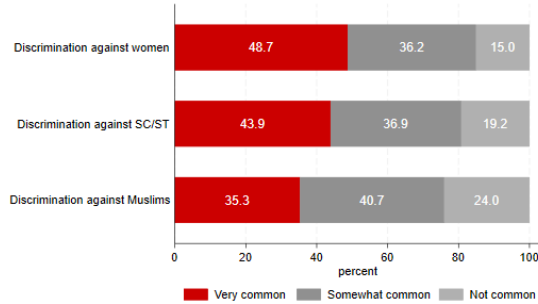


DISCRIMINATION EXPECTATIONS IN THE CREDIT MARKET: SURVEY EVIDENCE FROM INDIA

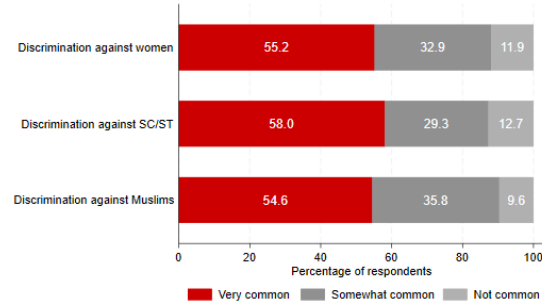
Stefano Fiorin, Joseph Hall, and Martin Kanz

ONLINE APPENDIX

A1. Appendix Figures: Descriptives



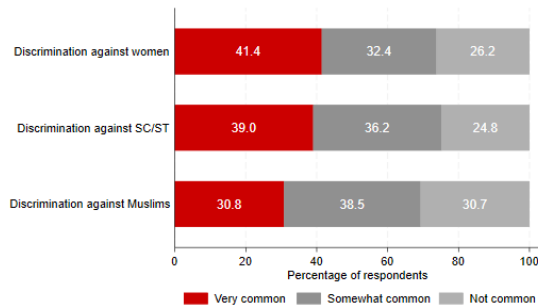
Panel A. Entire Sample



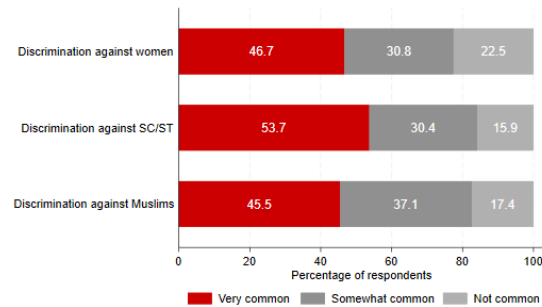
Panel B. Group Members

FIGURE A1. DISCRIMINATION EXPECTATIONS IN THE LABOR MARKET

Note: The figure shows responses to the question “in your opinion, how common is discrimination against the following groups when applying for a job?” Panel A. shows responses for the entire sample, Panel B. shows responses from members of the respective group.



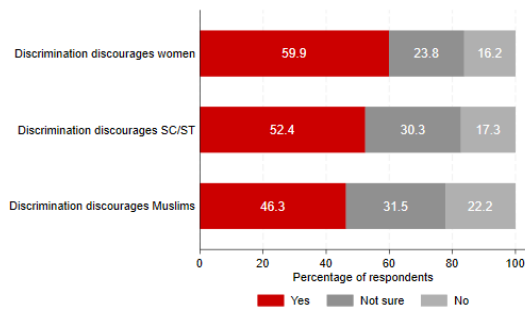
Panel A. Entire Sample



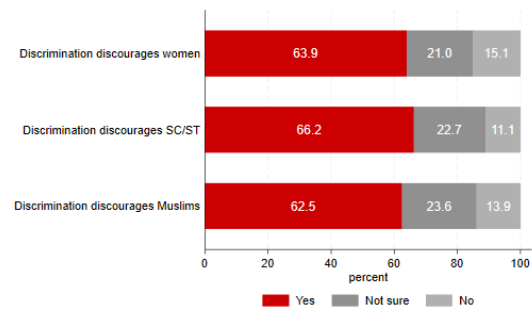
Panel B. Group Members

FIGURE A2. DISCRIMINATION EXPECTATIONS IN THE CREDIT MARKET

Note: The figure shows responses to the question “in your opinion, how common is discrimination against the following groups when it comes to applying for a loan?” Panel A. shows responses for the entire sample, Panel B. shows responses from members of the respective group.



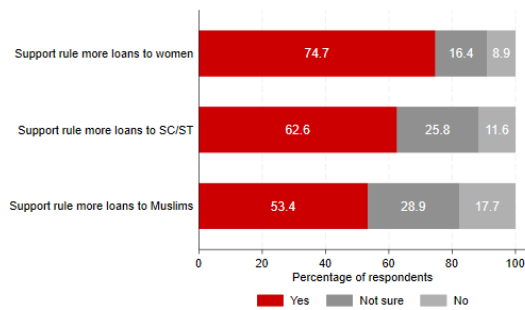
Panel A. Entire Sample



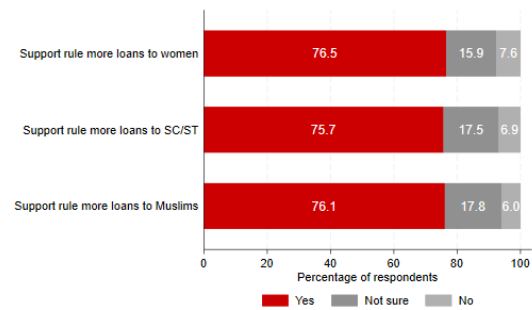
Panel B. Group Members

FIGURE A3. EFFECT OF DISCRIMINATION EXPECTATIONS ON BEHAVIOR

Note: The figure shows expectations about the effect of discrimination on behavior in the credit market among study participants. It plots responses to the question “Do you think that the expectation of being discriminated against discourages [group] from applying for loans?” Since this question is asked after the information experiment, we exclude from this analysis the treatment groups. Panel A. shows responses for the entire sample, Panel B. shows responses from members of the respective group.



Panel A. Entire Sample



Panel B. Group Members

FIGURE A4. SUPPORT FOR AFFIRMATIVE ACTION

Note: The figure shows support for affirmative action in the credit market among study participants. It plots responses to the question “Would you support a rule that requires banks to issue more loans to [group]?” Since this question is asked after the information experiment, we exclude from this analysis the treatment groups. Panel A. shows responses for the entire sample, Panel B. shows responses from members of the respective group.

A2. Appendix Figures: Information Experiment

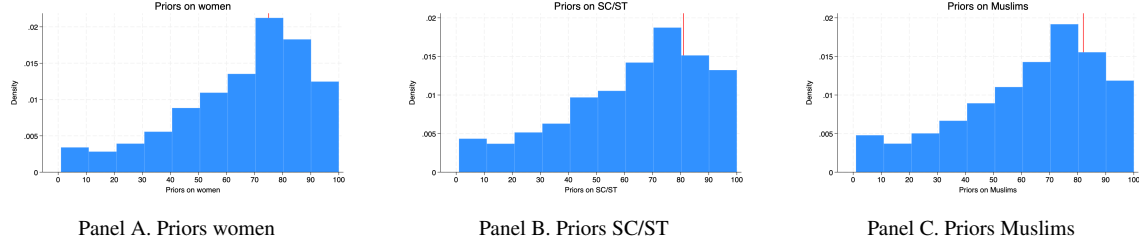


FIGURE A5. INFORMATION EXPERIMENT: PRIOR BELIEFS

Note: The figure shows the distribution of prior beliefs about loan approval rates for women, SC/STs and Muslims. Vertical lines show actual loan approval rates for each group, estimated from the 2011 India Human Development Survey (IHDS).

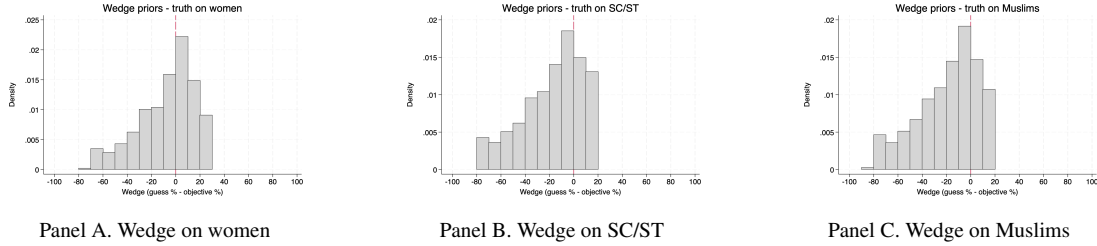


FIGURE A6. INFORMATION EXPERIMENT: DISTRIBUTION OF WEDGES IN PERCEPTIONS OF APPROVAL RATES

Note: The figure shows the distribution of wedges between priors and truth, defined as the difference between prior beliefs and the actual loan approval rates for women, SC/STs, and Muslims, respectively.

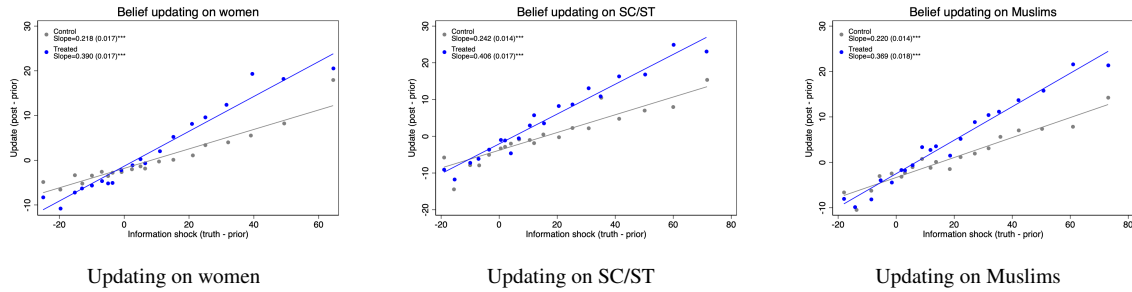


FIGURE A7. INFORMATION EXPERIMENT: UPDATING

Note: The figure presents evidence of belief updating on loan approval rates for each group in response to the randomly assigned information treatment. It plots the difference between posterior and prior beliefs on the y-axis against the information shock, defined as the difference between the signal and the prior beliefs on the x-axis, for the treatment (blue) and control groups (gray), respectively.

A3. Appendix Tables

TABLE A1—SUMMARY STATISTICS

	(1) Mean	(2) StDev	(3) Median	(4) Min	(5) Max
<i>A. Respondent characteristics</i>					
Female	.498	.500	0	0	1
Muslim	.146	.353	0	0	1
SC/ST	.246	.431	0	0	1
Age	33.50	8.82	32	21	60
Education, secondary or higher	.874	.331	1	0	1
Applied for loan in past 5 years	.646	.478	1	0	1
Trust in banks	.766	.424	1	0	1
<i>B. Beliefs and social attitudes</i>					
Has progressive social attitudes					
on gender	0.594	0.491	1	0	1
on caste	0.675	0.468	1	0	1
on religion	0.402	0.490	0	0	1
Supports affirmative action					
for women	0.754	0.431	1	0	1
for SC/ST	0.631	0.483	1	0	1
for Muslims	0.547	0.498	1	0	1
Thinks that discrimination discourages					
women	0.604	0.489	1	0	1
SC/ST	0.532	0.499	1	0	1
Muslims	0.471	0.499	0	0	1
<i>C. Information experiment</i>					
Prior beliefs					
on women	67.197	23.195	71	1	100
on SC/ST	64.712	24.672	70	1	100
on Muslims	64.176	24.675	70	1	100
Posterior beliefs					
on women	68.004	22.470	74	1	100
on SC/ST	66.491	23.320	71	1	100
on Muslims	65.970	23.817	70	1	100
Information shock					
on women	7.803	23.195	4	-25	74
on SC/ST	16.288	24.672	11	-19	80
on Muslims	17.824	24.675	12	-18	81

Note: The table reports summary statistics for respondents in our sample.

A4. Survey Questions

- Please select the language:
 - English
 - Hindi
- What is your name? Last name (family name):
- What is your gender?
 - Male
 - Female
- Which state do you live in?
 - Uttar Pradesh
 - Bihar
 - Maharashtra
 - West Bengal
 - Madhya Pradesh
 - Rajasthan
 - Tamil Nadu
 - Gujarat
 - Karnataka
 - Andhra Pradesh
 - Odisha
 - Jharkhand
 - Telangana
 - Kerala
 - Assam
 - Punjab
 - Haryana
 - Chhattisgarh
 - NCT of Delhi
 - Uttarakhand
 - Other
- Which religion do you follow?
 - Hinduism

- Jainism
 - Islam
 - Sikhism
 - Buddhism
 - Christianity
 - Other
 - None
- Are you a member of a scheduled caste or scheduled tribe (SC/ST)?
 - Yes
 - No
- Would you prefer to eat soap or chapati? [attention check question]
 - Soap
 - Chapati
- Do you think that discrimination against women is a serious problem in Indian society?
 - Yes
 - Not sure
 - No
- Do you think that discrimination based on religion is a serious problem in Indian society?
 - Yes
 - Not sure
 - No
- Do you think that discrimination based on caste or community is a serious problem in Indian society?
 - Yes
 - Not sure
 - No
- Some people believe that job applicants are discriminated against because of their gender, religion, or community. In your opinion, how common is discrimination against the following groups when applying for a job?
 - Discrimination against women
 - * Very common
 - * Somewhat common

- * Not common
- Discrimination against Muslims
 - * Very common
 - * Somewhat common
 - * Not common
- Discrimination against Non-Hindus other than Muslims
 - * Very common
 - * Somewhat common
 - * Not common
- Discrimination against members of scheduled castes and scheduled tribes
 - * Very common
 - * Somewhat common
 - * Not common
- Some people believe that loan applicants are discriminated against because of their gender, religion, or community. In your opinion, how common is discrimination against the following groups when it comes to applying for a loan?
 - Discrimination against women
 - * Very common
 - * Somewhat common
 - * Not common
 - Discrimination against Muslims
 - * Very common
 - * Somewhat common
 - * Not common
 - Discrimination against Non-Hindus other than Muslims
 - * Very common
 - * Somewhat common
 - * Not common
 - Discrimination against members of scheduled castes and scheduled tribes
 - * Very common
 - * Somewhat common
 - * Not common
- Data on loan applications from a few years ago shows that approximately 87% of all loan applications in India were approved.
 - What share of loan applications from women do you think are approved today?

- What share of loan applications from SC/ST (Dalit/Adivasi) borrowers do you think are approved today?
 - What share of loan applications from Muslims do you think are approved today?
- Text only for treatment groups:
 - Your guess is that {X}% of women are approved today. Data from the Indian Human Development Survey from a few years ago shows that in fact 75% of loan applications from women were successful.
 - Your guess is that {X}% of SC/ST (Dalit/Adivasi) applicants are approved today. Data from the Indian Human Development Survey from a few years ago shows that in fact 81% of loan applications from SC/ST (Dalit/Adivasi) were successful.
 - Your guess is that {X}% of Muslims are approved today. Data from the Indian Human Development Survey from a few years ago shows that in fact 82% of loan applications from Muslims were successful.
- We now want to give you the opportunity to revise your guess.
 - Your initial guess was that {X}% of loan applications from women are approved. Now [In treatment groups: Based on the information we shared], what share of loan applications from women do you think are approved?
 - Your initial guess was that {X}% of loan applications from SC/ST (Dalit/Adivasi) borrowers are approved. Now [In treatment groups: Based on the information we shared], what share of loan applications from SC/ST (Dalit/Adivasi) borrowers do you think are approved?
 - Your initial guess was that {X}% of loan applications from Muslim borrowers are approved. Now [In treatment groups: Based on the information we shared], what share of loan applications from Muslims do you think are approved?
- Would you support a rule that requires banks to issue more loans to women?
 - Yes
 - Not sure
 - No
- Would you support a rule that requires banks to issue more loans to SC/ST (Dalit/Adivasi) applicants?
 - Yes
 - Not sure
 - No
- Would you support a rule that requires banks to issue more loans to Muslims?
 - Yes

- Not sure
 - No
- Do you think that the expectation of being discriminated against discourages women from applying for loans?
 - Yes
 - Not sure
 - No
- Do you think that the expectation of being discriminated against discourages members of SC/ST (Dalit/Adivasi) communities from applying for loans?
 - Yes
 - Not sure
 - No
- Do you think that the expectation of being discriminated against discourages Muslims from applying for loans?
 - Yes
 - Not sure
 - No
- There should be reservations for SC/ST (Dalit/Adivasi) communities in government jobs.
 - Agree
 - Disagree
- There should be reservations for Muslims in government jobs.
 - Agree
 - Disagree
- Men should be paid more than women even if it's the same job.
 - Agree
 - Disagree
- Marriage between two people of different religions is a good idea.
 - Agree
 - Disagree
- Marriage between two people from different castes is a good idea.
 - Agree

- Disagree
- Generations of unfair treatment have made it difficult for Dalits to improve their economic conditions.
 - Agree
 - Disagree
- Dalits are not trying harder; if they try hard enough they will be well off.
 - Agree
 - Disagree
- A woman should prioritize managing her home over outside work.
 - Agree
 - Disagree
- Men and women should have equal responsibilities for child-rearing.
 - Agree
 - Disagree
- Have you applied for a loan at any point in the last 5 years?
 - Yes
 - No
- How much trust do you have in banks and other financial institutions?
 - No trust at all
 - Low trust
 - High trust
 - Complete trust
- What is your employment status?
 - Employed part-time
 - Employed full-time
 - Self-employed
 - Unemployed
- How old are you?
- Are you married?
 - Yes

- No
- What is the highest level of education you have completed?
 - No formal schooling
 - Schooling up to 4 years
 - Schooling 5-9 years
 - SSC/HSC
 - Graduate degree (e.g. B.A., B.E., B.Comm, BTech)
 - Postgraduate degree (e.g. M.A., M.Sc., M.Comm., MBA, LLB)