Identification with dominant ethnic groups and preference for redistribution in Southeast Asia

JOSEPH J. CAPUNO
University of the Philippines,
National Economic and Development Authority

UNIVERSITY OF THE PHILIPPINES
SCHOOL OF ECONOMICS

Introduction

- Home to around 465 million people that belong to more than 60 major ethnic groups in 2015, Indonesia, Malaysia, Philippines, Singapore and Thailand together provide a setting for exploring the role of ethnic identity in shaping individual views about the redistributive role of the government.
- These countries have experienced internal conflicts with ethnic dimensions
  - Violent strife in Mindanao (Philippines), Aceh and West Papua (Indonesia), Patani (Thailand)
  - Political polarization in Singapore and Malaysia
- Promoting social cohesion is important for effective collective action. Where there is significant ethnic fragmentation, there's inefficient service delivery or regional/interstate conflicts, low quality of government or growth (Alesina et al. 2002).
  - Emphasis on the relative population shares of the ethnic groups.
- To what extent does identification with the dominant or less dominant ethnic group alone contributes to differences in individual policy preferences in Southeast Asia?
  - Controlling for socioeconomic status, geographic location, etc.

Previous studies

Attitudes towards government redistribution

- US (Alesina and La Ferrera, 2005; Alesina and Giuliano, 2011); France, Italy, Sweden, UK and US (Alesina, Stantcheva and Teso, 2017); EU countries (Cojocaru, 2014; Jaime-Castillo and Marques-Perales, 2019); Netherlands (Lemeris, Garretsen and Jong-A-Pin, 2018); UK (Gregg, Macmillan and Vittori, 2019)
- Role of current income, expectations of upward mobility (Alesina and La Ferrara, 2005); among the rich and upwardly-mobile individuals (Fong, 2001)
- Role of cultural norms – support for policies that favor people from the same ethnic group (Luttmer, 2001, Luttmer & Singhal, 2011), lower support for communities with lots of immigrants (Dahlberg, Edmark and Lundqvist, 2012)
- Role of trust in government (Birskyte 2014), in other people (Alesina & Angeletos, 2005)
- Role of a fair society or current income distribution, hardwork or fate (Alesian & Guiliano, 2010)

Redistributive preferences in East Asian/Southeast Asian countries

- Importance of social capital in Japan (Yamamura, 2012, 2014)
- Importance of self-determination, self-reliance and filial duty (Chang 2018)
- Income is an unimportant factor (Haggard, Kaufman and Long, 2012)
- Individual support may diminish as market opportunities widen (Tohyama, 2019)
- Prospects for upward intergenerational mobility (Capuno, 2022)

Selected economic indicators

	2013	2014	2015	2016	2017
Indonesia					
Per capita GDP (IDR '000)	38,361	41,916	45,120	47,938	51,891
Gini Index	40	39.4	39.7	38.6	38.1
Malaysia					
Per capita GDP (MYR)	33,713	36,031	37,739	39,506	42,834
Gini Index	41.3	n.a	41.1	n.a.	n.a.
Philippines					
Per capita GDP (PHP '000)	123	133	138	148	159
Gini Index	46.5	n.a.	44.6	n.a.	42.3
Singapore					
Per capita GDP (US$)	71,283	72,938	76,503	78,508	84,115
Gini Index	n.a.	n.a.	n.a.	n.a.	n.a.
Thailand					
Per capita GDP (THB '000)	192	196	202	214	225
Gini Index	37.8	37	36	36.9	36.5

Sources: World Bank, Asian Development Bank.

Data from the 4th wave of the Asian Barometer Survey

- Surveys conducted in 2013-2016 under the Asian Barometer Project of Academia Sinica and National Taiwan University, together with local institutions in participating countries
- Nationally-representative samples
- Face-to-face interviews using a standard questionnaire, with modules on economic evaluation, trust in institution, social capital and socioeconomic background
- New module on redistribution

  It is the responsibility of the government to reduce the difference between people with high income and those with low income.

  □ *Strongly Agree* □ *Agree* □ *Disagree* □ *Strongly Disagree* □ *Can't choose*

Total samples by country

Country	Urban/Rural Broad Region[a]	No	% of Total	Racial/Ethnic Background	No	% of total
Indonesia (N=1550)	Rural	780	50.32	Java	608	39.23
	Urban	770	49.68	Sunda	259	16.71
				Melayu	75	4.84
	Sumatra	330	21.29	Madura	60	3.87
	Java	880	56.77	Betawi	44	2.84
	Lesser Sunda Islands	90	5.81	Batak	43	2.77
	Kalimantan	90	5.81	Bali	37	2.39
	Sulawesi	110	7.10	Bugis	36	2.32
	Maluk Islands	20	1.29	Minang	36	2.32
	Western New Guinea	30	1.94	Others[b]	352	22.71
Malaysia (N=1207)	Rural	518	42.92	Malay	603	49.96
	Urban	689	57.08	Chinese	358	29.66
				Indian	84	6.96
	Northern	156	12.92	Iban	34	2.82
	Central	371	30.74	Bidayuh	17	1.41
	Southern	207	17.15	Melanau	3	0.25
	Eastern	173	14.33	Others	108	8.95
	East Malaysia	300	24.86			

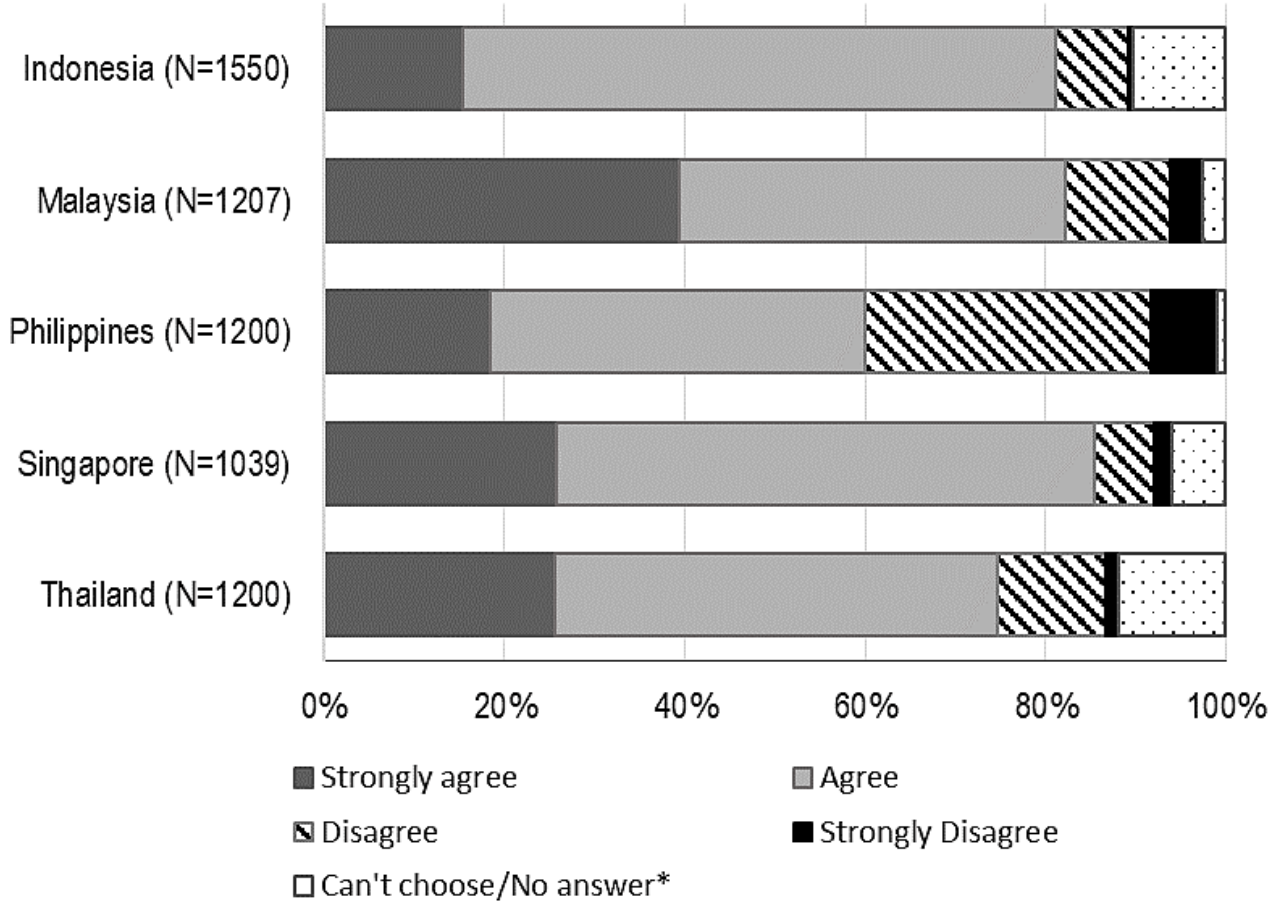
[a]The broad regions are sampling areas.
[a]Including “Declined to answer”, “Can’t choose” or missing.
Source of raw data: Asian Barometer Survey (4th wave).

Total samples by country (cont.)

Country	Urban/Rural Broad Region[a]	No	% of Total	Racial/Ethnic Background	No	% of total
Philippines (N=1200)		495	41.25	Cebuano	330	27.50
	Urban	705	58.75	Tagalog	244	20.33
				Ilonggo	155	12.92
	National Capital Region	300	25.00	Ilocano	99	8.25
	Balance Luzon	300	25.00	Waray	89	7.42
	Visayas	300	25.25	Bicol	72	6.00
	Mindanao	300	25.00	Tausug	42	3.50
				Others[b]	169	14.08
Singapore (N=1039)	Urban	1039	100.00	Chinese	788	75.84
				Malay	121	11.65
	East	219	21.08	Indian	114	10.97
	West	142	13.67	Others	16	1.54
	North	347	33.40			
	South	144	13.86			
	Central	187	18.00			
Thailand (N=1200)	Rural	949	79.08	Thai	1175	97.92
	Urban	251	20.92	Chinese	14	1.17
				Others[b]	11	0.92
	Bangkok	106	8.83			
	North	221	18.42			
	Central	300	25.00			
	Northeast	405	33.75			
	South	168	14.99			

[a]The broad regions are sampling areas.
[a]Including “Declined to answer”, “Can’t choose” or missing.
Source of raw data: Asian Barometer Survey (4th wave).

Distribution of respondents in their views about government's responsibility to reduce income differences between people with high income and those with low income (by country)



Notes: This figure is based on answers to the question "Do you agree or disagree with the following statement: "It is the responsibility of the government to reduce the differences between people with high income and those with low incomes." The possible responses are "strongly agree", "agree", "disagree", "strongly disagree", "do not understand the question", "can't choose", or "decline to answer'. The last three possible responses are lumped together as "Can't choose/No answer*" in the figure. For Thailand, the "Can't choose/No answer*" also includes 10 missing.
Source of raw data: Asian Barometer Survey (4th wave).

Estimating equation

- Probit model

$$R_i = \alpha + \beta E_i + \gamma(E \times M_i) + \varphi M_i + \boldsymbol{X_i'\theta} + \varepsilon_i$$

- R = preference for redistribution (1=strongly agree/agree; 0 otherwise); *R*2 (1=strongly agree, 0 otherwise)
- E = Ethnic background (classified into most dominant ethnic group, second most dominant ethnic group, other groups)
- $\boldsymbol{M}$ = moderating factors (social mobility relative to parents, trust, "just society", role of fate)
- $\boldsymbol{X}$ = other covariates (income quintile, age, sex, education, civil status, household size, religion, location/urban, country, year)

Model specifications

	Explanatory variables
Model 1 (base)	***E***, ***X;*** where ***E*** (Ethnic2, EThnic3)
Model 2	***E*** × ***I***, ***I***, ***E***, ***X***; where ***I*** =(Income quintile2, Income quintile3, Income quintile 4, Income quintile3)
Model 3	***E*** × Own status higher than parents', Own status higher than parents', ***X***
Model 4	***E*** × Own status same as parents', ***E***, Own status same as parents', ***X***
Model 5	***E*** × Trust in national government, ***E***, Trust in national government, ***X***
Model 6	***E*** × Trust in most people, ***E***, Trust in most people, ***X***
Model 7	***E*** × Income distribution is fair, ***E***, Income distribution is fair, ***X***
Model 8	***E*** × Family income is fair, ***E***, Family income is fair, ***X***
Model 9	***E*** × Wealth is due to fate, ***E***, Wealth is due to fate, ***X***
Model 10	***E*** × ***C***, ***E***, ***C*** = (Indonesia. Malaysia, Singapore, Thailand), ***X***

Descriptive statistics of the regression variables

Variables[a]	All samples (*N*=5250)		Poorest two income quintiles (*N*=2707)		Excluding Philippines (*N*=4,076)		Indonesia, Malaysia, Singapore (*N*=3121)	
	Mean	Std. Dev.	Mean	Std. Dev.	Mean	Std. Dev.	Mean	Std. Dev
Dependent variable[b]								
Redistribution	0.260	0.439	0.784	0.411	0.281	0.450	0.276	0.447
Redistribution2	0.813	0.390						
Ethnicity variables								
Ethnic1	0.538	0.499	0.535	0.499	0.633	0.482	0.527	0.499
Ethnic2	0.178	0.382	0.164	0.370	0.151	0.358	0.193	0.395
Ethnic3	0.284	0.451	0.301	0.459	0.216	0.411	0.279	0.449
Moderating factors								
Income quintile1	0.243	0.429	0.472	0.499	0.194	0.395	0.163	0.369
Income quintile2	0.272	0.445	0.527	0.499	0.265	0.441	0.234	0.424
Income quintile3	0.248	0.432			0.266	0.442	0.294	0.456
Income quintile4	0.137	0.344			0.156	0.362	0.168	0.374
Income quintile5	0.099	0.299			0.120	0.325	0.141	0.348
Own status higher than parents'	0.255[c]	0.436[c]	0.241[d]	0.428[d]	0.268[e]	0.443[e]	0.278[f]	0.448[f]
Own status same as parents'	0.516[c]	0.500[c]	0.531[d]	0.499[d]	0.532[e]	0.499[e]	0.505[f]	0.500[f]
Trust in national government	0.628	0.483	0.601	0.490	0.687	0.464	0.705	0.456
Trust in the president	0.714	0.452	0.703	0.457	0.760	0.427	0.768	0.422
Trust most people	0.180	0.384	0.181	0.385	0.208	0.406	0.168	0.374
Income distribution is fair	0.470	0.499	0.462	0.499	0.516	0.500	0.508	0.500
Family income is fair	0.795	0.404	0.832	0.374	0.765	0.424	0.714	0.452
Wealth is due to fate	0.555	0.497	0.575	0.494	0.533	0.499	0.587	0.493
Indonesia	0.254	0.435	0.192	0.394	0.328	0.469	0.427	0.495
Malaysia	0.210	0.407	0.164	0.370	0.270	0.444	0.353	0.478
Philippines	0.224	0.417	0.310	0.462				

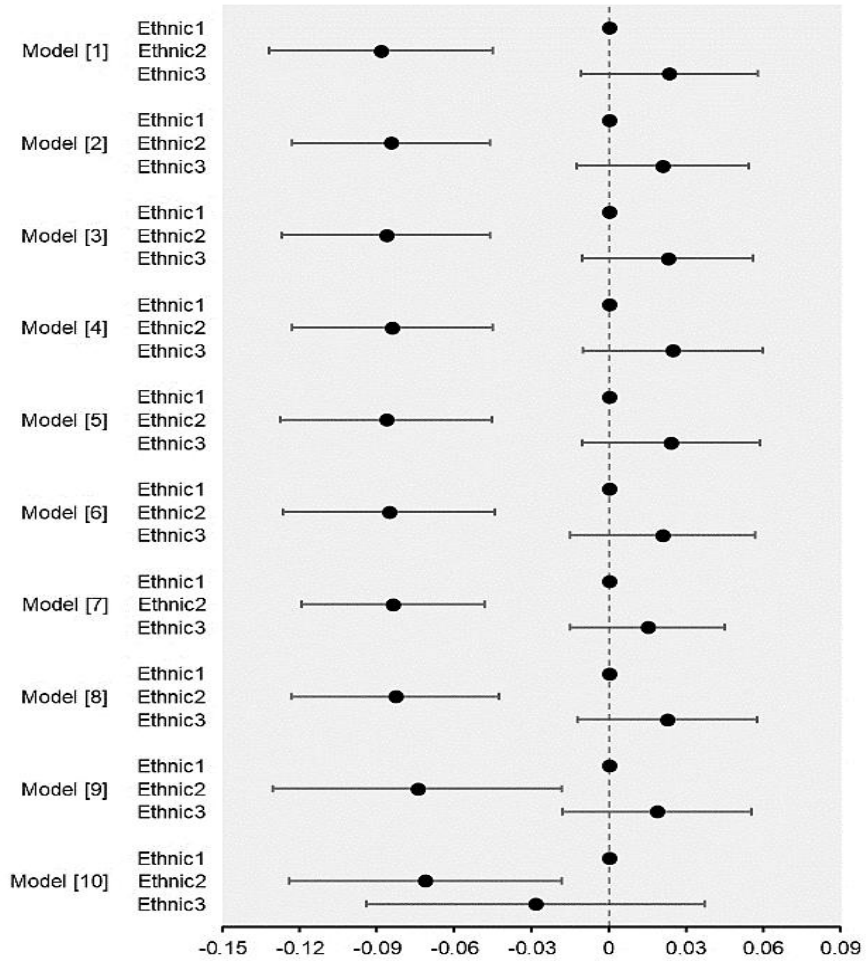
Descriptive statistics of the regression variables (cont.)

Variables[a]	All samples (*N*=5250)		Poorest two income quintiles (*N*=2707)		Excluding Philippines (*N*=4,076)		Indonesia, Malaysia, Singapore (*N*=3121)	
	Mean	Std. Dev.	Mean	Std. Dev.	Mean	Std. Dev.	Mean	Std. Dev
Singapore	0.131	0.337	0.102	0.302	0.169	0.374	0.220	0.414
Thailand	0.182	0.386	0.233	0.423	0.234	0.424		
Control variables								
Age	43.02	14.30	43.92	14.51	43.04	13.99	42.34	14.28
Female	0.493	0.500	0.498	0.500	0.492	0.500	0.485	0.500
College	0.148	0.355	0.093	0.291	0.157	0.364	0.165	0.372
Employed	0.652	0.476	0.641	0.480	0.681	0.466	0.619	0.486
In_union	0.725	0.447	0.729	0.445	0.719	0.450	0.717	0.451
Divorced	0.060	0.238	0.076	0.264	0.051	0.220	0.045	0.206
Household size	4.710	2.081	4.528	2.077	4.651	2.040	4.723	2.126
Single generation	0.257	0.437	0.273	0.446	0.272	0.445	0.305	0.461
Buddhist	0.268	0.443	0.290	0.454	0.346	0.476	0.148	0.356
Christian	0.277	0.447	0.339	0.473	0.085	0.279	0.110	0.312
Hindu	0.031	0.174	0.025	0.157	0.040	0.197	0.053	0.223
Islam	0.374	0.484	0.313	0.464	0.466	0.499	0.606	0.489
Megacity	0.226	0.418	0.185	0.388	0.247	0.431	0.293	0.455
Major_city	0.193	0.395	0.209	0.406	0.134	0.341	0.143	0.350
Urban	0.543	0.498	0.493	0.500	0.531	0.499	0.633	0.482
Y2014	0.742	0.438	0.805	0.396	0.668	0.471	0.566	0.496

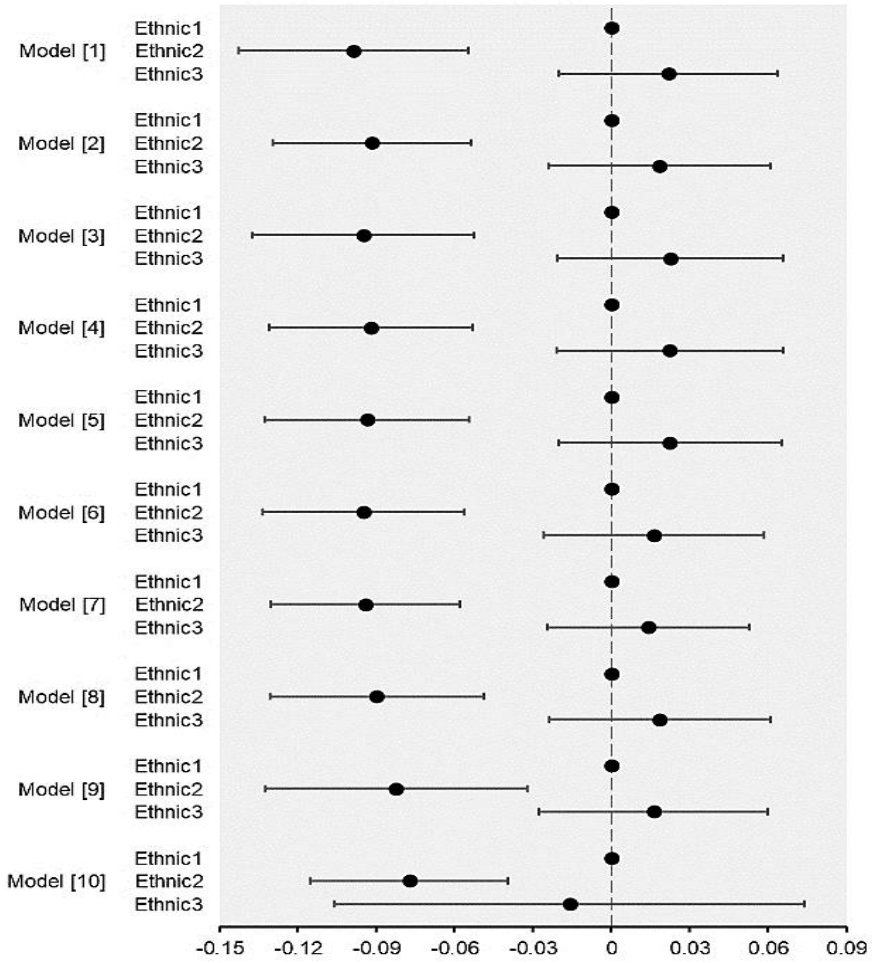
[a] All variables, except age and household size, are dummy variables.
[b] Based on the response to the statement: "It is the responsibility of the government to reduce the difference between people with high income and those with low income."
[c] Due to missing responses, *N*=4979.
[d] Due to missing responses, *N*=2557.
[e] Due to missing responses, *N*=3820.
[f] Due to missing responses, *N*=2971.

Marginal effects of *Ethnic1*, *Ethnic2* and *Ethnic3*

(a) All (*N*=5250)



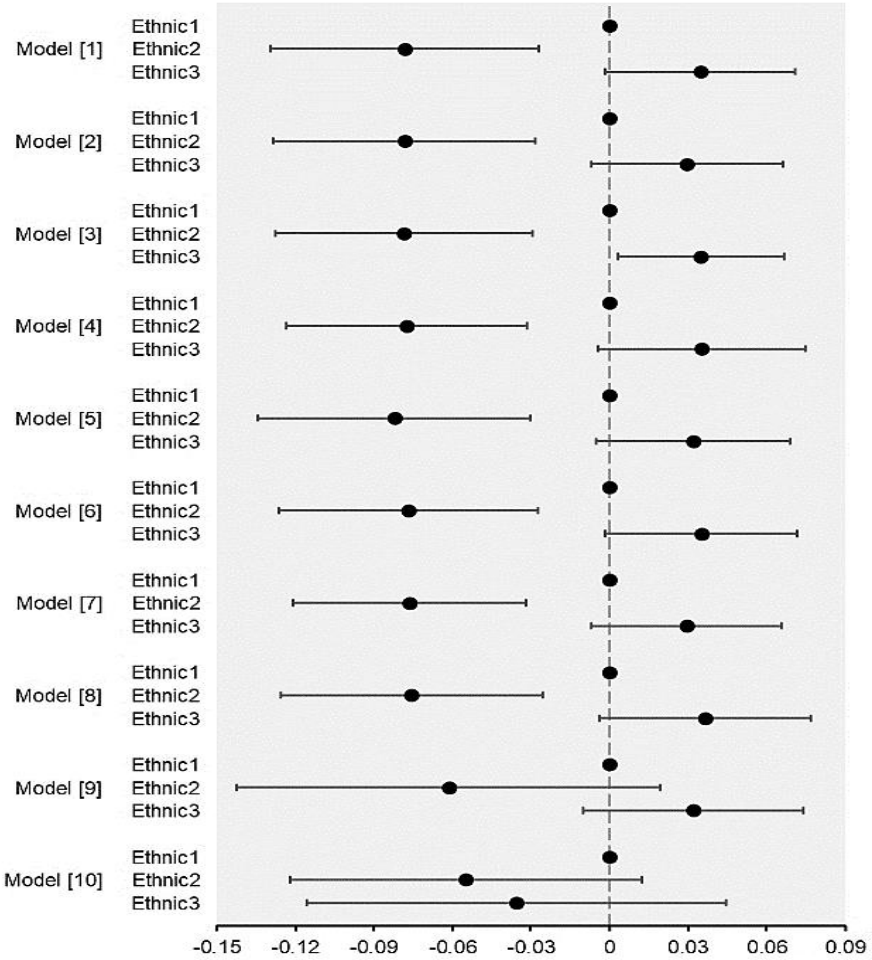
(b) Poorest two quintiles (*N*=2707)



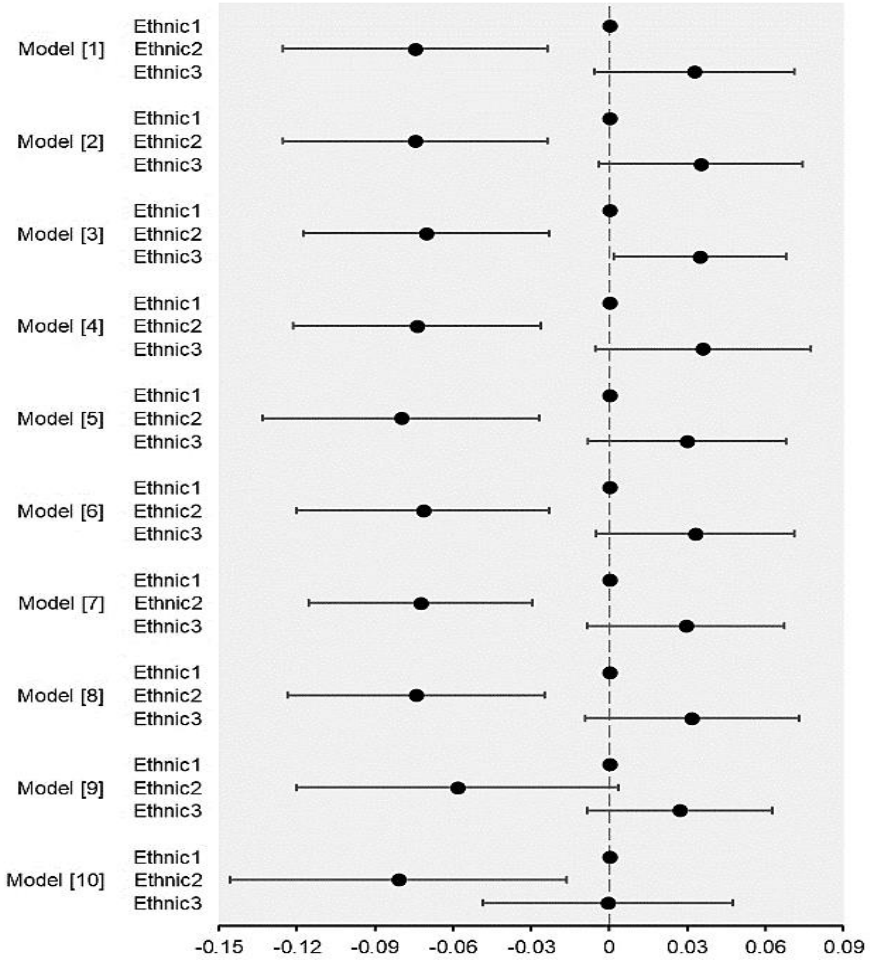
Notes: The reference category (*Ethnic1*) is indicated by dot at 0 with no whiskers, which for *Ethnic2* and *Ethnic3* indicate 95% CI. In model [10] of Figure 2(b), *Ethnic2* is not interacted with *Thailand* due to missing observation. For model [3] in Figure (a) and Figure (b), the sample sizes are *N*=4979 and *N*=2557, respectively.

Marginal effects of *Ethnic1*, *Ethnic2* and *Ethnic3*

(c) Excluding Philippines (*N*=4076)



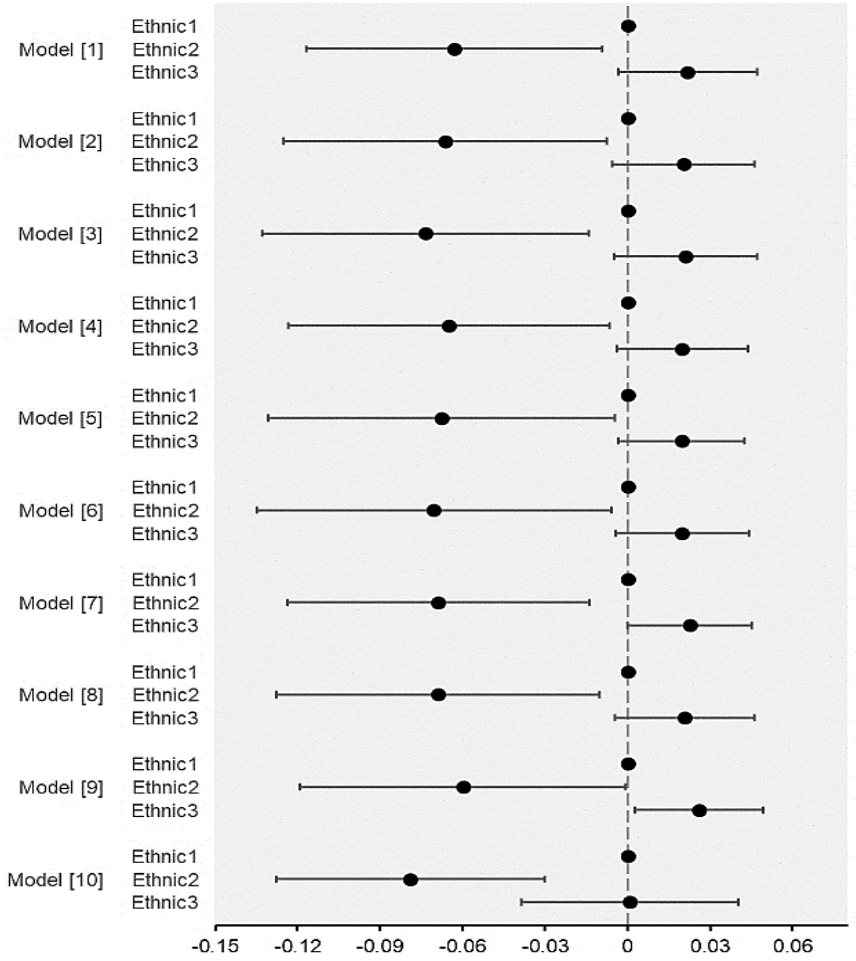
(d) Indonesia, Malaysia, and Singapore (*N*=3121)



Notes: The reference category (*Ethnic1*) is indicated by dot at 0 with no whiskers, which for *Ethnic2* and *Ethnic3* indicate 95% CI. For model [3] in Figure (c) and Figure (d), the sample sizes are *N*=3820 and *N*=2971, respectively.

Marginal effects of *Ethnic1*, *Ethnic2* and *Ethnic3*

(e) All samples for *Redistribution2* (*N*=5250)



The reference category (*Ethnic1*) is indicated by dot at 0 with no whiskers, which for *Ethnic2* and *Ethnic3* indicate 90% CI. For model [3], the sample size is *N*=4979

Summary

- Evidence of differences in preference for government redistribution among dominant ethnic groups (by relative population shares) in Indonesia, Malaysia, Philippines, Singapore and Thailand
- Relative to those who identify themselves with the most dominant ethnic group, preference for redistribution is
  - Less for those in the second most dominant ethnic group
  - Same for those in the other ethnic groups
- Generally same findings for
  - Sub-samples comprising two poorest income quintiles, and excluding Philippines only or Philippines and Thailand
  - Those who strongly agree with government redistribution
- Implications: Raising policy support (esp. for redistribution) may require reducing ethnic discord, esp. between dominant groups.

Thank you!