Trustee. Standard Errors, clustered at the session level, in parenthesis.

<sup>‡</sup>: Dependent Variable in columns 4 – 6 is proportion of the amount received by the Trustee that is returned to the Trustor. Regressions control for proportion sent in the Dictator Game and its interaction with religiosity and the treatments (as in Tables 5 and 6), proportion sent by Trustor (strategy method), set of household and individual characteristics Bangladesh dummy, and order of games. Robust Standard Errors in Parenthesis.  $X_Y$ :  $X$  Trustee,  $Y$  Trustor. Standard Errors, clustered at the individual level, in parenthesis.

Table A.1: Village Level Characteristics

	West Bengal (1)	Bangladesh (2)	Difference (3)
Number of Households	503.06 (82.87)	417.63 (86.42)	85.44
Primary School in village	0.81 (0.10)	0.94 (0.06)	-0.13
Secondary School in village	0.31 (0.12)	0.44 (0.13)	-0.13
Primary Medical in village	0.38 (0.13)	0.56 (0.13)	-0.19
Post Office in village	0.31 (0.12)	0.38 (0.13)	-0.06
NGO operates in village	0.50 (0.13)	0.56 (0.13)	-0.06
Police Station in village	0.44 (0.13)	0.31 (0.12)	0.13
Mosque in village	1.00 (0.00)	0.88 (0.09)	0.13
Mandir in village	0.94 (0.06)	0.94 (0.06)	0.00
Industry in village	0.38 (0.13)	0.31 (0.12)	0.06
Bank in village	0.81 (0.10)	0.69 (0.12)	0.13
Distance from Highway	31.38 (6.93)	13.53 (2.29)	17.84
Proportion Minority in village	0.50 (0.08)	0.41 (0.06)	0.09

Table A.2: Average proportion sent by Trustor by religion of Trustor and Trustee

Trustor↓ Trustee→			
Panel A: West Bengal			
	Hindu	Muslim	Difference
Hindu	30.7 (4.9)	23.4 (3.1)	7.3 (5.8)
Muslim	26.0 (6.2)	39.06 (5.5)	-13.0 (8.3)
Panel B: Bangladesh			
	Hindu	Muslim	Difference
Hindu	26.4 (4.0)	22.0 (4.0)	4.4 (5.7)
Muslim	32.8 (4.1)	22.6 (3.9)	10.2 (5.8)
Panel C: Pooled			
	Majority	Minority	
Majority	26.94 (3.2)	28.67 (2.7)	-1.7 (4.1)
Minority	24.2 (3.6)	30.35 (2.5)	-6.2 (5.1)

Notes:  
Standard Errors in Parenthesis. \*\*\* $p < 0.01$ , \*\* $p < 0.05$ , \* $p < 0.1$ .

Table A.3: Average proportion returned by Trustor by religion of Trustee and Trustor

Trustee ↓ Trustor →			
Panel A: West Bengal			
	Hindu	Muslim	Difference
Hindu	23.6 (2.5)	22.7 (2.9)	0.9 (3.9)
Muslim	23.5 (2.7)	20.98 (2.3)	2.5 (3.6)
Panel B: Bangladesh			
	Hindu	Muslim	Difference
Hindu	21.2 (3.3)	22.8 (3.7)	-1.6 (5.0)
Muslim	24.5 (3.4)	20.5 (3.1)	4.0 (4.7)
Panel C: Pooled			
	Majority	Minority	Difference
Majority	22.1 (2.0)	23.6 (2.2)	-1.5 (3.0)
Minority	23.1 (2.1)	21.1 (2.3)	2.0 (3.1)

Notes:

Standard Errors in Parenthesis. \*\*\* $p < 0.01$ , \*\* $p < 0.05$ , \* $p < 0.1$ . Trustees had to choose the proportion they choose to return for every possible level of transfer made by the Trustor. This average is computed over the Trustee decisions over all possible choices.

Table A.4: Trustworthiness Regressions by Country and level ( $s$ )

	West Bengal		Bangladesh		Pooled	
	Low $s$ (1)	High $s$ (2)	Low $s$ (3)	High $s$ (4)	Low $s$ (5)	High $s$ (6)
<b>Panel A: Regression Results</b>						
<i>Hindu_Muslim</i>	17.022** (7.938)	18.510** (7.905)	4.792 (7.386)	-2.396 (6.920)		
<i>Muslim_Hindu</i>	-0.363 (10.386)	12.319 (10.579)	14.440 (9.264)	18.089** (8.874)		
<i>Muslim_Muslim</i>	-12.767 (11.625)	6.742 (10.255)	3.664 (9.005)	4.044 (7.240)		
<i>Majority_Minority</i>					10.629* (5.462)	10.733** (4.801)
<i>Minority_Majority</i>					5.409 (6.311)	4.494 (5.708)
<i>Minority_Minority</i>					-3.994 (5.896)	1.128 (5.330)
Constant	11.469 (15.534)	-6.698 (15.250)	8.459 (9.295)	8.040 (8.414)	4.158 (8.500)	-3.080 (7.230)
$\sigma$	21.448*** (1.465)	17.115*** (1.095)	19.429*** (1.653)	15.778*** (1.802)	21.073*** (1.214)	16.953*** (1.202)
Sample Size	376	376	384	384	760	760
<b>Panel B: Difference Estimates</b>						
<i>Muslim_Hindu – Muslim_Muslim</i>	12.40	5.577	10.78	14.05**		
<i>Hindu_Muslim – Hindu_Hindu</i>	17.02**	18.51**	4.792	-2.396		
<i>Minority_Majority – Minority_Minority</i>					9.403	3.367
<i>Majority_Minority – Majority_Majority</i>					10.63*	10.73**

Notes:

Coefficient estimates from Tobit regression presented. Dependent Variable: Proportion of the amount received by the Trustee that is returned to the Trustor. Regressions also control for proportion sent in the Dictator Game and its interaction with the treatment, set of household and individual characteristics Bangladesh dummy (columns 5 and 6 only), and order of games. Standard Errors, clustered at the individual level, in parenthesis. \*\*\* $p < 0.01$ , \*\* $p < 0.05$ , \* $p < 0.1$ . In columns 1 – 4,  $X:Y$ :  $X$  Trustee,  $Y$  Trustor;  $X \in$  (Hindu, Muslim);  $Y \in$  (Hindu, Muslim). In columns 5 and 6,  $X:Y$ :  $X$  Trustee,  $Y$  Trustor;  $X \in$  (Majority, Minority);  $Y \in$  (Majority, Minority).  $s$  denotes the proportion of endowment sent by the Trustor.

Figure A.1: Proportion sent by the Trustor (Panel A) and Trustee (Panel B) by Religiosity

