

# Heterogeneous Benefits and Public Good Provision in Unequal Societies: Experimental Evidence from India

Lonneke Nillesen (UNU-MERIT), joint with Stephan Dietrich and Bruhan Konda

11 February 2020

Our study examines the economic impact of assigning unequal marginal returns to a public good in societies with social status differences. We hypothesize that members of perceived high-status identity manage to obtain favorable outcomes from the provision of public goods vis-à-vis members of low-status identity. This is due to the former's ability to shape normative behavior that favors them and make the latter to conform to such norms. We study a real-life setting in rural India where caste membership reflects a strong form of salient identity with impermeable group boundaries. Using individuals from the top and bottom of the caste hierarchy in a lab-in-field experiment, we empirically test the role of caste status differences in the provision of asymmetric public good using a two-person public goods game. We find that the high-status members enforce contribution patterns which are beneficial to them, with and without the possibility to punish. The outcome is in line with norms elicited through a separate experiment confirming the presence of social norms favoring high-status members.