

# Life evaluation, affluence and trust in the NDA government

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### **Abstract**

Disillusionment with income as a measure of wellbeing has led researchers to alternative measures that are broader and focus on outcomes. Amartya Sen's pioneering contribution focuses on capabilities to live a healthy and rewarding life. Deaton, among others, espouses a measure of wellbeing called life evaluation/satisfaction that aggregates components of wellbeing, such as economic status, health, family circumstances and even human and political rights, and we use this measure of life evaluation here. As there is no study of trust in the present Indian government's National Democratic Alliance (NDA), led by the Bharatiya Janata Party (BJP), and life evaluation, this study aims to fill this gap, using the Gallup World Poll survey for India covering the period 2018–21. As trust in the NDA is endogenous, 2SLS and Lewbel IV estimators have been used. As the 2SLS estimates satisfy the relevance and exclusion conditions for the instruments, we rely on these estimates. Our analysis, controlling for other covariates, confirms robustly that trust in the NDA determines life evaluation. As trust in the NDA has decreased over the period analysed, so

has life evaluation. If the oppressive and brutal policies of the NDA in pursuit of a Hindu nation are not checked, the cumulative loss of trust in the NDA and life evaluation may jeopardise democracy.

## **Keywords**

Trust, National Democratic Alliance (NDA), life evaluation, Hindu nationalism, minorities, democracy

## **JEL Codes**

D01, D02, D60, H11

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## **1 Introduction**

Real income as a measure of wellbeing is often complex and deceptive (Sen, 1979). Prominent critics of it include Amartya Sen (1985) and Angus Deaton (2008). Both are emphatic that comparisons of wellbeing must go beyond income comparisons. However, their arguments differ.

Sen (1985) points to the narrowness of income comparisons in assessing the standard of living. He argues that wealth in terms of commodity possession or high income is undoubtedly important in enhancing one's standard of living, but he is sceptical of the claim that the standard of living is best seen as wealth itself. He distinguishes between being 'well off' and being 'well', and argues that, while

wellbeing is related to being well off, they are not the same and may possibly diverge a good deal. An illustration is helpful.

Consider two persons, A and B. Both are quite poor, but B is poorer. A has a higher income and buys more food and consumes more of it. But A also has a higher metabolic rate and some parasitic disease, so that, despite his higher food consumption, he is in fact more undernourished and debilitated than B is. Hence the question: who has the higher standard of living of the two? A may be less poor, but this does not imply that he has the higher standard of living of the two, since he is more undernourished and more debilitated. The standard of living is not a standard of wealth, even though it is *inter alia* influenced by wealth. It is indeed a matter of the life one leads rather than of the resources and means one has to lead a life (Sen, 1985). Dissatisfaction with income as a measure of wellbeing led Sen to a broader view or, more specifically, to the capability approach (Sen, 1985).

In sharp contrast, Deaton (2008) espouses a measure of wellbeing called life satisfaction, based on self-reported responses. It is a straightforward measure that aggregates components of wellbeing, such as economic status, health, family circumstances and even human and political rights. The contrast lies in the fact that, while Sen emphasises the importance of each capability and functioning, and rules out aggregation into an overall index, Deaton and others see considerable merit in life satisfaction as a scaled index of wellbeing.

There is a vast body of literature offering detailed evidence on the link between life satisfaction, or a related measure of happiness, and income, based on the Gallup World Poll (GWP) survey, World Values survey and country-specific surveys. The patterns are of considerable interest.<sup>1</sup>

Consider, for example, the relationship between life satisfaction and income. It is often argued that income is both relatively unimportant and relatively transitory compared with family circumstances, unemployment or health (see, for example,

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<sup>1</sup> As Deaton (2008) observes, 'life satisfaction' and 'happiness' are not synonyms. Questions about life satisfaction ask respondents to make an overall *evaluation* of their lives. The results are often interpreted as measures of happiness, but happiness can also be thought of as relating to affect, and can be measured from *experiential* questions, for example about smiling a lot, or feeling happy, or the absence of depression, often during the day before the interview. In fact, such estimates diverge.

Easterlin, 2003). Comparing results from a given country over time, Easterlin (1974, 1995) found that average national happiness does not increase over long periods, in spite of large increases in per capita income. These findings suggest the absence of a long-run relationship between a nation's income and its average level of life satisfaction. Other studies comparing people within countries have found only a small effect of income on life satisfaction relative to other life circumstances such as employment or marital status (Helliwell, 2003; Blanchflower & Oswald, 2004). Kahneman et al (2006) argued that even these measures overstate the effects of income. They suggest that having a higher income may be unrelated to experienced happiness, and that the observed correlation between life satisfaction and income comes from a 'focusing illusion', which prompts respondents to compare their incomes to a level set by their own previous incomes or by the incomes of others. Hence, over the long run, increases in income will not enhance life satisfaction. The current discussion focuses on the relationship between socioeconomic factors and their influence on life satisfaction. However, the relationship between the political economy (trust in national government) and its subsequent effect on life satisfaction still needs to be explored in the context of low-or-middle-income countries (LMICs).

To the best of our knowledge, such an analysis has not been carried out for India so far. This is therefore the first study to examine the relationship between life satisfaction, affluence and trust in national government in the country. For this purpose, we have used the GWP survey for India covering the period 2018–21. As trust in the Bharatiya Janata Party (BJP)-led ruling National Democratic Alliance (NDA) is endogenous, two-stage least squares (2SLS) and Lewbel instrumental variable (IV) estimators have been used. Two important findings emerge here. First, controlling for other covariates, our analysis confirms robustly that trust in the NDA determines life evaluation. Second, as trust in the NDA has decreased over the period analysed, so has life evaluation.

There are two reasons for our study. First, it is intended to shed light on an important theme. Second, under the present NDA national government, an aggressive pursuit of Hindu nationalism, unprovoked and incessant brutality against minorities – especially Muslims and Dalits – and heavy-handed suppression of freedom of speech and muzzling of the media have left deep scars on the psyche of a large segment of the population, with a probable loss of trust in the

Union (ie central) government (see, notably, Tudor, 2023).<sup>2</sup> If there is a positive association between trust in government and life satisfaction, it is likely that, where the NDA is concerned, the former has decreased. This raises serious concerns about disruption of democracy in India if the ‘absolute’ state remains unchecked (Vaishnav & Khosla, 2021; Tudor, 2023; Gupta et al, 2023). Aiyar and Tillin (2020) emphasised that the aggressive pursuit of *Hindutva* (Hindu nationalism) and excess centralisation are driving highly discriminatory and brutal policies directed against minorities and causing a blatant denial of state autonomy. We build on these important findings by drawing upon more recent contributions which assert that repressive and brutal policies could be disastrous for democracy in India. Our point of departure is that the argument linking such policies to the demise of democracy must allow for the mediating role of political trust or, more specifically, trust in the national government (which, as noted, has not been studied in the literature on India before). In this research, we aim to examine the policy departures of the NDA and how these have affected public trust. We have further linked public trust with citizens’ life satisfaction, as citizens are the nucleus of the survival of a political system.

Our research aims to contribute to the area of knowledge on political economy and its implications for the wellbeing of citizens in the context of India, for which no previous empirical studies are available. Further, the research has implications for other LMICs where there has been a recent shift in political ideology. The article’s structure is as follows. Section 2 is devoted to a detailed but selective literature review. Section 3 reviews salient features of the GWP survey for India during 2018–21 and discusses the methods of estimation of the relationships between life satisfaction, affluence and trust in the NDA. Section 4 interprets the results, which are discussed from a broader policy perspective in Section 5. Concluding observations are offered in Section 6.

## **2 Literature review**

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<sup>2</sup> For a compelling critique of *Hindutva* politics and unprovoked, brutal atrocities against Muslims, see Tahseer (2019). His chilling description still rankles: “The most enduring image of Modi’s tenure is the sight of Mohammad Naeem in a blood-soaked undershirt in 2017, eyes white and enlarged, begging the mob for his life before he is beaten to death. The response of leadership in every instance is the same: virtual silence.”

An important contribution is Deaton (2008), both for its conceptual clarity and for providing new insights from a global study based on the GWP in 2006. Life satisfaction has to do with the overall evaluation of the lives of the respondents.

Using regression analysis, Deaton (2008) reported a linear relationship between life satisfaction and log of per capita GDP. A quadratic term in the log of income has a positive coefficient, confirming that the slope is higher among richer countries. The addition of growth to the regression does not eliminate the effect of income levels. What is indeed surprising is that, at any given level of income, economic growth is associated with *lower* reported levels of life satisfaction.<sup>3</sup> Life expectancy does not have a significant effect in any of the regressions.

Another important covariate endorsed by Deaton (2008) and others is age. Based on graphical analysis, for most of the world, life satisfaction declines with age. But in the very highest-income countries – including the US, Canada, UK, Australia and New Zealand – life satisfaction is U-shaped with age, falling at first and rising after middle age.

The decline in life satisfaction with age is largest within middle-income countries. It is particularly marked in Eastern Europe and the former Soviet Union, where there is an almost uniform pattern of life satisfaction declining with age, often quite sharply. Whatever aspects of the economic transition are making the citizens of these countries dissatisfied with their lives, their effects are much more pronounced among the elderly.

In low-income countries, the decline in life satisfaction with age is relatively small; in middle-income countries, it is larger; then it diminishes with GDP per capita until there is a reversal among the rich.

The OECD (2017) explored the links between trust in government and the policies and institutions of public governance. Trust in government provides a different lens through which to look at public governance – a lens that pays much more

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<sup>3</sup> To interpret this finding as reflecting the effect of income inequality or the Piketty measure of extreme inequality obfuscates Deaton's intuitive finding.

attention to people's perceptions and how these influence their reaction to policy measures and reforms – and average life satisfaction.

Trust in government represents citizens' confidence in the actions of a "government to do what is right and perceived fair".<sup>4</sup> As it is not the *actual* performance of government but its *perceived* performance that matters for trust in government, the drivers of perceptions besides governmental performance need to be identified as well.

Trust is essential for social cohesion and wellbeing as it affects governments' ability to govern and enables them to act without having to resort to coercion. Thus, it is an efficient means of lowering transaction costs in social, economic and political relationships (Fukuyama, 1995). A high level of trust in government might increase the efficiency and effectiveness of government operations.

Trust in government seems to be especially critical in crisis situations, such as natural disasters, the Covid-19 pandemic, economic crisis or political unrest, which focus attention on the core functions of public governance. If, for example, there is a delay in the distribution of anti-Covid vaccines and insufficient hospital facilities for the infected, trust in government is likely to decline.

Measurement of trust is fraught with many difficulties. As trust represents a positive perception of government, it is measured by perception surveys, asking citizens, businesses or experts whether they trust (or have confidence) in government, leadership and/or specific government institutions (eg local authorities or the justice system).

Trust in government in all the BRICS bloc countries (Brazil, Russia, India, China and South Africa) was higher than the OECD average (40%). Over the 2007–12 period, confidence in national government decreased on average by three percentage

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<sup>7</sup> Political trust can be directed towards the political system and its organisations, as well as towards the individual political incumbent. The first category is referred to as organisational trust. This is an issue-oriented perspective whereby citizens become trustful or distrustful of government in relation to how far they are satisfied or dissatisfied with policy alternatives. Individual political trust involves a person-oriented perspective whereby citizens become trustful or distrustful of government because of their approval or disapproval of specific political leaders (Blind, 2007).



points across the bloc (excluding China), which was still less than across OECD member countries (which had a five percentage point decrease on average). Confidence increased the most in Indonesia (15 percentage points) and decreased the most in India (27 percentage points) (OECD, 2017). Moreover, the average level of trust in government in 2012 was below its pre-crisis level in 2007. The share of respondents expressing confidence in national government in 2012 was lower on average by five percentage points (from 45% to 40%) than in 2007 (OECD, 2017). More recent data from opinion surveys across a broader range of countries show a decline in trust in most public bodies since 2000. The percentage of people expressing confidence or trust in their governments in the 62 developed and developing countries included in the study peaked at 46%, on average, in 2006 and had fallen to 36% by 2019. It is difficult to comment on the overall impact of the Covid-19 crisis on levels of trust. The data available suggest that, after an initial increase in people's trust in the first half of 2020 – as public opinion rallied to support national initiatives – a recent survey of 28 developed and developing countries found that trust in national governments reverted to its (low) pre-pandemic levels. Evidence suggests that two interrelated factors have contributed significantly, namely, economic insecurity and perceptions of poor or corrupt government performance (UNDESA, 2021).

There are several factors that affect trust in government, also including citizens' expectations and delivery of public services. As citizens become more educated, for example, their expectations of government performance rise. If citizens' expectations rise faster than governments' actual performance, trust and satisfaction may decline. These changes in expectations may explain more of the erosion of political support than does real government performance (Dalton, 2005). In addition, citizens' trust of government is influenced differently depending on whether they have a positive or negative experience with service delivery. A negative experience has a much stronger impact than a positive one (Kampen et al, 2006). However, it should also be noted that higher service satisfaction does not necessarily translate into increased confidence in government. In fact, significant differences exist across countries in terms of the relations between trust in national government and actual satisfaction with public services (Kampen et al, 2006). However, what is missing in the literature is the political economy aspect of how repressive policies against minorities and the rise in populist policies can also affect trust in the government, specifically in the context of an LMIC such as India. Below we elaborate on the various such policies that the NDA has carried out,

confining our interest to its second term of office; we provide accounts of the recent political economy changes in the country. This provides the premise for the policy departures undertaken by the NDA that have contributed to the erosion of trust. It should be noted that there are very few formal studies available providing critical scrutiny of the NDA regime, as most available works are op-eds or magazine articles.

## 2.1 Recent changes in India's political economy

A fascinating contribution to India's political economy during the NDA regime is Vaishnav and Khosla (2021). It examines the three distinct but overlapping manifestations of the Indian state: the ethnic state, the absolute state and the opaque state.

Let us first consider how the ethnic state evolved and alienated minorities under the NDA. India's 1950 Constitution emphasised secularism and equal rights. In December 2019, India's legal regime departed from this founding conception by explicitly linking expedited citizenship to religious identity. An amendment to the 1955 Citizenship Act (the Citizen Amendment Act – CAA) declared that Buddhists, Christians, Hindus, Jains, Parsees and Sikhs from Afghanistan, Bangladesh and Pakistan who had arrived in India before the end of December 2014 could receive an expedited pathway to Indian citizenship. The objective of this Act was to protect persecuted religious minorities in South Asia. The law does not, however, accommodate persecuted Muslims from these countries, such as the Ahmadis in Pakistan or Hazaras in Afghanistan, and only includes those neighbouring nations that have a Muslim majority. A further serious failure is that it is limited to religious identity and does not take into account whether a person has suffered persecution. So, by treating religious identity rather than religious persecution as the basis for distinguishing between persons, the CAA also violates the constitutional principle of secularism. In fact, one religion – Islam – is placed lower than the others (Vaishnav & Khosla, 2021).

The CAA was accompanied by a proposal to register all citizens in a National Register of Citizens (NRC). The fear of being declared stateless has caused considerable anxiety and tension. The new citizenship law and the proposed NRC interact in unfair ways. Even if non-Muslims emigrating from Afghanistan, Bangladesh and Pakistan were to find themselves left off the NRC, the new law

would offer them a route to citizenship. Muslims coming from those same countries, however, would have no such accommodation. The NRC, seemingly a neutral administrative exercise, in reality would have far greater implications for Muslims than for others. More generally, if the burden of proof is vested in an individual and documents have to be furnished by him/her, it could be disastrous for the poor and for Muslims in particular in a country where, as recently as 2015–16, just 62% of children under five possessed birth certificates, according to the government's own data (Vaishnav & Khosla, 2021).

Although the shift towards ethnocracy did not start with the BJP, as there were many people from different political parties who opposed secularism, it took a more vicious form under that party. The BJP's aggressive pursuit of a vision inspired by *Hindutva* has driven a public discourse in which Muslims are openly vilified, has encouraged official tolerance of extra-legal violence against them, and has led to decisions such as the government's resolve to build a Hindu temple on the spot where a mosque (the Babri Masjid) had stood for centuries in Ayodhya, Uttar Pradesh (UP). In particular, the CAA and the NRC capture how a legal measure and an administrative exercise – the former appealing to humanitarian principles, the latter a seemingly innocuous bureaucratic activity – can further the rise of the ethnic state (Vaishnav & Khosla, 2021).<sup>5</sup>

Another and perhaps more compelling manifestation of the Indian state is the absolute state. As argued by Vaishnav and Khosla (2021), in India today the state has more power than ever, and that power is concentrated in the central executive. Legal changes and institutional dynamics have resulted in a state whose authority is increasingly absolute. A few illustrations of these changes are given below, along with their implications for trust in the central government.

A central feature of India's parliamentary system is the executive's responsibility to the legislature. It is Parliament – not the people directly – that selects the prime minister, and legislators exercise oversight over executive action. In recent years, however, the country has moved closer to a presidential system embellished with

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<sup>5</sup> For a deep probe into the BJP's ethnic roots and the unprovoked violence against minorities, especially Muslims, see Tahseer (2019).

parliamentary characteristics, rather than the other way around (Vaishnav & Khosla, 2021).

A key to this shift is the anti-defection law. This law stipulates that individual legislators who defy their party whip on a vote can be disqualified from holding a seat in Parliament. Individual lawmakers no longer have an independent voice. As a result, the relationship between the legislature and the executive is turned on its head. The executive controls the ruling party, and the ruling party controls how legislators can vote. The executive no longer answers to Parliament. Rather, Parliament answers to the executive (Vaishnav & Khosla, 2021).

This institutional change has undermined the accountability mechanisms in Parliament but also in state assemblies, since it applies to them too. Ruling parties in a hurry to enact their policy agenda tend to bypass committees, to avoid scrutiny and consensus building. A frequently used strategy is to introduce 'money bills' that are not subject to approval by the Upper House. In 2016, for example, the government introduced a law authorising India's Aadhaar project (a nationwide biometric identity system) as a money bill precisely to circumvent the check that bicameralism provides. This scheme was linked with provision of targeted welfare schemes (Chacko, 2018). However, the anti-defection law has failed to clean up politics, as legislators have found clever ways to circumvent it. Horse trading and bribery have not been reduced (Vaishnav & Khosla, 2021).

Federalism is a structural check on state authority. Both the central government and state governments enjoy constitutionally exclusive legislative and executive powers. Recent developments have substantially weakened the position of the latter, however. One major issue is loss of fiscal autonomy through a 2016 constitutional amendment – a harmonised regime of indirect tax collection known as the Goods and Services Tax (GST). Before the GST, the centre taxed the production of goods and services while the states taxed their sale (Vaishnav & Khosla, 2021). With the GST, states lost their exclusive power to tax the sale and purchase of goods. The GST's complexities plus a slowing economy left the centre short of the revenues that it needed to compensate the states as guaranteed over the scheme's first five years to ensure revenue neutrality (Vaishnav & Khosla). Well before the Covid-19 pandemic, economic pressures were leading to centre-versus-state squabbles over the timing and size of revenue transfers (Vaishnav & Khosla). Although GST revenues have grown robustly, it is unclear whether the states have

fared better under this tax regime.<sup>6</sup> One of the aims of GST is to formalise the informal market (Roy & Khan, 2021). However, in the case of a developing country such as India, with a vast majority of informal businesses characterised by low productivity and few big players, this is likely to have adverse outcomes for these businesses (Roy & Khan).

Other aspects of the absolute state include the fact that, in August 2019, Parliament passed the Jammu and Kashmir (J&K) Reorganisation Act, splitting the state into two new territories – J&K and Ladakh – largely under the central government's jurisdiction. This law passed without meeting the constitutional requirement that the centre consult affected states before redrawing state boundaries or changing a state's constitutional status. In other words, the centre had made an Indian state extinct without consulting the elected representatives of its people. As feared, there was strong resistance to the abrogation of article 370 and violence erupted. Contrary to official denials, estimates suggest that at least 750 militants have been killed by security forces in Jammu and Kashmir in the past four years. Contrary to popular perception, 83% of those killed were local Kashmiri youths. But equally worrying is that the presence of foreign militants has increased. For example, 43% of total militants killed in 2022 were foreigners (Zargar, 2023).

A second example of the absolute state relates to the central government's interventions in domains where states enjoy exclusive legal powers. A case in point is a law that liberalises agricultural commerce, enables contract farming, and gives the centre more powers to regulate certain food staples. Constitutionally, agriculture is in the state domain, but the centre asserted its interstate-commerce authority and cited general national interest grounds for the law. That it was enacted without consulting the states, without a parliamentary debate and by a

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<sup>6</sup> Before the implementation of the GST, the Modi government had promised states compensation for any loss of revenue as a result of its implementation. This compensation was to be for five years, and the assumption was that states' revenue would grow by 14% every year. If their revenue growth was lower, the central government would reimburse the difference. Data from the Reserve Bank of India show that states' revenues from GST (both state GST as well as their share of central GST) have grown at a compounded annual rate of just 7.8% – just over half the predicted rate (Sharad Raghavan, 2023).

voice vote in the upper house heightened the impression of the centre infringing on the states (Vaishnav & Khosla, 2021; Bardhan, 2022).<sup>7</sup>

This led to vociferous protests from farmers across the country, especially in Punjab and Haryana. What fuelled the protests were farmers' – especially small farmers' – apprehensions that these laws would devastate their earnings by ending guaranteed pricing, and would force them to sell their crops to corporations at cheaper prices. Clauses in the legislation also prevented farmers from resolving contract disputes in court, leaving them with no independent means of redress apart from government-appointed bureaucrats. Attempts to block protesters from marching to Parliament by the Delhi police left one dead and over a hundred injured. Unyielding in their demands, the farmers continued their protests (mostly peacefully) for over a year. Fearing losses in key elections in UP and Punjab, Prime Minister Narendra Modi announced that these laws would be repealed. The success of the protests – filled with anger, agony and abject deprivation but sustained for over a year – indicates the limits to the pursuance of the absolute state (Khosla & Vaishnav, 2021; Bardhan, 2022).

Other forms of expansion of power that infringe upon civic liberty include measures overtly designed to maintain national security, surveillance, and regulation. A case in point is the Unlawful Activities (Prevention) Act. Originally passed in 1967 and strengthened by a Congress Party government in 2008 and by the current BJP government in 2019, this act assigns the national police and security forces extraordinary powers of investigation, detention and punishment. In its current form, it lays down broad grounds for including not only groups but individuals in the 'terrorist' category. Predictably, its victims have been dissenters and civil society activists. The government's vast, arbitrary powers to prosecute individuals – even if such actions ultimately fail – raise serious concerns in a country where prosecutors' offices have scant independence from the executive, and where sluggish courts can leave people in jail for years without trial (Vaishnav & Khosla, 2021; Bardhan, 2022; Gupta et al, 2023). To illustrate, according to statistics provided by the National Judicial Data Grid, as of 12 April 2017, there were 24,186,566 pending cases in India's district courts, of which 2,317,448 (9.58%)

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<sup>7</sup> In both law and order, and agriculture, which are state subjects in the Constitution, and labour legislation, which is a 'concurrent' subject, the central government has rammed through arbitrary laws with little if any consultation with the states (Bardhan, 2022).

have been pending for over ten years, and 3,975,717 (16.44%) have been pending for between five and ten years.

Successive Indian governments have invoked the Unlawful Activities Prevention Act (UAPA) but recent years have seen it used more frequently. Based on data from India's National Crime Records Bureau, 1,948 people were arrested under the law in 2019 – an increase of nearly 37% over the previous year. However, increased use of this law has not resulted in many convictions. In fact, barely 2.2% of cases registered under the law from 2016 to 2019 have ended in a court conviction. Nearly 11% of cases were closed by the police for lack of evidence.<sup>8</sup>

Aadhaar – the world's largest biometric identification project – was conceived more than a decade ago and given a statutory basis in 2016. When it was launched by the Congress Party-led government in 2009, it was meant to be a voluntary ID system that would ensure the smooth delivery of public services – notably welfare benefits and subsidised food for the poor – while limiting the risk of fraud (Nilekani, 2010). Although in opposition the BJP fought it tooth and nail, when it came to power it didn't just embrace it enthusiastically, it made it mandatory for accessing numerous public services, as well as for some private transactions (Khosla & Vaishnav, 2021; Khera, 2018).

In a forceful critique, based on meticulous fieldwork in selected states, Khera (2018) argues emphatically that Aadhaar has helped neither with welfare nor against corruption, all the while creating new problems, including by exposing people's personal data to theft or predation by the private sector.

Last but not least, state opacity is yet another stumbling block in a democracy. A discriminatory and absolute state is not sustainable without complete control over the media, suppression of dissent and the withdrawal of surveys that raise concerns about rising economic distress. Editors of newspapers and other forms of media have been severely punished, while research institutions that conduct independent research and reach disturbing conclusions about the arbitrariness of the state are de-licensed and forced to shut down (a case in point is the withdrawal of the licence of the Centre for Policy Research, an independent think-tank in New

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<sup>8</sup> "Misused, abused": India's harsh terror law under rare scrutiny'. Al Jazeera, 16 August 2021.

Delhi, to receive foreign funding). In addition, the NSS Consumer Expenditure Survey 2017–18 was scrapped, because leaked data revealed a rise in poverty; KS James, Director of International Institute of Population Sciences (IIPS), who was in charge of National Family Health Survey (NFHS)-5, which contradicted the official claim of the complete elimination of open defecation, was suspended; and the BBC offices were raided by tax officials shortly after producing a documentary critical of the riots that occurred in 2002 when Modi was Chief Minister of Gujarat. Surveillance of opposition politicians and others critical of the NDA and the filing of sedition charges are frequent but unreported in the public domain (Khosla & Vaishnav, 2021; Gaiha et al, 2023).

Although major critiques of the functioning of the NDA (notably Vaishnav & Khosla, 2021; Varshney, 2022; Tudor, 2023) are pessimistic about the survival of democracy if the authoritarian policies of the NDA are not rolled back, little is said about the erosion of trust in the NDA government.

A variation on the Vaishnav and Khosla (2021) and related theses that the autocratic and repressive policies of the NDA may pose serious risks for democracy in India was developed in a cogently argued essay by Bardhan (2022).<sup>9</sup> While agreeing that there was a blatant denial of justice to various sections of society, that the norms of parliamentary democracy were being violated, that agencies such as the Central Bureau of Investigation (CBI) had been reduced to puppets, state federalism deeply undermined and the Supreme Court compromised, he noted various astute policies that imparted short-term legitimacy to the NDA. These included (1) the introduction of new welfare schemes such as the Ujjawala for distributing cooking-gas cylinders and the Swachh Bharat toilet-building programme, as well as continuing the most popular schemes of Manmohan Singh's 2004–14 Congress-led governments for food distribution, rural employment and affordable housing; (2) a widely publicised promise to supply electricity and piped drinking water to each household, which has paid political dividends long before any real progress has been made in implementation; (3) the centralisation of welfare schemes and use of direct-transfer technology to deposit benefits in citizens' bank accounts, which has successfully weakened the traditional intermediation by local caste leaders in the welfare-delivery process; and (4) the

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<sup>9</sup> Bardhan's (2022) essay investigates several aspects of the political economy of the NDA regime. Our focus, however, is confined to one major aspect: the regime's legitimacy.



shrouding of economic policy failures that have led to sluggish employment and a surge in prices, especially of food and fuel, in boisterous propaganda about how glorious India's supremacy is. While these policies may impart temporary legitimacy to the NDA, Bardhan remains sceptical of its long-run legitimacy. Arguably, this veneer of legitimacy is being torn apart by the brutality towards minorities and dissenters as the stranglehold on the freedom of the media weakens. With unrelenting criticism in the influential foreign media, and growing awareness among the masses, the long-run prospects for continued legitimacy will be bleak if the cumulative stress and loss of political trust – typically slow – are not halted.<sup>10</sup> Although the relationship between political trust and democracy is complex (there are several examples of low levels of political trust coexisting with democracy) there is also evidence of how a lowering of trust can destabilise democracy.

## 2.2 Political trust and democracy

A recent study by Kołczyńska and Bürkner (2022) examined the two-way causal relationship between political trust and democracy in a set of European countries.<sup>11</sup> It found robust evidence of a positive effect of political trust on democracy with coefficients increasing for longer lag lengths, but only in models using the democracy index from the Democracy Barometer project. So, as political trust declines, democracy is weakened too.<sup>12</sup>

A few links between political trust and democracy are sketched below to corroborate these findings. One strand of literature considers political participation as crucial to democracy, and trust as requisite for political participation, as purposeful actors need to believe in the responsiveness of the state and in the possibility of the political success of their actions. Empirical studies

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<sup>10</sup> Political trust includes trust in public institutions such as the government, judiciary and police. Here our focus is on trust in government.

<sup>11</sup> This study examined the two-way relationship between political trust and democracy with cross-lagged models of country time series of political trust – estimated from 13 cross-national survey projects – and democracy indicators from two recognised sources, the Varieties of Democracy and the Democracy Barometer datasets, from 26 European countries between 1991 and 2019.

<sup>12</sup> The fact that the sample comprises European countries is limiting, as there has been low variation there in democracy. So a study that includes African countries, which have witnessed coups and restoration of democracy, is likely to yield richer insights.

show that, in European democracies, people with higher levels of political trust are more likely to engage in both institutionalised and non-institutionalised political participation. Beyond these behavioural consequences, political support is also theorised to have affective and cognitive effects that are conducive to the strengthening of democracy and its institutions (Dalton, 2004). As citizens become disappointed and disillusioned with the provision of public services, they become alienated from the state. So our conjecture that loss of trust in the NDA government and consequently a loss of wellbeing could destabilise democracy has some plausibility. In sum, we highlight the primacy of political trust and argue that the erosion of trust has to be halted for democracy to survive.

### **3 Data and methods**

#### **3.1 Gallup World Poll sample design**

The Gallup World Poll (GWP) tracks a wide range of issues worldwide, including access to food, employment, demographic characteristics (such as age, gender, education), corruption, religiosity, trust in national government and wellbeing.<sup>13</sup> The GWP survey includes more than 100 global questions that are asked in each survey and each country (Gallup World Poll Survey, nd). The survey has details from 2010 onwards; however, our interest is confined to the second phase of the NDA. The sampling methodology did not change during the period studied here.

In the developing world the survey uses an area frame design for face-to-face interviewing in randomly selected households. The coverage area is the entire country including rural areas, and the sampling frame represents the entire civilian, non-institutionalised adult population of the country. Most samples are probability based and nationally representative of the resident population aged 15 years and older.

Sampling procedures involve three stages:

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<sup>13</sup> Since trust in national government is a key variable and interpreted in different ways, the GWP treats it as a binary variable based on whether the respondent has sufficient confidence in the national government.

1. The first is the identification of Primary Sampling Units (PSUs) consisting of clusters of households. PSUs are stratified by population size and/or geography and clustering is done through one or more stages of sampling. Where population information is available, sample selection is based on probabilities proportional to population size; in other cases, the poll uses simple random sampling.
2. The second stage involves randomly selecting households. If the interviewer cannot obtain an interview at the initially sampled household, he or she uses a simple substitution method.
3. Third, in a random selection of respondents either the latest birthday or Krish Grid method is used.
4. Gallup implements quality control procedures to validate the selection of correct samples and that the interviewer selects the correct person in each household.

A typical survey includes at least 1,000 individuals, although in a few large countries such as China, India and Russia the sample size is larger. Following the spreadsheet, also called Country Dataset Details (World\_Poll\_Dataset\_Details\_021723\_Final.xlsx), it turns out that the average number was 4,266 cases per wave year in 17 wave years for India, with counts ranging from 2,000 to 12,620 cases.<sup>14</sup>

The GWP uses weights to correct for unequal selection probability and non-response. It also weights its final samples to match national demographics.<sup>15</sup>

All variables except proportion of criminal MPs and states ruled by BJP and/or its allies are taken from the Association for Democratic Reforms (ADR).

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<sup>14</sup> We owe this clarification to Lauris Olson, Librarian & Coordinator for Social Sciences Collections, University of Pennsylvania Libraries.

<sup>15</sup> For details, see <https://www.gallup.com/178667/gallup-world-poll-work.aspx?version=print>.

### 3.2 Model specifications

To serve as the basis for more refined models, we begin with a multiple regression model where the dependent variable, life evaluation (categorised as ‘suffering’, ‘struggling’ or ‘thriving’, or 1, 2, 3), is estimated by a set of explanatory variables using ordinary least squares (OLS). As the GWP survey data for India are available for 2018, 2019, 2020 and 2021, and each wave is an independent cross-section, a basic multiple regression model is specified below without the year subscript,<sup>16</sup>

$$y_i = \beta_0 + \beta_1 T_j + \mathbf{X}_i \boldsymbol{\beta}_2 + \mathbf{Z}_{kj} \boldsymbol{\beta}_3 + \varepsilon_i \quad (1)$$

where  $y_i$  is life satisfaction (which takes the value 1, 2 or 3), and  $i$  stands for an individual.  $\beta_0$  is a constant term.  $\mathbf{X}_i$  is a vector of explanatory variables that vary across individuals ( $i=1, 2, \dots, N$ ),  $\mathbf{Z}_{kj}$  is a vector of state-specific explanatory variables that vary across states ( $j=1, 2, \dots, M$ ),  $\varepsilon_i$  is an error term assumed to be independent and identically distributed.

The key explanatory variable is  $T_j$ , which denotes state-level trust in the Union government/BJP-led NDA government. This is aggregated from individuals’ trust within a state in the NDA. This is a binary variable as it takes the value 1 if an individual trusts the Union government and 0 otherwise. All other state-level variables are constructed in a similar way. These include variables such as corruption in private businesses, the Piketty (2014) measure of extreme income inequality (ratio of share of total income accruing to the top 1% of the population to that of the bottom 50%), and proportion of those with a health problem in a state, which are potentially endogenous and hence lagged by a year to circumvent this.<sup>17</sup> These variables are subsumed in the vector  $\mathbf{Z}_j$  and the corresponding coefficients  $\boldsymbol{\beta}_3$ . Other explanatory variables include demographic characteristics such as age, gender, household size, educational attainment, caste, religion, and whether respondents are living in rural or urban areas. These are broadly pre-determined variables and thus unlikely to be endogenous. As argued, income has been found to be an important explanatory variable in global and other studies by Deaton (2008) and others. Since there is likely to be a reverse causality between

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<sup>16</sup> While one of the reviewers suggested that we should use a longer GWP time series, we have restricted our analysis to the period 2018 to 2021, as our focus is on the second term of the NDA.

<sup>17</sup> Note that all these variables are computed from the GWP.

life evaluation and income, we have tried to circumvent this difficulty by using per capita income quintiles. All these variables are included in the vector  $\mathbf{X}_i$  and their coefficients in the vector  $\boldsymbol{\beta}_2$ .

Our main question is whether trust in the Union governments is associated with improvements in perceived life evaluation, tested by examining the sign and the statistical significance of  $\beta_1$ . However, the variable on trust,  $T_j$ , may be endogenous in Equation (1) because, for instance, the extent to which individuals trust the Union government is likely to be influenced by their experience and the resulting perception of those of their economic circumstances that may be affected by the NDA's policies. It may also be the case that an unobserved factor not captured by  $\mathbf{X}_i$  affects both the change in life evaluation in economic aspects and people's trust in the government. In order to facilitate IV estimation, we instrument  $T_j$ , where  $j$  denotes a state by using a 2SLS estimation. In the first stage, we estimate  $T_j$  by two instruments,  $L_{1j}$  and  $L_{2j}$  (Equation (2)), and in the second we estimate Equation (1) based on the estimate of  $\widehat{T}_j$  from Equation (2) in the first stage.<sup>18</sup>

$$y_i = \beta_0 + \beta_1 \widehat{T}_j + \mathbf{X}_i \boldsymbol{\beta}_2 + \mathbf{Z}_{kj} \boldsymbol{\beta}_{3+} + \varepsilon_{1i} \quad (1)$$

$$T_j = \alpha_0 + \alpha_1 L_{1j} + \alpha_2 L_{2j} + \mathbf{X}_i \boldsymbol{\alpha}_3 + \mathbf{Z}_{kj} \boldsymbol{\beta}_{3+} + \varepsilon_{2i} \quad (2)$$

Two instruments are used at the state level: an index of diversity; and number of states ruled by the BJP alone or in alliance with regional parties. Once again, the standard errors are clustered at the state level.

The first instrument, an index of diversity, has been widely used to determine trust in government. Following Ehrke et al (2020), diversity is a double-edged instrument as it positively or negatively affects trust in government. Perceived differences (and similarities) enable categorisation of people into groups of 'us' versus 'them', and

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<sup>18</sup> See Angrist and Pischke (2009) for a detailed argument in favour of the Linear Probability Model (LPM) over the probit model where OLS is used for a binary choice model, against the standard textbook recommendation for the use of probit or logit models for the binary variable. The use of OLS for the discrete variable (0, 1, 2) can be justified on the same grounds. Robust standard errors are used to overcome heteroscedasticity.

thus social diversity is made up of this categorisation. But the relationship between social diversity and trust in government is not straightforward.

Summarising Ehrke et al (2020), individuals are more likely to trust in-groups than out-groups, and tend to see similar others (ie in-group members) as more trustworthy, honest and cooperative. Hence, perceived similarity between oneself and representatives (eg regarding values or interests) predicts perceptions of representatives' competence and fairness, as well as greater trust in these representatives. It also predicts a tendency to see similar others (ie in-group members) as more trustworthy, honest and cooperative. However, trust in out-groups and dissimilar others does not follow a simple similarity-trust, dissimilarity-distrust rule. Rather, trust in dissimilar groups can be either higher or lower than trust in in-groups, depending on perceived interdependence. Negative interdependence impairs trust-related beliefs about benevolence and integrity, because perceiving out-group members as competitors can cause social diversity to be perceived as intergroup conflict and pose different forms of intergroup threat. In contrast, positive interdependence in the form of cooperative relationships and perceiving out-group members as valuable for achieving common goals can increase perceived trustworthiness. As these interdependencies are contextual, we treat the role of social diversity as an empirical issue.

Diversity may encompass age, gender, education, caste and religion. Modi's astute strategy was to capitalise on this diversity in the 2019 national elections. The GWP diversity index measures a community's acceptance of people from different racial, ethnic and cultural groups. As argued succinctly by Jha (2019), the BJP's mammoth political success was a result of its resilience in carefully crafting social alliances by incorporating electorally significant castes and sub-castes in its political representation and mobilisation, thereby amassing political mileage out of its uniquely created social capital. Moreover, Modi's image makeover as a leader of the other backward classes and his [evocation](#) of the BJP as the party of the Other Backward Classes (OBCs) brought about a sea change in the BJP's reach among different communities in the heartland. Most importantly, the party's success lies in its ability to detect changing voter behaviour and discontent among the masses. The BJP successfully [found](#) itself a political space among the castes and sub-castes

dissatisfied with and abhorrent of the [hegemony](#) of the dominant intermediaries such as the Yadavs among the OBCs and the Jatavs among the Dalits.<sup>19</sup>

Our second instrument is the distribution of BJP and its allies' rule across different states. As observed earlier, dramatic changes in governance and fiscal federalism occurred under the NDA. Since 2014, there has been a shift towards greater political congruence between governments elected at the state level in India's federal system and the centre. A new phase of single-party dominance began and, with this, the BJP at the centre has relentlessly pushed its One Nation agenda (Aiyar & Tillin, 2020). In fact, the two striking features of the BJP-led NDA regime are centralisation and the relentless pursuit of *Hindutva*. Aiyar and Tillin (2020) draw attention to the heavy reliance on constitutional authorities such as governors to impose New Delhi's diktats and encroach on state autonomy.<sup>20</sup> The number of states in which the BJP rules or shares power rose from eight in 2014 to 20 in four years of Modi's leadership, allowing it to emerge as the strongest force in the country.<sup>21</sup> This facilitated the imposition of the centre's political will and agenda. Thus the larger the number of states ruled by the BJP and/or its allies, the greater the credibility and effectiveness of central government policies and concomitantly the greater the trust in the government.

IV estimation is valid if the instruments satisfy three conditions: (1) they are uncorrelated with the error term (exogeneity); (2) the instruments are correlated with the key regressor, that is trust (relevance); and (3) the instruments have no direct effect on life evaluation or are excluded in the structural form (Wooldridge, 2009).

However, it is not easy to verify the validity of the instruments  $L_{ij}$  and  $L_{2j}$  in terms of exclusion restrictions even if the instruments are carefully selected, as discussed

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<sup>19</sup> Jha (2019) offers a striking illustration. The BJP's vigorous nationalistic campaign, led by its most charismatic leader, Narendra Modi, trumped the caste orientations and political arithmetic of the Hindi heartland, helping the BJP to retain its supremacy in two of the most crucial states, accounting for 120 seats in the national Parliament. The BJP-led NDA won [64 out of the 80](#) seats in Uttar Pradesh against the powerful coalition of the Samajwadi Party and Bahujan Samaj Party, and [39 out of the 40](#) seats in Bihar against the United Progressive Alliance's [rainbow coalition](#), comprising nearly [29% of the NDA's total seat share](#) in the Lok Sabha.

<sup>20</sup> While this happened during the United Progressive Alliance regime too, it intensified under the NDA with a single party majority government.

<sup>21</sup> See Association for Democratic Reforms (ADR), <https://adrindia.org/>, various years.

above.<sup>22</sup> Therefore, we also apply the Lewbel IV estimator, which has been proposed as an alternative method of estimating Equations (1)' and (2) (Lewbel, 2012; Baum & Lewbel, 2019). The Lewbel IV draws upon the two-step estimation where (i) it estimates  $\alpha_0$ ,  $\alpha_1$  and  $\alpha_2$  by OLS where  $T_j$ , the trust variable, is regressed on the instruments  $L_{ij}$  and  $L2_j$ ,  $X_i$  and  $Z_j$  and thus obtains the estimated residuals,  $\hat{\varepsilon}_{2i}$ ; and (ii) it estimates  $\beta_1$ ,  $\beta_2$  and  $\beta_3$  by 2SLS of  $y_i$  (life evaluation) on  $X_i$ ,  $Z_j$  and  $\hat{T}_j$  using external instruments, as well as internally generated instruments created by the estimation of (i) or  $(X_i - \bar{X}_i)\hat{\varepsilon}_{2i}$  where  $\bar{X}_i$  is the sample mean of  $X_i$  (Baum & Lewbel, 2019). This procedure ensures that internally created instruments are uncorrelated with the product of heteroscedastic errors (Lewbel, 2012). We use Lewbel IV as an attempt to strengthen the instruments and as a robustness check of 2SLS.

## 4 Results

The results are discussed in two parts: the descriptive results and those based on 2SLS and Lewbel estimators.

### 4.1 Descriptive statistics

The mean and standard deviations of variables used in the descriptive analysis and regression analyses are presented in Table 1.

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<sup>22</sup> It should be noted, however, that Hansen (2021) is cautious and suggests that the Hansen J test should not be used as a definitive test for validating or invalidating the IV model, given the ambiguous nature of the test. He notes that "it seems reasonable to require strong evidence to lead to the conclusion 'Let's reject this model'. The recommendation is that mild rejections (p-values between 1% and 5%) should be viewed as mildly worrisome but not critical evidence against a model. *The results of an over-identification test should be integrated with other information before making a strong decision.*" (Hansen, 2021, p 378, emphasis added).



**Table 1: Descriptive measures**

Variable	Obs	Mean	Std dev	Min	Max
Outcome variable					
life_eval	15,474	0.852	0.654	0	2
Education level					
Primary education	15,474	0.515	0.200	0	1
Secondary education	15,474	0.353	0.478	0	1
Graduate	15,474	0.133	0.339	0	1
Gender					
Male	15,474	0.572	0.495	0	1
Female	15,474	0.428	0.495	0	1
Religion					
Hindu	15,474	0.865	0.342	0	1
Muslim	15,474	0.072	0.259	0	1
Other minorities (Sikhs+Christians+Others)	15,474	0.063	0.243	0	1
Caste					

Unreserved	15,474	0.352	0.478	0	1
OBC	15,474	0.310	0.462	0	1
SC and ST	15,474	0.339	0.473	0	1
Age categories					
15–24 years	15,474	0.271	0.444	0	1
25–45 years	15,474	0.494	0.500	0	1
46–55 years	15,474	0.118	0.323	0	1
Greater than 55 years	15,474	0.116	0.321	0	1
Marital status					
Married	15,474	0.641	0.480	0	1
Separated	15,474	0.064	0.244	0	1
Single	15,474	0.295	0.456	0	1
Residence					
Rural	15,474	0.757	0.429	0	1
Urban	15,474	0.243	0.429	0	1
Household size					
Single person household	15,474	0.038	0.192	0	1

2-5 persons	15,474	0.741	0.438	0	1
More than 5 persons	15,474	0.220	0.414	0	1
Income inequality: Piketty (state level)	15,474	29.339	12.365	10	77.778
Lag health problems, (state level)	15,474	1.708	0.108	1.478	1.948
Income categories					
Poorest 20%	15,474	0.162	0.369	0	1
Second 20%	15,474	0.180	0.384	0	1
Middle 20%	15,474	0.200	0.400	0	1
Fourth 20%	15,474	0.214	0.410	0	1
Richest 20%	15,474	0.244	0.430	0	1
Trust in national government (state level, lag values)	15,474	0.815	0.120	0.321	1
Corruption within businesses (state level, lag values)	15,474	0.804	0.093	0.388	1
<i>Variables used as instruments</i>					
Index_diversity	15,474		36.221	0	100

		62.19			
States with a BJP gvt or in alliance with BJP	15,474	.591	.492	0	1

*Notes:* SC = Scheduled Caste; ST = Scheduled Tribe.

*Source:* Authors' calculations from Gallup World Poll surveys.

Trust in the NDA government is high, over 80% in 2019, 2020 and 2021. What is somewhat surprising is that trust was higher in 2020, despite the disastrous Covid-19 epidemic. It declined in 2021, however (from 82.75% in 2019 and 83.52 % in 2020 to 81.86 in 2021). It is highly surprising that trust has been so high in all these years, despite the government's autocratic policies and discriminatory and often brutal killings of Muslims and low caste Hindus engaged in the cattle trade. Yet the fact stands out that lately there has been an erosion of trust in the NDA. If our hypothesis holds that loss of trust in the NDA causes life evaluation to decline, this suggests that the restoration of trust is a high priority not just in order to enhance life evaluation but perhaps also for the survival of democracy.

Let us first consider the distribution of the suffering by age group.

Survey respondents were placed in four age groups: <25 years, 25–45 years, 46–54 years and >54 years. Consider the evaluation category 'suffering' first. Of the total who declared themselves suffering in 2019, the highest share was among 25–45 year-olds, a figure around double that in the youngest (<25 years) and oldest (>54 years) age groups. The lowest share was among 46–54 year-olds. A similar pattern occurred in 2020, with the highest share of suffering among those in the age group, 25-45 years but with a higher share than in 2019. The next highest share was that of the youngest, <25 years, which is less than half that of the highest share but also higher than its share in the previous year. The shares of those in the age groups of 46–54 years and > 54 years were nearly equal but it is notable that the latter was much lower than its value in the previous year.

The second category of life evaluation is 'struggling'. Those struggling most in 2019 were in the 25–45 age group. Next comes the youngest age group, <25 years, although the number struggling was well below that of the former. The shares of those in the age groups 46–54 and >54 years, were low but nearly equal. In 2020, a similar pattern was observed but with higher values in the shares of those aged <25 years and 25–45 years and lower shares of those in the older age groups. The highest share was among the 25–45 age group, the lowest among the oldest group. In 2021, the distribution of struggling by age was similar but with different values. Those aged 25–45 recorded the highest share, followed by the youngest group, but both had lower values than previously. The shares of those in the older two age groups were among the lowest but with higher values than in 2020.

The third category is 'thriving'. In 2019, the highest proportion of respondents to report that they were thriving was aged 25–45, followed by the youngest age group but with a much lower value. Those in the upper two age groups accounted for considerably lower shares, with the former accounting for the lowest share of all. Intriguingly, as in the previous two components, there was a slight increase in the share of the youngest and a more than moderate increase in the next group (25–45 years). The shares of the 46–54 and >54 age groups also rose – especially of the former.

Another important covariate of life evaluation is religion. Three religious affiliations have been used: Hindus, Muslims and other minorities. Among those suffering in 2019, Hindus accounted for the vast majority, followed by Muslims and other minorities. The proportion of Hindus suffering dropped in 2020, while that of both Muslims and other minorities rose. In 2021, as in the other two components, the shares of Hindus and Muslims fell – especially of Muslims – but that of other minorities rose.

Another demographic covariate is caste. Although the caste hierarchy has persisted, upward economic mobility among the lower castes has occurred through affirmative action. In 2019, the highest share of suffering was accounted for by the SCs and STs, followed by the OBCs and then the Unreserved category (comprising Brahmins and High Castes). This seems a plausible description as it is consistent with the socioeconomic hierarchy in India. In 2020, the shares of the Unreserved and OBCs declined, while that of SCs and STs increased, again accounting for the highest share of those suffering. That the impact of Covid was

lower among those higher up the socioeconomic ladder relative to those on the low rungs could partly explain these movements. A dramatic change occurred in 2021. The share of the Unreserved category reporting that they were thriving registered a sharp reduction, while that of the OBCs and SCs and STs displayed a more than moderate increase.

Among those struggling in 2019, the highest share was that of the SCs and STs, followed by the Unreserved and then the OBCs. In 2020, the Unreserved had the highest share of suffering, followed by the OBCs and then the SCs and STs. Whether the Unreserved struggled hard to maintain their wellbeing when the Covid epidemic erupted is not unlikely, while the lowest strata struggling the least seems unlikely. In 2021, the Unreserved had the highest share among those struggling but this was much lower than in the previous year. They were followed closely by the OBCs and SCs and STs. The fact that the latter had higher shares than in the previous year suggests that either several among them had fallen victim to subsequent waves of the pandemic or that they had found it more difficult to bounce back.

Among those thriving in 2019, surprisingly the highest numbers were recorded among the SCs and STs, while the lowest were among the Unreserved. But there was a reversal in 2020, with the Unreserved accounting for the highest share while the SCs and STs had the lowest.

More informative are the Pearson (linear) correlation coefficients. In 2019, there was a significant correlation between life evaluation and (log) of per capita state income;<sup>23</sup> there was a significant negative correlation between life evaluation and the Piketty (2014) measure of income inequality; among the demographic characteristics, life evaluation and age were significantly negatively correlated; life evaluation and being male was significantly negatively correlated; life evaluation among minorities was significantly and positively correlated; and life evaluation and caste were significantly negatively correlated, as were life evaluation and trust in the NDA government. The last correlation points not just to the endogeneity of the trust but also to the confounding effect of other variables that may be related positively or negatively to it. Hence this correlation cannot be taken at face value without correcting the trust variable for its endogeneity and controlling for the

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<sup>23</sup> Significance level is  $\leq 5\%$ .

effects of other covariates. We do this in the regression analyses and there is a sign reversal.

The 2020 correlation matrix is of particular interest because of the Covid outbreak. There were similar correlation coefficients with changes in the values (eg the correlation coefficient of life evaluation and log per capita state income diminished by more than 55.5%) and in one case there was a reversal (ie the correlation coefficient of minorities changed from positive to negative), implying a lower life evaluation under the outbreak of the Covid-19 pandemic. However, the coefficient of trust remained negative for the reasons stated earlier.

The 2021 correlation matrix is largely similar to the 2020 matrix except that in several cases the coefficients have different values (the coefficients of, for example, log of per capita state income was more than 3.35 times larger in 2021, while the (absolute) value of the coefficient of the Piketty measure of income inequality was 4.6 times larger in that year); the coefficient of gender/male ceased to be statistically significant; and that of minorities changed from negative to positive. The coefficient of trust remained significant and negative, however. But this is not to be taken at face value as this relationship does not control for confounders. As the following regression analysis reveals, there is a robust positive relationship between trust in the national government and life evaluation, and a reduction in such trust will cause a reduction in life evaluation.

## 4.2 Regression results

The reduced form 2SLS results of trust in the NDA government are presented in Table 2.

The F-statistic (65.61) is well above the Stock–Yogo critical value of 19.93 (10% maximal IV size value) and is shown at the bottom of the table.<sup>24</sup> This implies that the null of weak instruments is rejected, leading us to conclude that there is no

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<sup>24</sup> The null hypothesis of each of Stock and Yogo's tests is that the set of instruments is weak. To perform these tests, we must first choose either the largest relative bias of the 2SLS estimator we are willing to tolerate or the largest rejection rate of a nominal 5% Wald test we are willing to tolerate. If the test statistic exceeds the critical value, we can conclude that our instruments are not weak. Specifically, this characterisation defines a set of instruments to be weak if a Wald test at the 5% level can have an actual rejection rate of no more than 10%, 15%, 20% or 25%. We use a rejection rate of 10% (STATA Manual).

weak instrument problem (Stock & Yogo, 2005). To test the hypothesis that the over-identifying restrictions are valid, the Hansen J statistic was used. As the Hansen J statistic (Chi-square (1) = 3.257) is not significant at the <5% level (shown at the bottom of Table 3), the exclusion restrictions are not violated.<sup>25</sup>

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<sup>25</sup> The basic idea of the J-statistic is that, if both instruments are exogenous, then the two 2SLS estimators using the individual instruments are consistent and differ from each other because of random sampling variation. If, however, one of the instruments is exogenous and the other is not, the estimator based on the endogenous instrument is likely to be inconsistent, as implied by a statistically significant J-statistic (Stock & Watson, 2018).



**Table 2: First-stage 2SLS results: correlates of trust in the NDA government**

<b>Dependent variable: 'trust in national government'</b>		
<i>Instruments</i>	<b>2SLS</b>	<b>Lewbel IV+</b>
<b>Index on diversity</b>	0.001*** [0.00]	0.001*** [0.00]
<b>If the state was ruled by BJP or in alliance with BJP</b>	0.036*** [0.00]	0.033*** [0.008]
<b>Education level: reference category is primary education</b>		
Secondary education	0.006 [0.01]	0.002 [0.007]
Graduate	-0.020 [0.01]	-0.016 [0.010]
<b>Gender: reference category is male</b>		

	0.001	0.001
Female	[0.01]	[0.006]
<b>Religion: reference category is Hindu</b>		
Muslims	-0.084*** [0.0147]	-0.072*** [0.010]
Other minorities (Sikhs+Christians+Others)	-0.099*** [0.016]	-0.110*** [0.0118]
<b>Caste: reference category is Unreserved</b>		
OBC	-0.006 [0.008]	-0.006 [0.007]
SC and ST	-0.026** [0.008]	-0.025* [0.007]
<b>Marital status: reference category is being married</b>		
Separated	-0.001 [0.017]	0.007 [0.014]

Single	-0.017 [0.011]	-0.012 [0.009]
<b>Rural/urban</b>		
Urban	-0.004 [0.008]	-0.004 [0.007]
<b>Household size: reference category is single-person household</b>		
2–5 persons	0.0581* [0.022]	0.053** [0.017]
More than 5 persons	0.063* [0.023]	0.062*** [0.018]
<b>Age: reference category is 15–24 years</b>		
25–45 years	-0.0167 [0.0107]	-0.0087 [0.01]
46–55 years	-0.028 [0.0149]	-0.014 [0.01]
Greater than 55 years	-0.021	-0.012

	[0.0151]	[0.01]
<b>Income inequality</b>	-0.000 [0.0]	-.0001 [0.0]
<b>Lag_health problems</b>	-0.222*** [0.04]	-0.165*** [0.034]
<b>Income categories: reference category is poorest 20% of the distribution</b>		
Second 20%	0.014 [0.011]	0.012 [0.01]
Middle 20%	-0.007 [0.011]	-0.002 [0.01]
Fourth 20%	0.003 [0.011]	0.000 [0.01]
Richest 20%	-0.018 [0.012]	-0.021 [0.01]

<b>Corruption within businesses (state level, lag values)</b>	-.0282*** [0.041]	-0.235*** [0.04]
<b>Year fixed effects</b>	Yes	Yes
<b>Region fixed effects</b>	Yes	Yes
<b>Number of observations</b>	14954	14954
<b>F-test of excluded instruments</b>	65.61***	23.50
	10% maximal IV size 19.93	10% maximal IV size 86.17
	20% maximal IV size 8.75	20% maximal IV size 30.72
<b>Stock-Yogo weak ID F-test critical values</b>		

Source: Authors' computations based on Gallup World Poll survey for India. Confidence intervals of the coefficients are available upon request. This is applicable to all subsequent regression results. \*\*\*  $p < 0.00$ , \*\*  $p < 0.01$ , \*  $p < 0.05$

Both the instruments index of diversification (Index on diversity reported in Table 2) and number of states ruled by the BJP or BJP and its allies are significantly positively related to trust in the NDA government. A unit increase in the diversification score is associated with a 0.001 increase in trust in the NDA and a unit increase in the number of states ruled by BJP and its allies is associated with an increase of 0.036.

Let us now consider the demographic variables. Somewhat surprisingly none of the age group coefficients is significant; nor is gender (females), marital status (separated and single), location (urban), or per capita income quintiles (2 to 5). Relative to a person living alone, a respondent living in a household of 2–5 persons or in larger households has greater trust in the national government (at the  $\leq 0.0\%$  level); and – relative to Hindus – Muslims and other minorities are less likely to trust the national government. Among the castes, relative to the Unreserved, SCs and STs are less likely to display trust in the government. If there is a unit increase in the number of SCs and STs, trust decreases by 0.026. Schooling levels, relative to primary, are not related to trust. Could it be the case that higher schooling breeds greater scepticism of the government's exaggerated claims and rhetoric? More relevant in the present context, does it also breed scepticism about discriminatory policies against minorities – especially Muslims – and the aggressive pursuit of Hindu nationalism and brutal lynching of cattle traders? Nevertheless the scepticism of the better educated does not translate into a lowering of trust.

At the state level, the Piketty measure of income inequality is unrelated to trust in the NDA government. However, a measure of ill health, as expected, is negatively associated with trust. If there is a unit increase in this index, trust in the government decreases by 0.22%. If there is corruption within business, this also reduces trust in the government. Specifically, if there is a unit increase in business corruption, trust decreases by 0.28%.

These results were obtained after controlling for year and regional fixed effects.

The second stage results are presented in Table 3.

**Table 3: Second stage results**

<b>Dependent variable:</b> Life Evaluation Index (=1 if suffering, =2 if struggling, =3 if thriving)		
	<b>2SLS</b>	<b>Lewbel IV+</b>
<b>Trust in national government (predicted value)</b>	0.778*** [0.149]	0.103* [0.047]
<b>Education level: reference category is primary education</b>		
Secondary education	0.164*** [0.01]	0.173*** [0.01]
Graduate	0.248 *** [0.02]	0.234 *** [0.02]
<b>Gender: reference category is male</b>		
Female	0.01 [0.01]	0.024* [0.01]
<b>Religion: reference category is Hindu</b>		

Muslims	0.036 [0.02]	-0.017 [0.02]
Other minorities (Sikhs+Christians+Others)	0.085* [0.03]	0.029 [0.02]
<b>Caste: reference category is Unreserved</b>		
OBC	-0.029 [0.01]	-0.030* [0.013]
SC and ST	-0.015 [0.01]	-0.036* [0.013]
<b>Marital status: reference category is being married</b>		
Separated	-0.019 [0.03]	-0.022 [0.026]
Single	0.0176 [0.02]	0.003 [0.02]
<b>Rural/urban</b>		
Urban	0.029	0.026



	[0.015]	[0.01]
<b>Household size: reference category is single person- household</b>		
2-5 persons	0.121* [0.041]	0.162*** [0.03]
More than 5 persons	0.215*** [0.04]	0.264*** [0.03]
<b>Age: reference category is 15-24 years</b>		
25-45 years	-0.035 [0.019]	-0.050** [0.01]
46-55 years	-0.059* [0.026]	-0.082*** [0.02]
Greater than 55 years	-0.063* [0.027]	-0.080* [0.02]
<b>Income inequality</b>	-0.001 [0.0]	-0.001 [0.0]
<b>Lag_health problems</b>	0.135	-0.07

	[0.08]	[0.06]
<b>Income categories: reference category is poorest 20% of the distribution</b>		
Second 20%	0.0297 [0.02]	0.037* [0.02]
Middle 20%	0.132*** [0.02]	0.121*** [0.02]
Fourth 20%	0.213*** [0.02]	0.218*** [0.02]
Richest 20%	0.337*** [0.02]	0.329*** [0.01]
<b>Corruption within business (state level, lag values)</b>	-0.042 [0.08]	-0.231** [0.07]
<b>Year fixed effects</b>	Yes	Yes
<b>Region fixed effects</b>	Yes	Yes

<b>Number of observations</b>	14954	14954
<b>Hansen J statistic (over-identification test of all instruments)</b>	3.257 Chi-sqP-val = 0.0711	73.763 Chi-sq P-val = 0.0000

Source: Authors' computations.

A unit increase in trust in the NDA increases life evaluation by 0.778, a substantial increase. Relative to males, females are not significantly associated with life evaluation. Relative to the 15–24 age group, those aged 46–55 years and >55 years, are likely to have a lower life evaluation (at the <0.0% level). For a unit increase in the number of those in the 46–54 age group, life evaluation is lower by 0.059%. The case of the oldest (>55 years) is similar. Relative to single member households, those in larger households, have higher life evaluations – especially those in households of >5 people. For example, given a unit increase in household size of >5 persons, life evaluation is higher by 0.215%. As seems likely, persons living in large households tend to get protection and support from other household members.

Relative to the married, neither separated nor single people enjoy a different life evaluation. One reason is that married women are often subject to abuse and violence by their male spouse and other household members, and are denied health care unless they have a serious illness. Surprisingly, Muslims are not associated with significantly lower life evaluation, but other minorities are better-off than Hindus. A unit increase in other minorities is associated with a higher life evaluation of 0.085%. This seems implausible given the brutal and persistent discrimination against them. What is also surprising is that caste does not significantly relate to life evaluation; nor does location. Schooling levels, however, show significant associations. Relative to primary schooling, those with secondary and graduate levels of education are significantly more likely to have a higher life evaluation. For example, with a unit increase in number of graduates, life evaluation is higher by 0.248%. Per capita income quintiles also display significant associations with life evaluation. Relative to the bottom quintile (the poorest 20% individuals), those in the third, fourth and fifth quintiles display higher life evaluations. For example, a unit increase in the richest (those in the fifth quintile) is

associated with an increase of 0.337% in life evaluation. In fact, there is a monotonic rise in the correlation from the third quintile (all at the 1% level).

At the state level, neither the Piketty measure of inequality nor ill health nor corruption within business is significantly correlated with life evaluation.

#### 4.3 Lewbel+ external instruments results

In sharp contrast to the 2SLS, the F value (23.50) is lower than the Stock-Yogo critical value of 86.17 (10% maximal IV size), as shown in Table 2. This implies that the null of weak instruments is not rejected. Besides, since the Hansen J statistic of 73.763 is significant at the  $\leq 0.0\%$  level, the null of joint validity of both instruments is rejected. So doubts arise about the validity of the instruments used.<sup>26</sup> However, since the instruments are significantly related to trust in the NDA and predicted trust to life evaluations, the Lewbel+ results cannot be discarded.<sup>27</sup> So a brief comparative reporting of the 2SLS and Lewbel+ results is given below.

Let us begin with the first stage results. Both the instruments index of diversity and number of states ruled by the BJP and/or its allies have significant coefficients.

As in the case of the 2SLS, age is unrelated to trust in the NDA. The same goes for gender, marital status, location (urban) and income quintiles. Relative to single-person households, respondents from larger households have higher life evaluations in both 2SLS and Lewbel+. The results for religious affiliations relative to Hinduism are not surprising. Muslims, who are believed to be the worst victims of police violence and lynchings, show lower trust, as do other minorities, in both 2SLS and Lewbel+ estimations. Relative to the Unreserved category, SCs and STs display lower trust in the national government, as in 2SLS. As in the case of 2SLS, schooling is unrelated to trust in the government.

At the state level, the Piketty measure of income inequality is unrelated to trust in the government, as is ill-health. These findings are similar to those from 2SLS.

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<sup>26</sup> We had in fact experimented with various other instruments, such as Members of Parliament with criminal records, millionaire MPs and their squares, but none of these yielded significant coefficients for trust in the NDA and of the latter for life evaluations.

<sup>27</sup> It may also be noted that, since Lewbel+ involves a much larger number of instruments than 2SLS, the reliability of the Hansen J statistic is lower (STATA Manual).

Corruption within business is significantly negatively correlated with trust in the government, unlike with 2SLS.

These results were obtained after controlling for year and regional fixed effects.

Let us now consider the second stage Lewbel IV results (+external instruments).

Although (predicted) trust is significantly positively related to life evaluation in both cases, the Lewbel+ coefficient is considerably lower than the 2SLS coefficient (0.103 *vis-à-vis* 0.778). Also, the former is significant at the  $\leq 0.05\%$  level compared with the latter at the  $\leq 0.0\%$  level. Relative to males, females show a significantly higher life evaluation, unlike with 2SLS. Relative to the youngest age group, the older age groups (46-55 and >55), show lower life evaluations in both cases. One noticeable difference, however, is that (absolute) values of the Lewbel+ coefficients are considerably larger. Relative to those in single member households living alone, those in larger households show a higher life evaluation in both estimations. However, separated and single persons do not show a significant correlation with life evaluation, relative to the married, in either estimation. Surprisingly, neither Muslims nor other minorities are significantly correlated with life evaluation in the Lewbel+ estimation, while other minorities are significantly correlated (at the  $\leq 0.05\%$  level) in 2SLS. Nor is location significant in either 2SLS or Lewbel+. Schooling levels show significant correlations with life evaluation in both estimations, with the coefficients similar in magnitude. Per capita income quintiles show a monotonic rise in the correlations with life evaluations, as in the 2SLS estimation.

At the state level, neither the Piketty measure of income inequality nor the index of ill-health is a significant correlate of life evaluation, as in the 2SLS case. However, corruption in business shows a lower life evaluation (at the  $\leq 0.01$  level), unlike 2SLS.

In sum, there is a robust association between trust in the NDA and life evaluation. However, in the descriptive statistics section, we noted that trust in the NDA decreased from 83.52% in 2020 to 81.86% in 2021 (1.987% decline). On juxtaposing the decline in trust with the main results, another important finding emerges: trust decreased, as did life evaluation.

## 5 Discussion

As there has been no study of trust in the NDA and its relation to life evaluation in India in recent years, we have aimed to fill this gap. The central question is why trust in the national government declined and there was a consequent loss of life evaluation. More broadly, is there a potential risk to democracy as a result? As discussed in a previous section, Vaishnav and Khosla (2021) captured vividly the erosion of Indian democracy through a distinct but overlapping classification of the Indian state as an ethnic, absolute and opaque state. While various other scholars (notably Varshney, 2022; Tudor, 2023) also share a pessimistic view of the survival of democracy, we believe that there is a missing link. That missing link is the erosion of trust in the NDA. We believe erosion of this trust is not only associated with a decline in wellbeing, it is also likely to pose threats to Indian democracy.

As noted by Tudor (2023), in 2021, the Varieties of Democracy (V-Dem) project relegated India to the status of an 'electoral autocracy' on its scale of closed autocracy, electoral autocracy, electoral democracy or liberal democracy. Further, the Economist Intelligence Unit moved India into the 'flawed democracy' category on its scale of full democracy, flawed democracy, hybrid regime and authoritarian regime. Democracies slowly die when opposition is no longer tolerated and when elected politicians use the full might of the law to quash rather than compromise with political opposition. It is the drop in India's civil liberties rating that accounts for its contemporary democratic decline. If our analysis is right, trust in the NDA also fell in 2021. The fact that the two variables moved in tandem cannot, of course, be the reason for inferring that the decline in democracy is related to a decline in political trust or trust in the NDA. Although there is strong evidence confirming that democracy promotes political trust, this does not rule out the possibility that lower political trust has undermined the prospects for democracy in India. If policy shocks are intense, trust in the government weakens and democracy is undermined. Even though the loss of trust in the NDA has been low, its implications for the weakening of democracy are serious.<sup>28</sup>

Our analysis proceeded in two stages. First, we analysed the factors associated with trust in the national government/NDA. Using the instrumented measure of

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<sup>28</sup> But such shocks (eg the 2008 financial and economic crisis) also tend to decrease trust in political institutions, thus potentially driving voters to support radical or populist parties, or demobilising them altogether (Margalit, 2019).

trust in the NDA and other covariates in the trust equation, we estimated the life evaluation equation. The 2SLS results are more robust than the Lewbel+ estimates in as much as the instruments of diversification index and number of states ruled by the BJP and its allies pass both the relevance and exclusion tests. However, several of the coefficient estimates in both sets of estimates are similar in magnitude.

As far as demographic variables are considered, neither age nor marital status nor schooling shows a significant association with trust in the NDA. At the least, the lack of significance of two of these, age and education, requires some explanation. As people age, they are expected to be more mature and less swayed by emotion. On the other hand, it is also not unlikely that age and cynicism go together, ruling out trust in public institutions, including national government. But there is no empirical evidence to corroborate this view. Education is supposed to enhance awareness through easier access to and more intelligent use of information. Ethnic suppression, often in brutal ways, capture of state governments in connivance with state governors, the erosion of state autonomy and federalism and the manipulation of the judiciary have been internalised without public expression of a lack of trust. Whether risk aversion is typical of those with more education in the current political context of the NDA's autocratic rule is a conjecture that we are unable to validate but are reluctant to rule out.

Socioeconomic characteristics throw up interesting but expected results. As Muslims and other minorities (eg Christians) have faced the brunt of discrimination and violence, it is unsurprising that they should demonstrate lower trust in the government. Resistance to their religious beliefs and events spills over into riots and the culprits remain unpunished. A devastating video, [published on 19 July 2023](#), shows two women from a Christian ethnic group in Manipur being stripped naked and paraded around by a mob from the dominant Hindu tribe. An indigenous rights group [claimed the women were later gang-raped](#) in an adjacent field. The incident occurred around 4 May of that year but went unreported for nearly three months. One of the two rape victims [accused the police of handing them over to the mob](#). The woman also said that the father and the brother of the younger victim were killed trying to save them. Since the video went viral, [reports of more cases of rape and murder](#) have begun to emerge – and the details are horrifying. Opposition parties [filed a no-confidence vote](#) in Modi's government

(Ayub, 2023). But since the BJP is comfortably in the majority, it was defeated in the Rajya Sabha (Council of States).

Despite upward economic mobility among lower castes and affirmative action in their favour, the caste hierarchy persists. The brutalisation of lower castes and tribes, with many engaged in menial tasks and activities like the cattle trade, occurs, often in broad daylight and in the presence of the local police, while the lower judiciary churns out reasons for inaction. Therefore lower trust among the SCs and STs is likely.

Among economic characteristics, we focused on per capita income quintiles. The fact that none of the income quintiles was significantly associated with trust in the national government is surprising. Indeed, why individuals across the quintiles do not express disapproval of the government's discriminatory and arbitrary policies is not self-evident. A conjecture is that, since low and middle-income respondents fear to lose more from their disapproval, and are more easily intimidated by hard-core Hindus, they prefer business as usual. In contrast, the affluent – especially those in business – are more strategic in appearing to be on the right side of the ruling party. But this is at best a partial explanation.

At the state level, some results are plausible. The greater the index of ill-health, the lower the trust in the NDA. This is highly plausible, as the government's failure to provide adequate health care and facilities in a context of high child and adult mortality – especially during the Covid-19 pandemic – deters trust in the national government. Trust is further eroded by collusion between the government and big business in corrupt transactions.

That trust in the national government has a strong positive influence on life evaluation is not surprising. Indeed, as trust fell in 2021, life evaluation also decreased. This is an important result as it suggests that perceptions of different elements of life evaluation, such as personal dignity, economic wellbeing, a sense of security and access to public services, among others, have deteriorated. As emphasised earlier, if unchecked, the decrease in government trust and consequent decline in life evaluation over a period of time may jeopardise democracy in a context of deepening economic and political crises. The economic crisis is manifested in rising food prices, unemployment and sluggish manufacturing growth, while the political crisis emanating from the ethnic violence



that erupted in Manipur in May 2023, claiming the lives of over 180 people and displacing thousands so far, has led to serious questioning of the inaction of the Manipur and NDA governments.

In sharp contrast to the trust equation, age and life evaluation are significantly correlated. Relative to the youngest, older persons (those in the 46–55 and >55 age groups) show a lower evaluation. The underlying reasons are different. As those aged 46–55 are likely to be burdened financially with the schooling of children and by their marriage, among not-so-affluent households worries and concerns about other family obligations may cause considerable stress and sacrifices, leading to a lower life evaluation. Among the oldest, who may be preparing for retirement, unless they have accumulated savings for the post-retirement phase, and in the absence of other employment options, difficult choices loom large. As old age insurance is limited and family support has weakened with urbanisation, for large numbers of the oldest this is a difficult and uncertain phase.

Women have a positive and significant coefficient, relative to men, implying a higher life evaluation among them. The growing share of the younger generation of women, and the larger segment of older women, who are as aspirational as men may partly explain this finding.

The results for religious groups are intriguing. Although Muslims are not significantly correlated with a low life evaluation, *despite* bearing the brunt of discrimination and violence, other minorities are positively correlated. This is intriguing too, as Christians and Sikhs have also suffered severe discrimination and questioning of their religious practices (eg churches have been set ablaze). While we expect caution in expressing trust in the government, reporting of a higher life evaluation is hard to explain.

While the 2SLS results do not show significant associations between OBCs and SCs/STs and life evaluation, both caste categories have significant negative coefficients in the Lewbel+ results. Even though there are doubts about the instruments used in this estimator, these results are plausible, as the NDA has suppressed low caste Hindus. That the performance of affirmative action (such as quotas in schooling and public employment) has been far from impressive is well known. It is also increasingly the case that low-caste Hindus have been victims of

unprovoked violence. So their lower life evaluation, relative to the Unreserved castes, is not surprising.

Relative to those living alone, individuals living in larger households have higher life evaluations. If there is a loss of employment or an income shock – especially during a crisis like the Covid-19 pandemic – those living alone are unlikely to be protected while larger households are likely to pool resources and mitigate the shock.

Educational levels above primary are significantly and positively related to life evaluation. In fact, life evaluation rises substantially from secondary to graduate level. That the better educated individuals have benefited in the oppressive NDA regime is not surprising as it has pushed big infrastructural projects, high-speed trains and rapid digitisation. If, instead, more attention were given to agriculture and Ministry of Micro, Small and Medium Enterprises (MSME), employment levels would be higher and more inclusive, and life evaluation would be higher.

Relative to the poorest income quintile, the more affluent in the third, fourth and fifth quintiles show higher life evaluations. Not only are the more affluent better equipped to absorb employment and income shocks, they are also more strategic in exploiting shrinking business and other gainful activities. It is difficult to single out whether low income individuals are less prone to engaging in gainful activities or whether survival takes priority over all other pursuits.

Somewhat surprising findings at the state level are that: (1) the Piketty measure of income inequality is not correlated with life evaluation; and (2) the same goes for the ill-health index. However, NDA government collusion with big business lowers life evaluation in the Lewbel+ analysis.

A limitation of this study is that it relied on the GWP, which has a small sample size. Although scientifically designed to ensure its representativeness and accuracy, our findings need to be validated by larger surveys as and when they become available.

In sum, trust in the NDA has declined, and consequently life evaluation has decreased. If trust and life evaluation continue to decline, and the deepening

economic and political crises are not contained, there are real risks to democracy in India.

## **6 Concluding observations**

Using a rigorous methodology and the GWP survey for India from 2018 to 2021, we have established that trust in the NDA has eroded, along with a consequent loss of life evaluation. Previous debates in the literature focused on the brutal implementation of highly discriminatory policies and the survival of democracy. We have argued against a direct link between such policies and the imminent death of democracy in India, as these studies overlook the important mediating role of trust in the NDA. Hence a restoration of trust in this regime is crucial for the survival of democracy.

Restoration of trust in the government is, however, daunting for various reasons. The NDA has a large majority, and the opposition parties are divided. Without a competitive election in 2024, the aggressive pursuit of Hindu nationalism will gather steam. A muzzled press and a pliant judiciary will reinforce the dominance of the NDA. Minorities are being intimidated despite bearing the brunt of discrimination and unprovoked violence. Although the economy has faltered, there are winners and losers. While the poor are reluctant to protest, as they have much more to lose, the affluent are more strategic in exploiting shrinking profitable business and employment opportunities. An earlier rout of BJP rule in Karnataka was a rude shock for the NDA. The cumulative effects of such humiliations may weaken confidence in Modi and rally the opposition parties. In addition, fuel may be added to the fire by the stinging and unrelenting criticism by influential foreign media of the NDA's extra-constitutional decisions (eg the abrogation of article 370 of the CAA) and of its brutalisation of minorities. But we must be wary of overemphasising the likelihood of a dramatic weakening of the party in the near future.

To conclude, there are a few rays of hope that democracy will survive, despite the bleak prospects for a reversal of policies that have been unrelenting, oppressive and brutal.

However, there are limitations to this work. The survey's measure of trust is based on confidence in the national government. It should be noted that the survey

doesn't decompose the trust variable, for example by examining whether the respondents have confidence in the national government for the provision of economic livelihood, social or other cultural rights. This implies that the measure we are applying is broader, and the response to the trust variable may vary across respondents depending upon their interpretation and place on the socioeconomic ladder.

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