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Who trusts others? Community and individual determinants of social capital in Bangladesh*

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Abstract

This paper presents new evidence on the individual and community specific determinants of social trust using data from 96 villages in Bangladesh, a country with high levels of institutional corruption and poor governance. We find perceived institutional trust to be positively correlated with inter-personal trust. At the same time, there is significant social distance amongst various faith groups in our data: Hindus (religious minorities) trust Muslims and other non-Hindus more than Muslims trust Hindus and other non-Muslims. We also find no evidence that Hindus are distrustful of the wider society in general. The lack of trust towards Hindus (and other non-Muslims) is significantly correlated with Islamic school attendance amongst Muslim respondents whilst religiosity appears to play no role. These findings are robust to control for a wide range of individual and community level correlates and do not proxy for between religion differences in institutional trust. Lastly, when compared to religion, effects of institutional trust and local economic development (including presence of NGO activity) are modest.

Key words: Hindu; institutions; NGO; religion; social capital; trust.

JEL classification: O12, Z1.

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1. Introduction

Trust amongst people in a society is considered by many to facilitate long-term growth, educational attainment, democratic stability and subjective well-being (Knack and Keefer, 1997; Zak and Knack, 2001; Rose-Ackerman, 2001; Bjørnskov, 2003; Beugelsdijk, 2006; Tabellini, 2010; Dearmon and Grier, 2009; Dearmon and Grier, 2011; Bjørnskov, 2012; Bjørnskov and Méon, 2012). Both the social-political and institutional environments matter for trust (Rainer and Siedler, 2009). A low institutional trust environment can undermine inter-personal trust in the economy. Social trust is equally important in rural areas of developing countries where formal markets are often under-developed and much of the economic transactions take place in the informal sector (Schneider and Enste, 2000; Schneider, 2007; Tu and Bulte, 2010; D'Hernoncourt and Méon, 2012). Yet the level of social trust varies substantially across countries and is particularly low in developing countries¹. This raises an important question: can public policy foster trust? According to some researchers (e.g. Knack and Zak, 2001, Rainer and Siedler, 2009) the answer is affirmative since the level of trust appears to be partly determined by schooling and institution quality (e.g. the rule of law). At the same time, the extent to which one trusts others depends on factors such as religious affiliation and degree of religiosity (Berggren, Niclas & Bjørnskov, Christian, 2009). In general, there is an emerging consensus that levels of trust are shaped by individual specific attributes as well as aggregate factors such as local institutions and community characteristics (Bjørnskov, 2006; Wang and Gordon, 2011).

More systematic documentation of the determinants of trust in varying institutional and demographic context can help us understand the deep determinants of inter-personal trust around the world. In this connection, Bangladesh presents an interesting setting in which the determinants of social trust can be examined. The country is well-known for various forms of governance crisis (Mahmud, Ahmed and Mahajan, 2008) in the economic as well as social sectors. Corruption in public service delivery in the form of absenteeism of health and education service providers is a serious problem (Chaudhury and Hammer, 2003; Chaudhury et al., 2006). Households in Bangladesh also report paying bribes to the police. Moreover, the poor quality of public institutions in the country has led to unfavourable ranking in the global survey on corruption perceptions². Such poor quality of social and legal institutions can be expected to undermine institutional and social trust in rural societies. Large scale provision of social services through NGOs such as Grameen Bank and BRAC partly makes up for poor governance in social sectors. NGO participation is also widely believed to foster social capital creation in rural areas (Asadullah, 2008). This suggests that public policy can aid the process of creating of social capital in rural developing countries. This is also true if it is found that lack of social trust between individuals of different faith groups is driven by community factors such as economic inequality and level of economic development of the village.

¹ In their five country studies, Ahmed and Salas (2009) report levels of stated/attitudinal trust to be highest in Chile and Sweden, followed by India and Mexico, and lowest in Colombia.

² The 2011 Corruption Perception Index of Transparency International ranks Bangladesh as 120 out of 143 countries.

On the other hand, social trust in Bangladesh can be undermined by low level of schooling and religious composition of the population. Non-Muslims (e.g. Hindus) accounted for little over 10% (9.2%) of the population in 2001. All major faiths have doctrinal commitments to equality, peace, community service, responsibilities towards the poor and the vulnerable, which can contribute to the development of trusting relationships in the society. A religious Muslim therefore can be expected to display high degree of social trust. At the same time, Muslims may be exposed to institutional environments (e.g. madrasas) that limit interaction with non-Muslim faith groups. This may create distrust between Muslims and non-Muslims although at the same time increasing trust towards Muslims. Therefore whether Muslims trust others less owing to the influence of institutionalized religious education remains an open question.

This paper therefore builds on the existing cross- and within- country studies and contributes to the small but growing developing country literature on social trust using a new household survey dataset from Bangladesh that spans 96 villages. In particular, we combine individual and aggregate (i.e. community) level variables to explain inter-personal trust. We use survey response to a range of trust questions as dependent variables and estimate regression models focusing on a number of correlates: religious affiliation, institutional trust and religious schooling of individuals and the level of economic development in the village. The key hypotheses tested are: (a) Is the religion effect significant and/or specific to certain religious groups? (b) How does the religion effect compare with that of institutional trust and economic development in the village? (c) Does Islamic schooling matter for trusting attitudes amongst majority Bangladeshis (i.e. Muslim respondents)?

Rest of the paper is organized as follows. Section 2 discusses studies on social trust using developing country data. Section 3 discusses the data and the main hypotheses. Section 4 discusses the methodology. Section 5 presents the main results. Section 6 is conclusion.

2. What we know about the determinants of inter-personal trust

Social trust, the confidence people have that strangers or individuals on whom they have no specific information will not take advantage of them, is viewed by many as a form of social capital. It plays an important role in economic and social transactions (Fehr, 2009). Numerous studies have used country average of the answers to the World Values Survey question “In general, do you think that most people can be trusted?” to measure social capital and documented its impact on economic development. Studies confirm that the level of trust significantly differs among countries (Zak and Knack 2001; Ahmed and Salas, 2009). In most cases, the evidence is supportive of the view that the propensity of people within a country to trust each other is significantly related with a various macroeconomic outcomes, governance, bureaucratic corruption, schooling level attained, and happiness.

Researchers have carried out cross-country studies to better understand the determinants of generalized trusts in a variety of ways. Studies that employ pooled cross-section surveys such as the World Values Survey (WVS) data have the advantage of exploring individual specific determinants of trust. A number of such studies explored the effect of religious observance and/or affiliation on trust in others

(Berggren, Niclas and Bjørnskov, Christian, 2009); Brañas-Garza, Rossi and Zaclicever, 2009). However, the evidence is mixed. First, evidence is mixed on the link between religiosity and trust. Some report a positive effect of religion on trust (Tan and Vogel, 2008). For the US, Welch, Sikkink and Loveland (2007) find that Catholics and members of other denominations show significantly less trust in strangers than Protestants. Brañas-Garza, Rossi and Zaclicever (2009) find for Latin America that trust toward others is positively linked with both religious observance and Catholic affiliation. Alesina and La Ferrara (2002) find that religious beliefs and ethnic origins do not significantly affect trust in the US. Similarly Anderson, Mellor and Milyo (2010) find religious affiliation and participation not to be strongly associated with increased cooperation and trust in field experiments.

At the same time, others report negative effect. For instance, Guiso, Sapienza, and Zingales (2003) find that religious people tend to be more racist. Berggren and Bjørnskov (2011) report a negative and significant relationship between religiosity (measured in terms of “importance of religion in day-to-day life”) and trust in cross-country data. Using the General Social Survey (GSS) data Daniels and von der Ruhr (2010) find that black Protestants, fundamentalist Protestants, and Catholics trust others less than individuals who do not claim a preference for a particular denomination. In contrast, liberal Protestants trust others more. Similarly Johansson-Stenman, Mahmud and Martinsson (2009) find that both Hindus and Muslims in Bangladesh trust others from their own religion more than they trust people from other religions.

While all major religions call for behaving well to others, religious groups may primarily trust people in their own groups and distrust others, as well as cause division in the broader population. On the other hand, religious minorities may demonstrate low level of trust as a consequence of violence and discrimination³. At the same time, the observed effects can be spurious if religious groups differ significantly in terms of endowment of non-religious factors that matter for trust. Indeed in individual-level survey data analysis, trust has been found to be positively associated with the respondent’s education (Leigh, 2006) and parental background (Dohmen, Falk, Huffman and Sunde, 2012). Therefore the role of religion in predicting the level of trusting attitude can be ambiguous.

Beyond religious affiliation and individual experiences (e.g. educational orientation), community characteristics also influence how much people trust each other (Alesina and La Ferrara, 2002). Various studies confirm the role of legal and political institutions in determining the level of trust in the economy. For instance, Rainer and Siedler (2009) document how individuals’ attitudes toward social and institutional trust depend on the type of political regime they live in. They find a significantly less trusting attitude amongst East Germans (arguably capturing the effect of communism) but more trusting attitude in West Germany (which can be attributed to democracy). Irrespective of the underlying political and legal institutional regime, level of trust can be adversely affected by the prevailing economic conditions (e.g. income inequality and poverty) in the society. Gustavsson and Jordahl (2008) find that differences in disposable income (especially differences among Swedish people in the bottom half

³ See Alesina and La Ferrara (2002) for similar evidence for the US. Using US data they find that a recent history of traumatic experiences and belonging to a group that historically felt discriminated against are associated with low trust.

of the income distribution) are associated with lower trust. Rainer and Siedler (2009) find that East Germans have lower levels of social distrust even after more than a decade of democracy which they attribute to the continued negative economic experience of many East Germans in the post-reunification period. Cross-country as well as within-country studies suggest that economic inequality is negatively linked with inter-personal trust. In cross-country studies, social polarization in the form of income inequality reduces trust (Bjørnskov, 2007; Jordahl 2007). However, evidence based on within-country studies is limited. One exception is Alesina and La Ferrara (2002) who highlight the role of community characteristics as a determinant of the extent to which people trust each other. Using US data they find that living in a racially mixed community and/or one with a high degree of income disparity lowers trust⁴.

In sum, what determines the level of social trust in developing countries remains less understood. Cross-country studies either use aggregated generalized trust scores (e.g. Berggren and Bjørnskov, 2009⁵) and focus on macro-level factors or employ pooled cross-section surveys on multiple countries to explore the role of person-specific factors (e.g. religiosity). Recent research however attempts to overcome this gap by creatively using World Value Survey and related data sources to jointly examine the ways in which institutions and contextual factors affect individuals' self-reported trust levels (e.g. see Wang and Gordon, 2011).

Whilst cross-country studies (using country-level or pooled cross section data) and field experiments abound, for reasons related to data unavailability, research on social trust in developing countries remains limited. Apart from the studies cited above, we are not aware of other published developing country research on this question. More importantly, we know nothing about the role of perceived institutional quality, religious schooling and inequality in the community -- none of the published developing country studies cited in this section focuses on these factors. Studies using WVS data (e.g. Wang and Gordon, 2011) or Gallup World Poll survey (e.g. Berggren, Niclas and Bjørnskov, Christian, 2011) do include developing country respondents. However, WVS is not suitable for full-blown within-country analysis as the sample is not sufficiently spread across communities and/or contains no disaggregated community-level information.

For three reasons, Bangladesh provides a rich institutional context for investigating the determinants of social trust. First, NGO presence in rural areas has arguably made up for poor governance in the social sector. For instance, the poverty reduction initiatives of BRAC such as micro-finance, poultry, fisheries, and enterprise development are carried out under the BRAC Development Programme which has organized more than 4 million landless rural people into more than one hundred thousand small groups known as village organizations (VOs). Membership in such organizations brings community members closer and promotes collective action (Qayum, Samaddan and Rahman, 2012). Entry of NGOs in rural communities can be expected to improve social trust in rural areas. Second, even though ethnically

⁴ Another related paper is Welch, Sikkink and Loveland (2007) which uses 2002 Religion and Public Activism Survey from US.

⁵ The authors use "the share of a population that thinks that people in general can be trusted" to measure trust at the country level.

homogenous⁶, recent research based on WVS data lists Bangladesh as one of the world's most racially intolerant countries (Berggren and Nilsson, 2013). Third, a significant proportion of Muslims are educated in madrasas in Bangladesh (Asadullah and Chaudhury, 2009). Given the emphasis on teachings of Islam, we can expect madrasa educated individuals to be more pro-social. Indeed in a field experiment conducted in India, Ahmed (2009) finds that madrasa schooled students were significantly more cooperative in the public-goods game and significantly more generous in the dictator game than other students. At the same time, madrasa attendance may increase social polarization since it is not open to non-Muslims. Fourth, Bangladesh is one of the few developing countries to have experienced significant economic growth over the last twenty years. This positive growth spell followed from the fall of autocratic regime and subsequent transition to democracy in 1991. Increasing the level of trust in public institutions and toward others is important in the context of the democratisation process and sustaining the expansion of the market economy. In a country where corruption perception is high, institutional trust is likely to be low and this in turn can lower social trust. Yet what determines social trust in Bangladeshi villages remains poorly understood.

A related study on Bangladesh is Johansson-Stenman et al. (2009) which focuses on religion as a determinant of trust. However trusting attitude is studied drawing sample from only one of the six administrative divisions of the country, namely Dhaka. Divisions in Bangladesh vary significantly in terms of religious composition and level of development. Of the six divisions, Dhaka is the most prosperous and institutionally developed region of the country. At the same time, it has the lowest share of Hindus in the population. Hindus have greater concentration in districts bordering India⁷. As such, the sample employed by Johansson-Stenman et al. (2009) is unsuitable for exploring the general relationship between institutions, religion, and social trust in rural Bangladesh. Moreover, social distance could be driven by underlying local economic conditions. Again Johansson-Stenman et al. (2009) could not examine this as their study sampled Hindu population only from the least poor and least unequal region of Bangladesh. To the best of our knowledge, this is the first paper on the general determinants of social trust in Bangladesh, one of the poorest countries in the world with high levels of corruption and significant religious minority population.

3. Sample and Data Description

Data used in this paper comes from a multi-purpose household survey designed by the authors in 2007-8. Bangladesh is divided administratively into six divisions—Dhaka, Chittagong, Sylhet, Barisal, Rajshahi and Khulna. Therefore we randomly selected 12 districts from these divisions⁸. The probability proportional to size (PPS) method of random sampling was used, based on division/district level secondary school going age population data from the 2001 national population census and the concentration of secondary schools and Madrassahs based on BANBEIS website 2007. Two upazilas

⁶ For country-wise data on ethnicity, see

<http://www.washingtonpost.com/blogs/worldviews/wp/2013/05/16/a-revealing-map-of-the-worlds-most-and-least-ethnically-diverse-countries/>

⁷ According to 2001 Census, the population share of Hindu are as follows: 17.8% in Sylhet, 16.4% in Khulna, 11.7% in Barisal, 12.6% in Chittagong, 12.0% in Rajshahi and 10.5% in Dhaka.

⁸ The resultant sample districts are Bogra, Kurigram, Jessore, Barisal, Faridpur, Mymensingh, Sylhet, Moulvibazar, Comilla, Chandpur, Lakshmipur and Chittagong.

(sub-districts) were randomly selected using PPS from each of the selected 12 districts. Then 2 unions were randomly selected with PPS from each of the selected 24 upazilas. Again, the population weight was union level population data from the 2001 national population census.

For each of the 48 sample Unions, we randomly selected 2 villages using with “probability proportional to size” (PPS) based on village-level population data from the 2001 national census. A complete census of all households was carried out in each sample village. From the census household frame, 25 households were randomly selected from each village. Then, detailed multi-module household survey was administered (e.g., complete roster, education history, employment status, assets, consumption and so on). This led to detailed data on 2,400 households.

The main respondents were heads of sample households in our survey. To measure trust, we resort to the trust question used in the World Values Survey - “Generally speaking, would you say that most people can be trusted or that you need to be very careful when dealing with people?” Average response to the generalized trust question is the standard measure of social capital/trust in the empirical cross-country literature (e.g. Knack and Keefer, 1997; Zak and Knack, 2001)⁹. However, one may be concerned about the exact content of this measure of trust. It can be argued that it is somewhat vague and that survey responses could reflect something else. To deal with this criticism, we incorporated a range of additional questions relating to trust attitudes in order to assess whether there is a systematic pattern in the way people trust others in rural Bangladesh. This is based on answers to the question - “I will ask you how much trust do you have in individuals of different communities/groups” – for the following categories: Muslims, Christians, Hindus, Buddhist, foreigners, NGO workers and people you meet for the first time (i.e. strangers).

To measure institutional trust, we use response to the following question: “How much confidence do you have in the following institutions/organizations?” The list includes the following: Religious institutions, Bank, NGO, Military, Police, Judiciary, Government, religion based political party, non-religious political party and rural elites. To get a first insight in the relationship between trust and religious affiliation, **Table 1** reports sample household-head’s responses to various trust questions separately by religious affiliation of the respondents¹⁰. A number of patterns emerge from **Table 1**. First, there is no religion effect in general trust questions. In other words, Hindus do not appear to be distrustful of the wider society. Second, significant Hindu-Muslim gaps exist when it comes to trusting Muslims, Hindus, Christians, Buddhist and NGO workers. Third, size of between group differences in trust varies - Hindus trust Muslims more (mean score of 3.89) than Muslims trust Hindus (mean score of 2.44). Fourth, Hindus trust non-Muslims of all denominations and NGO workers more compared to Muslims.

[Table 1 about here](#)

⁹ Many studies use a behavioural measure of trust. For a discussion on the relative goodness of survey based measure of trust, see Sapienza, Toldra and Zingales (2007) and Thöni, Tyran and Wengström (2012).

¹⁰ The sample size corresponding to Christians and Buddhists households is too small to permit meaningful statistical analysis. Therefore our analysis throughout is restricted to Hindu and Muslim households.

Overall, Table 1 is suggestive of presence of significant social distance between Hindu and Muslim faith communities. However, between-group differences could be driven by a number of factors including the fact that Hindu population in Bangladesh have higher concentration in certain districts some of which are bordering the Hindu majority state India and are isolated from the capital city, Dhaka. Fortunately our sample households are drawn from a total of 12 districts where four come from Rajshahi, Jessore and Barisal divisions, widely known as relatively backward regions of Bangladesh. Of the remaining, six belong to Dhaka and Chittagong divisions which have experienced significant economic growth and large scale decline in poverty in the last one decade. Households in these divisions also differ in terms of proximity to urban centres and markets. Therefore it is unsurprising that **Appendix Table 1** confirms significant variation across divisions in trust data. This highlights the importance of employing a nationally spread out sample to study correlates of trust. At the same time, it raises the possibility that bivariate findings reported in **Table 1** could be driven by between religion differences in institutional trust and other individual and community level correlates and enumerator's religious identity. In the next section, we therefore discuss social and individual determinants of trust but do so holding differences across divisions and districts constant.

4. Results

Section 2 discussed the contribution of many other factors found important as predictors of trust in international studies. In this section, we present regression results on the determinants of trust. These are based on ordered Probit regressions with extensive controls for a number of factors that are considered important in the existing empirical studies on social trust. We control for socio-economic conditions of the household since these are common confounding factors¹¹. These include per capita monthly expenditure, physical condition of the home, wealth relative to other villagers. Individual specific controls include age, gender, marital status, experience of negative shock and confidence in non-religious institutions (which we use as a proxy for institutional trust). To look into the effect of aggregate factors, we control for a wide range of community characteristics. **Appendix Table 2** presents the summary statistics. Below we first discuss the results for the full sample which is followed by a discussion of the determinants of trust in the Muslim sub-sample. Lastly, the section discusses results from robustness analysis.

4.1 Determinants of trust: full sample analysis

Main results are presented in **Table 2**. Responses to a total of eight trust related questions are used as dependent variables. For each dependant variable, two regression specifications are estimated. The parsimonious model excludes controls for village characteristics whilst model 2 employs a detailed specification with controls for six village-level variables.

¹¹ Welch, Sikkink and Loveland (2007) measure of personal religiosity and activity within a congregation show no statistically significant relationship to trust once important controls are taken into account. Similarly Mosley and Verschoor (2005) find that the effects of income and wealth on trust are ambiguous in Uganda: trust is higher in the richer than the poorer village, but once association and female education are added as explanatory variables, the wealth effect disappears.

We find a statistically significant and negative coefficient on the Hindu dummy in the regression model on trusting Muslims. On the other hand, the Hindu dummy is positive and significant in the regression model on trusting Hindus. In other words, both Hindus and Muslims trust others from their own religion more than they trust people from other religions. This finding of inter-group distance is consistent with new evidence on trust from India, a country with large Hindu and Muslim population (e.g. Chuah, Fahoum and Hoffmann, 2013¹²). Our findings are also similar to Johansson-Stenman et al. (2009). However, in contrast to Johansson-Stenman et al., we don't find that Hindus trust other people less in general. In addition, we find that Hindus trust Christians and Buddhist more than Muslims. Hindus also trust NGO workers more than Muslims.

Table 2 about here

Amongst other individual characteristics, we find no systematic influence of schooling. Individuals with no formal education are found to significantly trust more in general and Muslims in particular; but no clear pattern is noted with regards to trusting non-Muslims. Individuals who experienced no economic shock in the past twelve months were found to trust Hindus, Christians, Buddhist and strangers significantly more. The finding is consistent with the hypothesis that a history of negative events is associated with low trust (e.g. see Alesina and La Ferrara, 2002).

Turning to our proxy for institutional trust, the coefficient on confidence index is systematically negative and statistically significant in all specification irrespective of the dependent variable. In other words, low institutional trust not only undermines trust in general and towards individuals from all religious denominations, it also undermines trust towards other non-religious institutions such as NGO working for relief, poverty reduction, gender equality and so on¹³. This is an important result in the context of Bangladesh, a poorly governed and highly corruption country. It may be argued that in rural developing countries, this finding reflects the influence of poverty: Individuals who suffer from corruption (i.e. weak institutions) are likely to have lower institutional and social trust. However, our model already includes extensive controls for household poverty. To the extent our confidence index indeed measures captures quality of public institutions or institutional trust, our results imply that institutional reform is likely to enhance the level of trust in the society. One may argue that the confidence index effect in Table 2 is capturing the effect of community-wide trust: individuals reporting low confidence index belong to villages with poor institutions. However, our results hold with controls for village development level (e.g. access to electricity, pucca roads). Moreover, we repeated the regression analysis (model 2) by adding a village level measure of generalized trust question¹⁴. However, the effect of confidence index remained significant.

¹² In their field experiment employing inter-ethnic trust game on urban Muslims and Hindus in Mumbai, Chuah et al. find that compared to Muslims, Hindus generally have greater trust and expectations of others' trust.

¹³ There are few NGOs (e.g. Islamic Relief) that have religious motivates. However, such NGOs do not have a nation-wide presence in Bangladesh.

¹⁴ Our household survey was accompanied by a village-wide short population census. The resultant dataset has information on 24,000 households. Each head of these households was asked to reply to the generalized trust question. We averaged their responses at the village level to construct the aggregate trust question.

Model 2 for each dependant variable includes six village characteristics. Village economic development (proxied by road condition and electricity access) is not systematically linked to trust. Similarly, we find no evidence that more unequal villages (measuring in terms of land ownership) is associated with lower trust. We also revisited this result using educational inequality as an alternative proxy. However, this did not yield a significant relationship between trust and inequality. Here an interesting finding is that NGO presence (defined in terms of presence of both Grameen Bank and BRAC) does not have any systematic effect on the level of social trust towards various religious groups. It is also insignificant as a determinant of generalized trust. If anything, contrary to the common belief, NGO presence significantly lowers trust in NGO workers and foreigners. Villages that attract large NGOs are significantly poorer and away from urban centres. This may explain why residents are distrustful of outsiders like NGO workers and foreigners. However, our analysis already accounts for location, level of village development and household poverty.

Lastly, findings related to Hindu-Muslim difference are robust to controlling for village characteristics. This is an important result since Hindu minorities in Bangladesh often cluster together in certain villages. Their trusting attitudes in that case could capture the effect of ethnic composition of the village on trust attitudes.

In sum, our results strikingly confirm those obtained with the standard measure of trust. These findings are robust to control for a wide range of individual and community level correlates and are consistent with results of a previous study on social trust in Bangladesh which used data from only one division (Stenman et al. 2008). For Bangladesh, recent survey data based evidence suggests that well-being is positively and significantly correlated with social trust (Asadullah and Chaudhury, 2012).

4.2 Determinants of trust: Muslim respondents

An important area in which Muslim societies differ from Western ones is in the structure of the education system. Many are educated in Islamic schools that exclude students from non-Muslim faiths. This limits exposure to children from Hindu, Christian and Buddhist faith communities and in turn can create social distance and undermine inter-community faiths. Moreover, *imams* and clerics working in mosques and other religious institutions play an important role in community decision making in rural societies. Consequently, they are likely to have an influence in the way Muslims value and engage with individuals outside their faith groups.

Table 3 about here

In order to better understand the factors that determine the level of trust amongst Muslims, the religious majority in Bangladesh, we reproduced results from **Table 2** by discarding observations on Hindus. Results are reported in **Table 3**. However the regression specification is modified in three ways. First, in addition to the earlier measure of institutional trust, we now include an index capturing confidence in religious institutions (e.g. mosque). Second, we include a measure of religiosity (i.e. frequency of daily prayers). Lastly, we include an indicator to capture Islamic school attendance.

A number of findings follow from **Table 3**. First, Muslims who report greater confidence in religious institutions are significantly more likely to trust fellow Muslims. But they trust non-Muslims (Hindu, Christian and Buddhist), NGO workers and foreigners significantly less. Moreover, they also trust people in general significantly less. Second, religious participation (measured by praying frequency) appears to have no significant effect on social trust. This is consistent with Tan (2006) and Johansson-Stenman et al. (2009)¹⁵. It is also noteworthy that there are few exceptions. Religious Muslims are more likely to trust strangers (i.e. individuals meeting for the first time) but significantly less likely to trust Hindus and NGO workers. Third, we find that madrasa graduates are significantly less likely to trust Hindus, strangers, foreigners and NGO workers. This suggests that madrasa attendance can create social distance between Muslims and others in the society. Since our model already controls for household income, this finding is unlikely to reflect poorer socio-economic condition of madrasa graduates.

4.3 Additional robustness checks

In this section, we put our finding through several robustness tests. First, concerns remain over the way answers to trust questions in rural communities vary depending on who ask the question (e.g. female, non-Muslim enumerator and so on). To this end, we repeated analysis presented in Table 2 with full control for enumerator fixed-effects. Results confirm that our earlier conclusions are robust to enumerator effect (see **Appendix Table 3**).

Second, we control for village level measure of social capital based on aggregated score of response to the generalized trust question given to respondents during the village population census (results not reported but available from the authors upon request). Whilst for some trust attitude questions, the aggregate measure of trust attitude is significant, in no case it wipes out the effect of institutional trust and the influence of religious affiliation of the respondent. This confirms that the results reported earlier are not driven by the effect of living in high/low trust communities.

Third, we look into sub-region effects. A common question pertains to the generality of our results. Since our sample pools interior districts and those bordering India, a Hindu majority country, the estimated relationship may be different from the actual relationship. Bordering regions have a greater concentration of Hindus but at the same time they are also less developed and located away from the capital city. We therefore split our sample in two sub-samples containing either only bordering or interior districts, and estimated the relationship between trust and religion separately on those two sub-samples (see **Appendix Table 4**). We find that Hindus trust other Hindus and Muslims less in bordering areas compared to interior regions. This is consistent with the fact that in isolated places, inter-personal trust is low. However, our main results remain unchanged – we find that both Hindus and Muslims in Bangladesh trust others from their own religion more than they trust people from other religions. Moreover, Hindus trust Christians and Buddhists more than Muslims and are not distrustful of the wider society.

¹⁵ If anything, Sarkissian (2012) also find that daily prayer is associated with less civic engagement in some Muslim countries.

Despite extensive controls for various correlates of trust and various robustness tests, our model leaves out a number of factors. Members of minority (e.g. Hindu) community may trust Muslims less owing to have suffered traumatic experience of religious violence. But our datasets has no information on the history of religious violence in sample villages. Equally, the relationship between institutional and social trust can run the other way as well. We are constrained by the cross-sectional nature of the data to address these issues. Lastly, madrasa attendance itself may be an outcome of lack of trust in public institutions including government schools. Hence the evidence presented should be treated as descriptive and not causal.

5. Conclusion

The level of social trust inherent in a society is important for a wide range of socio-economic outcomes. Despite its importance for development, trust can be hard to build. In this paper, we have used Bangladesh as a case study and empirically investigated the determinants of inter-personal trust. We find significant social distance amongst various faith groups – Hindus, the minority, trust Muslims more than Muslims trust Hindus. We also find no evidence that Hindus are distrustful of the wider society and other non-Hindus in general. If anything, they trust non-Muslims of all denominations and NGO workers more compared to Muslims. These findings do not proxy for between religion differences in institutional trust. This is despite the fact that institutional trust lowers inter-personal trust in our data. The lack of trust towards Hindus and other non-Muslims is significantly correlated with Islamic school attendance amongst Muslim respondents whilst religiosity appears to play no role. These findings are robust to control for a wide range of individual and community level correlates and enumerator fixed effects. Altogether our results suggest that both individual and institutional factors matter in determining the extent to which individuals trust others from their own religion as well as people from other religions. Mistrust between Bangladesh's two main religious communities, Muslims and Hindu, limits the scope for creating social capital in rural areas.

Nonetheless, we have highlighted two policy channels for fostering inter-personal trust. First, the significant influence of institutional trust in social trust regressions suggests that policy reforms that reduce corruption are likely to improve social trust via increasing institutional trust in rural Bangladesh. Second, whilst we found no effect of years of schooling, madrasa attendance was negatively correlated with level of trust towards minority religious groups. This suggests that social trust can be fostered through appropriate educational reform programs. Curriculum reform targeting Islamic schools can improve trusting behaviour amongst the majority Muslims in Bangladesh. Our study therefore lends some support to the view that social trust in low income countries can be built through a combination of institutional and policy reform.

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Table 1: Survey response to trust questions by religion

	Hindu		Muslim		Statistical significance of difference of means (at 10%)
	Mean		Mean		
Trust people generally?	3.39	(1.49)	3.40	(1.49)	-
Trust Muslim?	3.89	(1.22)	4.91	(0.40)	*
Trust Hindu?	4.61	(0.89)	2.44	(1.43)	*
Trust Christians?	3.54	(1.41)	2.23	(1.41)	*
Trust Buddhist?	3.65	(1.37)	2.23	(1.40)	*
Trust strangers?	3.20	(1.31)	3.19	(1.29)	-
Trust foreigner?	2.76	(1.35)	2.60	(1.42)	-
Trust NGO worker?	3.68	(1.26)	3.41	(1.37)	*
N	193		2184		

Note: Standard deviation in parenthesis. Values in each trust variable ranges between 1 (don't trust at all) and 5 (fully trust). * indicates significance of between-group difference.

Table 2: Ordered Probit estimates of determinants of social trust

	Trust Muslim?		Trust Hindu?		Trust Christian?		Trust Buddhist?	
	(1)	(2)	(1)	(2)	(1)	(2)	(1)	(2)
Female	-0.139 (1.00)	-0.155 (1.10)	-0.17 (2.19)*	-0.144 (1.82)+	-0.227 (2.76)**	-0.196 (2.35)*	-0.253 (3.00)**	-0.227 (2.65)**
Hindu	-1.86 (17.19)**	-1.832 (14.90)**	2.186 (20.38)**	2.131 (18.67)**	1.078 (11.65)**	1.101 (10.83)**	1.183 (12.73)**	1.174 (11.48)**
Married	-0.228 (1.25)	-0.217 (1.17)	-0.095 (0.98)	-0.078 (0.78)	-0.194 (1.88)+	-0.179 (1.72)+	-0.171 (1.61)	-0.151 (1.40)
Age	0.016 (0.63)	0.017 (0.65)	0.02 (1.47)	0.021 (1.55)	0.024 (1.67)+	0.024 (1.62)	0.02 (1.37)	0.018 (1.20)
No education	0.227 (2.51)*	0.224 (2.44)*	-0.005 (0.09)	-0.005 (0.09)	-0.053 (0.98)	-0.052 (0.95)	-0.069 (1.26)	-0.063 (1.14)
Log of per capita hh expenditure	0.288 (2.57)*	0.271 (2.38)*	0.07 (1.11)	0.067 (1.05)	0.144 (2.16)*	0.137 (2.02)*	0.121 (1.76)+	0.122 (1.77)+
House wall made of mud	0.242 (2.48)*	0.245 (2.43)*	0.013 (0.23)	0.028 (0.50)	0.055 (0.94)	0.065 (1.09)	0.06 (1.02)	0.079 (1.30)
No economic shock	0.094 (1.07)	0.105 (1.18)	0.128 (2.58)**	0.115 (2.28)*	0.163 (3.15)**	0.155 (2.95)**	0.184 (3.52)**	0.175 (3.31)**
Confidence index	-0.065 (6.85)**	-0.064 (6.56)**	-0.016 (3.01)**	-0.018 (3.25)**	-0.019 (3.35)**	-0.021 (3.65)**	-0.016 (2.84)**	-0.02 (3.35)**
Wealth relative to others	0.068 (1.54)	0.075 (1.66)+	0.02 (0.77)	0.02 (0.79)	0.053 (1.98)*	0.056 (2.06)*	0.067 (2.48)*	0.07 (2.55)*
Village has non-Muslims		-0.386 (0.92)		0.283 (1.02)		-0.003 (0.01)		0.127 (0.44)
Village has pucca road		0.166 (1.59)		-0.017 (0.30)		0.06 (1.02)		0.045 (0.74)
Village has electricity		-0.117 (0.71)		0.077 (0.90)		-0.002 (0.03)		0.059 (0.65)
# of mosques in the village		-0.037 (1.08)		-0.026 (1.09)		0.011 (0.46)		-0.003 (0.10)
Village semi urban		-0.122 (0.89)		0.338 (3.62)**		0.367 (3.74)**		0.352 (3.53)**
Village economic inequality		0 (0.32)		0 (0.56)		0 (0.30)		0 (0.11)
Village has NGO presence		0.071 (1.12)		-0.081 (1.46)		-0.029 (0.50)		-0.07 (1.19)
Observations	2359	2309	2304	2256	2127	2081	2053	2009
Pseudo R2	0.25	0.25	0.09	0.1	0.05	0.06	0.06	0.07

(continued....)

Table 2: Ordered Probit estimates of determinants of social trust (continued...)

	Trust strangers?		Trust foreigners?		Trust people in general?		Trust NGO worker?	
	(1)	(2)	(1)	(2)	(1)	(2)	(1)	(2)
Female	0.089 (1.18)	0.08 (1.05)	-0.169 (1.84)+	-0.182 (1.95)+	-0.069 (0.90)	-0.076 (0.97)	-0.093 (1.21)	-0.082 (1.05)
Hindu	0.018 (0.21)	0.046 (0.49)	0.095 (0.98)	0.169 (1.59)	-0.123 (1.41)	-0.108 (1.13)	0.237 (2.59)**	0.214 (2.15)*
Married	-0.106 (1.12)	-0.117 (1.22)	-0.198 (1.76)+	-0.211 (1.85)+	0.026 (0.27)	0.034 (0.34)	-0.047 (0.49)	-0.015 (0.15)
Age	0.004 (0.32)	0.005 (0.46)	0.004 (0.38)	0.006 (0.37)	0.023 (1.74)+	0.027 (1.97)*	0.028 (1.99)*	0.026 (1.86)+
Age, squared	-0.002 (0.16)	-0.003 (0.22)	-0.005 (0.32)	-0.006 (0.37)	-0.024 (1.76)+	-0.028 (2.02)*	-0.033 (2.30)*	-0.032 (2.22)*
No education	0.076 (1.55)	0.078 (1.56)	-0.001 (0.02)	-0.001 (0.02)	0.088 (1.73)+	0.094 (1.83)+	0.032 (0.62)	0.029 (0.57)
Log of per capita hh expenditure	0.201 (3.28)**	0.199 (3.20)**	0.213 (2.93)**	0.215 (2.92)**	0.006 (0.11)	-0.001 (0.02)	-0.152 (2.43)*	-0.139 (2.20)*
House wall made of mud	0.075 (1.41)	0.076 (1.38)	0.125 (2.03)*	0.132 (2.09)*	-0.026 (0.47)	-0.033 (0.63)	0.042 (0.77)	0.054 (0.95)
No economic shock	0.099 (2.05)*	0.112 (2.30)*	-0.043 (0.77)	-0.038 (0.67)	-0.1 (2.04)*	-0.086 (1.72)+	0.023 (0.48)	0.037 (0.75)
Confidence index	-0.045 (8.66)**	-0.046 (8.54)**	-0.039 (6.35)**	-0.041 (6.58)**	-0.034 (6.44)**	-0.035 (6.49)**	-0.112 (19.96)**	-0.114 (19.94)**
Wealth relative to others	0.032 (1.29)	0.036 (1.46)	0.046 (1.63)	0.05 (1.78)+	0.02 (0.88)	0.03 (1.16)	0.043 (1.68)+	0.045 (1.76)+
Village has non-Muslims		-0.501 (1.86)+		-0.46 (1.46)		-0.191 (0.71)		0.167 (0.61)
Village has pucca road		-0.093 (1.71)+		0.009 (0.14)		-0.06 (1.07)		-0.033 (0.59)
Village has electricity		0.047 (0.57)		0.097 (1.04)		-0.035 (0.41)		0.041 (0.48)
# of mosques in the village		-0.052 (2.25)*		-0.01 (0.34)		-0.014 (0.63)		-0.01 (0.43)
Village semi urban		-0.008 (0.09)		-0.042 (0.39)		0.05 (0.54)		-0.034 (0.37)
Village economic inequality		0.001 (0.78)		0 (0.19)		0 (0.31)		-0.001 (1.69)+
Village has NGO presence		0.02 (0.38)		-0.128 (2.01)*		-0.014 (0.25)		-0.092 (1.68)+
Observations	2235	2187	1723	1686	2341	2291	2218	2175
Pseudo R2	0.04	0.04	0.05	0.05	0.09	0.09	0.08	0.08

Note: (a) regressions include control for district fixed effects. (b) Standard errors are clustered at the village level. (c) t-statistics in parenthesis. (d) Regression model includes a square term of respondent age. (e) Marginal effects are reported instead of regression coefficients.

Table 3: Ordered Probit estimates of determinants of social trust, Muslim respondents only

	Trust Muslim?	Trust Hindu?	Trust Christian?	Trust Buddhist?	Trust strangers?	Trust foreigners?	Trust people in general?	Trust NGO worker?
Female	-0.16 (0.96)	-0.028 (0.34)	-0.07 (0.81)	-0.079 (0.89)	0.112 (1.43)	-0.086 (0.91)	-0.032 (0.39)	-0.047 (0.59)
Married	-0.435 (1.83)+	-0.015 (0.15)	-0.091 (0.84)	-0.074 (0.66)	-0.048 (0.49)	-0.127 (1.08)	0.107 (1.07)	-0.055 (0.54)
Age	0.006 (0.19)	0.025 (1.75)+	0.02 (1.34)	0.018 (1.22)	0.002 (0.18)	-0.001 (0.08)	0.01 (0.72)	0.028 (1.95)+
No education	0.145 (1.39)	-0.049 (0.91)	-0.084 (1.45)	-0.101 (1.73)+	0.054 (1.03)	-0.024 (0.39)	0.156 (2.91)**	-0.005 (0.09)
Log of per capita hh expenditure	0.207 (1.64)	-0.054 (0.86)	-0.006 (0.09)	-0.028 (0.41)	0.119 (1.90)+	0.099 (1.34)	0.1 (1.58)	-0.168 (2.66)**
House wall made of mud	0.329 (2.98)**	-0.073 (1.33)	-0.032 (0.55)	-0.042 (0.77)	-0.014 (0.26)	0.027 (0.44)	-0.064 (1.18)	0.088 (1.62)
No economic shock	0.154 (1.51)	0.132 (2.61)**	0.184 (3.43)**	0.201 (3.70)**	0.146 (2.96)**	0.045 (0.79)	-0.08 (1.61)	0.051 (1.02)
Wealth relative to others	0.076 (1.48)	0.02 (0.78)	0.044 (1.57)	0.049 (1.75)+	0.007 (0.26)	0.011 (0.38)	0.003 (0.11)	0.025 (0.95)
Confidence index (non-religious institutions)	-0.043 (3.21)**	-0.026 (3.81)**	-0.03 (4.03)**	-0.032 (4.26)**	-0.061 (8.98)**	-0.061 (7.81)**	-0.047 (6.99)**	-0.1 (14.31)**
Confidence index (religious institutions)	-0.094 (2.46)*	0.088 (4.42)**	0.104 (4.91)**	0.118 (5.48)**	0.054 (2.79)**	0.083 (3.52)**	0.052 (2.62)**	0.052 (2.61)**
Prays daily	0.043 (0.42)	-0.115 (2.15)*	-0.08 (1.43)	-0.068 (1.18)	0.155 (1.89)	0.047 (0.77)	-0.055 (1.04)	-0.096 (1.81)+
Attended Islamic school	-0.175 (0.76)	-0.276 (2.07)*	-0.246 (1.77)+	-0.21 (1.51)	-0.293 (2.28)*	-0.303 (2.06)*	0.187 (1.42)	-0.279 (2.13)*
Village has non-Muslims	-0.891 (1.87)+	-0.326 (1.26)	-0.45 (1.62)	-0.243 (0.87)	-0.649 (2.57)*	-0.541 (1.84)+	0.893 (3.47)**	-0.409 (1.61)
Village has pucca road	0.017 (0.15)	-0.033 (0.61)	0.036 (0.62)	-0.016 (0.28)	-0.102 (1.95)+	-0.056 (0.94)	0.03 (0.57)	-0.08 (1.51)
Village has electricity	-0.107 (0.62)	-0.092 (1.12)	-0.169 (1.94)+	-0.148 (1.67)+	-0.083 (1.04)	-0.034 (0.37)	-0.383 (4.60)**	-0.064 (0.79)
# of mosques in the village	-0.04 (1.17)	-0.056 (2.84)**	-0.025 (1.19)	-0.038 (1.76)+	0.003 (0.17)	0.043 (1.87)+	0.055 (2.85)**	-0.067 (3.45)**
Village semi urban	-0.348 (2.60)**	0.404 (4.71)**	0.458 (5.06)**	0.383 (4.18)**	0.012 (0.14)	0.091 (0.91)	-0.532 (6.27)**	-0.056 (0.67)
Village economic inequality	0.002 (1.59)	0 (0.33)	0 (0.22)	0 (0.21)	0.001 (0.88)	0.001 (0.77)	-0.003 (5.08)**	0 (0.67)
Village has NGO presence	0.025 (0.23)	-0.102 (1.86)+	-0.044 (0.75)	-0.099 (1.66)+	-0.034 (0.64)	-0.212 (3.32)**	-0.05 (0.92)	0.005 (0.08)
Observations	2122	2068	1916	1843	2015	1551	2103	2013
Pseudo R2	0.12	0.02	0.03	0.03	0.02	0.03	0.04	0.05

Notes: see Table 2

Appendix Table 1: Division-wise breakdown of responses to trust questions

Variable	Barisal		Khulna		Rajshahi		Chittagong		Sylhet		Dhaka	
	Mean	Std. Dev.	Mean	Std. Dev.	Mean	Std. Dev.	Mean	Std. Dev.	Mean	Std. Dev.	Mean	Std. Dev.
Trust Hindu?	2.57	1.46	2.86	1.55	2.90	1.43	2.50	1.53	2.57	1.54	2.53	1.51
Trust Christians?	2.34	1.47	2.81	1.51	2.64	1.37	2.10	1.38	2.50	1.53	2.11	1.43
Trust Buddhist?	2.14	1.39	2.72	1.54	2.70	1.38	2.12	1.39	2.55	1.51	2.12	1.39
Trust strangers?	3.21	1.42	3.20	1.22	3.24	1.16	3.16	1.30	3.18	1.21	3.23	1.46
Trust foreigner?	2.85	1.40	2.98	1.40	2.69	1.33	2.41	1.42	2.68	1.28	2.54	1.57
Trust generally?	3.45	1.39	1.59	0.98	3.99	1.40	3.75	1.40	3.10	1.43	3.32	1.31
Happiness	6.12	2.70	5.20	1.72	6.06	2.65	5.23	2.03	6.26	2.34	5.34	2.49
N	199		200		400		799		400		400	

Appendix Table 2: Descriptive statistics

Variable	Full sample		Muslim		Hindu	
	Mean	Std. Dev.	Mean	Std. Dev.	Mean	Std. Dev.
<u>Individual characteristics</u>						
Female	0.17	0.37	0.17	0.38	0.12	0.32
Hindu	0.08	0.27			1	0
Married	0.92	0.28	0.92	0.28	0.92	0.27
Age	45.58	10.43	45.58	10.49	45.56	9.78
Head has no education	0.48	0.50	0.49	0.50	0.32	0.47
Confidence index (non-religious institutions)	12.26	4.07				
Confidence index (religious institutions)	2.83	1.40	2.81	1.36	3.08	1.72
<u>Household characteristics</u>						
Per capita monthly expenditure	2101.85	1053.91	2083.38	1046.32	2312.93	1118.35
House wall made of mud	0.38	0.49	0.38	0.48	0.45	0.50
No economic shock	0.38	0.49	0.38	0.49	0.41	0.49
Wealth relative to others	2.56	1.05	2.58	1.05	2.39	1.03
<u>Village characteristics</u>						
Village has non-Muslims	0.08	0.12	0.06	0.10	0.25	0.16
Village has pucca road	0.59	0.49	0.59	0.49	0.49	0.50
Village has electricity	0.89	0.32				
# of mosques in the village	2.29	1.48	2.34	1.49	1.77	1.18
Village semi urban	0.10	0.31	0.11	0.31	0.09	0.29
Village economic inequality	115.96	50.65	116.19	50.42	113.32	53.32
Village average GSS score	3.46	0.70	3.44	0.71	3.62	0.55
	2393		2200		193	

Appendix Table 3: Ordered Probit estimates of determinants of social trust with enumerator fixed-effects

	Trust Muslim?		Trust Hindu?		Trust Christian?		Trust Buddhist?	
	(1)	(2)	(1)	(2)	(1)	(2)	(1)	(2)
Female	-0.112 (0.73)	-0.151 (0.95)	-0.226 (2.75)**	-0.19 (2.28)*	-0.267 (3.07)**	-0.234 (2.65)**	-0.287 (3.21)**	-0.258 (2.83)**
Hindu	-2.077 (16.99)**	-2.094 (14.93)**	2.347 (20.77)**	2.281 (18.94)**	1.047 (10.86)**	1.067 (10.02)**	1.19 (12.24)**	1.173 (10.91)**
Married	-0.31 (1.51)	-0.323 (1.53)	-0.114 (1.11)	-0.076 (0.73)	-0.241 (2.23)*	-0.217 (1.97)*	-0.216 (1.94)+	-0.184 (1.61)
Age	0.029 (1.05)	0.029 (1.04)	0.011 (0.82)	0.013 (0.88)	0.015 (0.99)	0.016 (1.04)	0.006 (0.43)	0.004 (0.29)
Age, squared	-0.025 (0.87)	-0.026 (0.88)	-0.015 (1.05)	-0.017 (1.19)	-0.016 (1.08)	-0.019 (1.22)	-0.008 (0.52)	-0.007 (0.48)
No education	0.181 (1.83)+	0.177 (1.75)+	0.005 (0.09)	0.003 (0.05)	-0.035 (0.62)	-0.031 (0.55)	-0.053 (0.93)	-0.048 (0.81)
Log of per capita hh expenditure	0.071 (0.55)	0.067 (0.51)	0.126 (1.83)+	0.106 (1.53)	0.196 (2.66)**	0.181 (2.42)*	0.184 (2.43)*	0.169 (2.21)*
House wall made of mud	0.071 (0.67)	0.079 (0.72)	0.033 (0.57)	0.03 (0.51)	0.064 (1.07)	0.062 (1.01)	0.063 (1.03)	0.066 (1.05)
No economic shock	-0.031 (0.31)	-0.021 (0.21)	0.18 (3.33)**	0.16 (2.91)**	0.178 (3.14)**	0.167 (2.90)**	0.226 (3.94)**	0.209 (3.60)**
Confidence index	-0.065 (5.46)**	-0.061 (5.07)**	-0.029 (4.43)**	-0.03 (4.50)**	-0.028 (3.98)**	-0.029 (4.20)**	-0.026 (3.72)**	-0.029 (4.10)**
Wealth relative to others	0.1 (1.97)*	0.112 (2.17)*	0.027 (0.98)	0.028 (1.02)	0.058 (2.03)*	0.063 (2.17)*	0.071 (2.42)*	0.075 (2.53)*
Village has non-Muslims		(0.533) (1.14)		0.256 (0.86)		-0.158 (0.51)		-0.071 (0.23)
Village has pucca road		0.169 (1.52)		0.007 (0.12)		0.065 (1.07)		0.039 (0.62)
Village has electricity		-0.113 (0.64)		0.075 (0.87)		-0.004 (0.04)		0.052 (0.56)
# of mosques in the village		-0.058 (1.48)		-0.048 (1.95)+		-0.019 (0.73)		-0.037 (1.39)
Village semi urban		-0.206 (1.43)		0.371 (3.93)**		0.339 (3.48)**		0.349 (3.51)**
Village economic inequality		0.001 (0.89)		0.001 (1.91)+		0.002 (2.05)*		0.002 (2.02)*
Village has NGO presence		0.061 (0.57)		-0.077 (1.33)		-0.037 (0.63)		-0.068 (1.11)
Observations	2359	2309	2304	2256	2127	2081	2053	2009
Pseudo R2	0.34	0.35	0.17	0.18	0.13	0.14	0.15	0.15

Note: (a) Standard errors are clustered at the village level. (b) t-statistics in parenthesis (c) Regression model includes a square term of respondent age.

Appendix Table 3: Ordered Probit estimates of determinants of social trust with enumerator fixed-effects (continued.....)

	Trust strangers?		Trust foreigners?		Trust people in general?		Trust NGO worker?	
	(1)	(2)	(1)	(2)	(1)	(2)	(1)	(2)
Female	0.08 (1.02)	0.08 (1.09)	-0.195 (2.03)*	-0.204 (2.08)*	-0.05 (0.61)	-0.064 (0.78)	-0.094 (1.18)	-0.088 (1.09)
Hindu	0.036 (0.44)	0.053 (0.54)	0.109 (1.06)	0.135 (1.21)	-0.217 (2.32)*	-0.206 (2.02)*	0.257 (2.69)**	0.266 (2.56)*
Married	-0.099 (1.02)	-0.107 (1.08)	-0.233 (1.97)*	-0.235 (1.96)+	0.031 (0.31)	0.021 (0.24)	-0.034 (0.33)	-0.008 (0.08)
Age	0.006 (0.46)	0.008 (0.62)	0.002 (0.13)	0.001 (0.08)	0.028 (1.97)*	0.034 (2.33)*	0.019 (1.29)	0.019 (1.32)
Age, squared	-0.004 (0.29)	-0.006 (0.41)	-0.001 (0.08)	-0.001 (0.07)	-0.026 (1.81)+	-0.032 (2.20)*	-0.024 (1.62)	-0.025 (1.67)+
No education	0.09 (1.76)+	0.087 (1.67)+	-0.031 (0.51)	-0.019 (0.33)	0.063 (1.19)	0.067 (1.23)	0.055 (1.04)	0.044 (0.83)
Log of per capita hh expenditure	0.169 (2.50)*	0.159 (2.33)*	0.244 (3.05)**	0.241 (2.99)**	-0.009 (0.13)	-0.017 (0.25)	-0.087 (1.27)	-0.087 (1.25)
House wall made of mud	0.016 (0.29)	0.016 (0.28)	0.118 (1.84)+	0.135 (2.05)*	-0.011 (0.19)	-0.013 (0.22)	0.072 (1.27)	0.079 (1.36)
No economic shock	0.038 (0.72)	0.044 (0.83)	-0.057 (0.92)	-0.064 (1.02)	-0.039 (0.72)	-0.027 (0.48)	0.004 (0.08)	0.025 (0.47)
Confidence index	-0.057 (9.00)**	-0.057 (8.95)**	-0.063 (8.45)**	-0.065 (8.65)**	-0.02 (3.12)**	-0.021 (3.16)**	-0.102 (15.40)**	-0.105 (15.61)**
Wealth relative to others	0.009 (0.33)	0.015 (0.57)	0.023 (0.77)	0.027 (0.89)	-0.015 (0.56)	-0.003 (0.12)	0.005 (0.18)	0.012 (0.44)
Village has non-Muslims		-0.381 (1.34)		-0.081 (0.24)		-0.453 (1.55)		-0.24 (0.83)
Village has pucca road		-0.056 (1.01)		0.053 (0.83)		-0.054 (0.92)		-0.07 (1.24)
Village has electricity		0.045 (0.54)		0.192 (2.02)*		-0.046 (0.52)		-0.003 (0.03)
# of mosques in the village		-0.034 (1.42)		-0.007 (0.23)		-0.063 (2.61)**		-0.03 (1.26)
Village semi urban		0.133 (1.45)		0.021 (0.19)		-0.106 (1.15)		-0.072 (0.79)
Village economic inequality		0.001 (0.79)		0 (0.31)		0 (0.54)		0 (0.65)
Village has NGO presence		-0.013 (0.23)		-0.191 (2.86)**		0.015 (0.26)		-0.095 (1.67)+
Observations	2235	2187	1723	1686	2341	2291	2218	2175
Pseudo R2	0.13	0.13	0.15	0.15	0.2	0.2	0.15	0.15

Note: See Table 2.

**Appendix Table 4: Ordered Probit estimates of determinants of social trust:
bordering vs. interior sub-districts**

	Trust Muslim?		Trust Hindu?		Trust Christian?		Trust Buddhist?	
	Border	Interior	Border	Interior	Border	Interior	Border	Interior
Female	0.198 (0.48)	-0.162 (1.04)	0.111 (0.59)	-0.191 (2.17)*	0.126 (0.64)	-0.247 (2.64)**	0.03 (0.15)	-0.271 (2.82)**
Hindu	-1.479 (4.21)**	-1.974 (14.40)**	1.986 (7.60)**	2.198 (17.24)**	1.186 (5.45)**	1.097 (9.48)**	1.335 (5.98)**	1.148 (9.88)**
Married	0.186 (0.43)	-0.308 (1.45)	0.082 (0.37)	-0.102 (0.89)	-0.002 (0.01)	-0.201 (1.67)+	-0.064 (0.29)	-0.138 (1.10)
Age	0.016 (0.26)	0.013 (0.44)	0.057 (1.99)*	0.01 (0.61)	0.024 (0.76)	0.022 (1.31)	0.033 (1.17)	0.011 (0.62)
No education	0.28 (1.07)	0.243 (2.42)*	0.029 (0.25)	-0.013 (0.22)	0.118 (0.98)	-0.088 (1.41)	0.071 (0.59)	-0.097 (1.53)
Log of per capita hh expenditure	-0.055 (0.16)	0.297 (2.42)*	-0.272 (1.75)+	0.126 (1.78)+	-0.28 (1.70)+	0.2 (2.64)**	-0.244 (1.49)	0.186 (2.39)*
House wall made of mud	0.422 (1.64)	0.207 (1.82)+	0.154 (1.31)	-0.024 (0.35)	0.188 (1.51)	0.008 (0.12)	0.19 (1.53)	0.031 (0.43)
No economic shock	0.453 (1.85)+	0.014 (0.15)	0.101 (0.92)	0.099 (1.74)+	0.195 (1.72)+	0.116 (1.93)+	0.219 (1.91)+	0.143 (2.35)*
Confidence index	-0.057 (2.13)*	-0.061 (5.67)**	-0.06 (4.77)**	-0.006 (0.89)	-0.06 (4.57)**	-0.009 (1.38)	-0.058 (4.46)**	-0.006 (0.96)
Wealth relative to others	0.193 (1.65)+	0.051 (1.02)	0.144 (2.65)**	-0.02 (0.66)	0.193 (3.47)**	0.016 (0.51)	0.197 (3.53)**	0.031 (0.97)
Village has non-Muslims	3.887 (1.53)	-0.657 (1.43)	-0.959 (0.84)	0.358 (1.13)	-1.598 (1.36)	0.164 (0.51)	-0.989 (0.85)	0.275 (0.83)
Village has pucca road	0.124 (0.45)	0.194 (1.51)	0.067 (0.58)	-0.054 (0.78)	0.11 (0.77)	0.058 (0.89)	0.093 (0.65)	0.03 (0.41)
Village has electricity	-0.232 (0.53)	-0.084 (0.45)	-0.093 (0.42)	0.098 (1.02)	-0.049 (0.22)	-0.013 (0.12)	-0.013 (0.06)	0.048 (0.46)
# of mosques in the village	0.409 (1.32)	-0.064 (1.78)+	0.059 (0.39)	-0.022 (0.87)	0.064 (0.39)	0.017 (0.63)	0.156 (0.96)	-0.001 (0.02)
Village semi urban	-0.489 (0.92)	-0.256 (1.65)+	0.377 (1.54)	0.367 (3.38)**	0.335 (1.39)	0.46 (3.94)**	0.248 (1.03)	0.449 (3.74)**
Village economic inequality	-0.003 (0.79)	0.001 (0.44)	0 (0.24)	0 (0.04)	0 (0.16)	0 (0.43)	0 (0.23)	-0.001 (0.62)
Village has NGO presence	-0.637 (1.40)	0.025 (0.23)	-0.118 (0.54)	-0.122 (1.89)+	-0.181 (0.83)	-0.033 (0.48)	-0.148 (0.68)	-0.097 (1.38)
Observations	469	1840	457	1799	428	1653	427	1582
Pseudo R2	0.19	0.27	0.1	0.1	0.09	0.05	0.11	0.06

(continued...)

Appendix Table 4: Ordered Probit estimates of determinants of social trust: bordering vs. interior sub-districts (continued.....)

	Trust strangers?		Trust foreigners?		Trust people in general?		Trust NGO worker?	
	Border	Interior	Border	Interior	Border	Interior	Border	Interior
Female	0.566 (3.10)**	-0.01 (0.12)	0.473 (2.20)*	-0.361 (3.44)**	0.285 (1.49)	-0.142 (1.64)	0.089 (0.48)	-0.09 (1.04)
Hindu	-0.151 (0.74)	0.081 (0.76)	0.249 (1.18)	0.191 (1.54)	-0.108 (0.51)	-0.114 (1.06)	0.257 (1.16)	0.207 (1.84)+
Married	0.1 (0.48)	-0.144 (1.32)	0.352 (1.45)	-0.346 (2.61)**	-0.015 (0.07)	0.065 (0.59)	-0.285 (1.27)	0.083 (0.74)
Age	0.041 (1.58)	-0.012 (0.77)	0.008 (0.25)	0 (0.01)	0.06 (2.08)*	0.015 (0.95)	0.046 (1.47)	0.021 (1.34)
No education	0.035 (0.31)	0.08 (1.42)	0.123 (0.96)	-0.035 (0.53)	0.04 (0.33)	0.103 (1.80)+	0.252 (2.10)*	-0.017 (0.30)
Log of per capita hh expenditure	-0.18 (1.19)	0.255 (3.68)**	0.206 (1.21)	0.232 (2.81)**	-0.368 (2.28)*	0.038 (0.55)	-0.125 (0.75)	-0.19 (2.72)**
House wall made of mud	0.081 (0.71)	0.059 (0.91)	0.211 (1.64)	0.108 (1.43)	0.119 (1.03)	-0.075 (1.14)	0.079 (0.65)	0.023 (0.35)
No economic shock	0.145 (1.34)	0.096 (1.74)+	-0.079 (0.65)	-0.02 (0.32)	0.271 (2.37)*	-0.201 (3.56)**	0.127 (1.12)	-0.014 (0.26)
Confidence index	-0.066 (5.49)**	-0.04 (6.47)**	-0.034 (2.48)*	-0.049 (6.81)**	-0.039 (3.11)**	-0.032 (5.18)**	-0.148 (11.09)**	-0.103 (15.79)**
Wealth relative to others	0.08 (1.49)	0.016 (0.56)	0.036 (0.62)	0.049 (1.52)	0.163 (2.89)**	-0.014 (0.49)	0.084 (1.48)	0.031 (1.06)
Village has non-Muslims	-0.212 (0.21)	-0.638 (2.09)*	-2.187 (1.78)+	0.077 (0.22)	-0.009 (0.01)	-0.453 (1.47)	0.496 (0.43)	-0.018 (0.06)
Village has pucca road	-0.043 (0.32)	-0.046 (0.69)	-0.133 (0.91)	0.114 (1.43)	-0.039 (0.28)	-0.114 (1.67)+	-0.161 (1.15)	-0.028 (0.41)
Village has electricity	-0.052 (0.24)	0.119 (1.30)	-0.227 (1.02)	0.136 (1.27)	0.063 (0.26)	-0.041 (0.43)	0.196 (0.85)	-0.004 (0.04)
# of mosques in the village	-0.042 (0.29)	-0.066 (2.70)**	-0.05 (0.28)	0.012 (0.38)	-0.206 (1.33)	-0.017 (0.72)	0.152 (0.96)	-0.024 (0.96)
Village semi urban	0.024 (0.11)	-0.031 (0.29)	0.116 (0.43)	0.006 (0.05)	-0.296 (1.22)	0.114 (1.07)	-0.351 (1.45)	0.026 (0.25)
Village economic inequality	-0.003 (1.61)	0.002 (2.27)*	0.002 (1.02)	0.001 (1.42)	-0.001 (0.23)	0 (0.08)	-0.004 (1.98)*	-0.002 (2.05)*
Village has NGO presence	0.405 (1.97)*	-0.039 (0.62)	0.142 (0.62)	-0.062 (0.81)	-0.207 (0.95)	-0.042 (0.65)	-0.218 (1.01)	-0.15 (2.38)*
Observations	452	1735	383	1303	468	1823	450	1725
Pseudo R2	0.08	0.04	0.06	0.05	0.15	0.08	0.13	0.08

Note: See Table 2.