Motivation: What Does the Literature Say?

The literature on trust and equality can best be separated into three categories: theoretical, experimental, and empirical.

1) Theoretical: Inequality leads to lower levels of trust in societies (Bac 2009).

2) Experimental: While some studies show no effect of inequality on trust (Sadrich and Verbon 2002; Smith 2011), others such as Greiner et al (2012) find that inequality matters. Hargreaves Heap et al (2013) find that once general knowledge of inequality is introduced, inequality is corrosive on trust.

3) Empirical: By far the most extensive, the empirical research contains an overwhelming number of studies concluding that inequality leads to distrust and subsequently lowers investments in human and physical capital, participation, and human development (La Ferrara 2002; Dearmon and Grier 2011; Özcan and Bjørnskov 2011). Inequalities can arise from various sources, such as the distinction between individual households and societal prejudices, ethnic fragmentation (Gustavsson and Jordahl 2008; Hou and Wu 2009), and the presence of past traumatic experiences and discrimination (Alesina and Angeletos 2005).

Motivation: Due primarily to the lack of individual level economic data there is little done in the context of African countries. At present there is a single study within Tanzania that is not nationally representative (La Ferrara 2002). Further most studies have focused on individual (vertical) inequality and not group (horizontal) inequality. This leaves scope for a study on trust and horizontal inequality and African development.

Countries Included

- Benin
- Botswana
- Burkina Faso
- Burundi
- Cameroon
- Cape Verde
- Ghana
- Kenya
- Lesotho
- Liberia
- Madagascar
- Malawi
- Mali
- Mauritius
- Mozambique
- Namibia
- Nigeria
- Senegal
- Sierra Leone
- South Africa
- Sudan
- Swaziland
- Tanzania
- Togo
- Tunisia
- Uganda
- Zambia
- Zimbabwe

References


Project and Methodology

Professor Mwangi wa Gĩthĩnji developed an index of economic indicators regarding wellbeing, drawn from variables collected in the Afrobarometer, an opinion based poll of African countries taken five times from 1998 to 2012. The surveys ask a series of questions on trust and ethnicity. Using the index for wellbeing, merging data across countries, and using country fixed effects allows us to test the role that inequality (both individual and horizontal) and ethnicity play on citizens’ trust.

While the empirical issue is relatively straightforward, merging of the data, constructing and refining the economic index, and creating measures of inequality is labor intensive.

Role of Research Assistants

The undergraduate research assistants (UGAs) helped identify important explanatory variables and compiled the data sets to allow for analysis. First, the UGAs examined the datasets for potentially useful variables. Considering the Afrobarometer survey data had different variable types and question names across countries and years of the polls, figuring out which variables were present in all surveys was an arduous task. Therefore, the research assistants mainly sifted through the various data sets for discrepancies and reconciled them. The survey results of different countries were then merged into a single data set, subsequently paving the way for econometric analysis.

The UGAs also collected data on elections, heads of government, and their ethnicities to help better understand the relationship between governments, their people, and their ethnicities.