

Noblesse Oblige? Preferences for Redistribution among Urban Residents in India[†]

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Abstract

Using an original dataset, we investigated the determinants of individual preferences for income redistribution in India. Unlike the previous studies, our results show that economic related conditions do not explain people's tastes for redistribution so much. While future prospects for economic status have a statistically significant impact on preferences for redistributive policies, the current household income level does not explain individual preferences for redistribution. On the contrary, the impact of the current income level is lessened to a large extent by controlling caste membership. This suggests that the social hierarchy based on caste is a crucial determinant of economic status in India. Furthermore, the results show that the relative economic position compared with people around is an important factor; relatively wealthy individuals are more likely to favor greater redistribution. This seemingly "noblesse oblige" effect can be explained mostly by religious belief.

Keywords: Governmental redistribution; Social preferences; Relative economic position; Noblesse oblige; India

JEL classification: D31; D63; H23; I38

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