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Whom to help?
Trust and Preferences over Redistribution in Russia

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What group of people will you help if you have higher level of interpersonal trust? On a data of 34000 individuals collected for 2007-2011 for Russia we show that higher levels of trust in a region connected with more support for government redistribution in favor of performed services for their homeland (war veterans, distinguished teachers, doctors, etc.). Less demand for government support is found for poor, homeless, having many children and others in complex life situations as people expect help from others, i.e. that social capital substitute for the government. Overall higher trust could have outcomes that couldn't be interpreted as good for everybody. Promoting growth policies should account for it otherwise they could be counterproductive.

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1. Introduction

Interpersonal (or generalized) trust is a key component of social capital which determines the society's capacity for collective action. A huge body of empirical and theoretical research showed its importance for economic and institutional development of nations: their economic outcomes, quality of governance and political accountability, teaching practices and educational achievements, physical and mental health, happiness (see Algan, Cahuc, 2013 for a comprehensive overview of the classic and recent studies). In spite of these several problems could be noticed.

First and most important, a lot of areas and specific mechanisms of potential trust influence remain unexplored. For example, a number of studies argue that trust affects economic outcomes (e.g. Knack, Keefer, 1997 and Algan, Cahuc, 2010), but what are the precise channels of influence? These can be entrepreneurial activity, preferences for different types of economic activities or demand for some particular government policy (such as redistributive policy).

Second, many results are based upon datasets provided by World Values Survey (WVS), European Values Study (EVS) or General Social Survey (GSS) and thereby reflect relationships for a whole world or for a limited set of developed countries. There is a dearth of such research for transition and developing countries. It's especially true for Russia which encounters only few studies on social capital and trust (see e.g. Marsh, 2000, Rose, 2000, Kennedy et al., 1998). As a result there is little understanding of what is going on in these countries. Relationship between social capital and economic outcomes may be highly specific and completely different from what is obtained for developed countries [2].

Finally, huge efforts were devoted to the evaluation of positive outcomes of social capital and trust. It's still the main strand of research (see Algan, Cahuc, 2013 for a comprehensive literature review of the studies). However this view on social and economic outcomes of social capital seems to be quite one-sided. It seems worthwhile to pay attention to potential dark sides of a good commodity in general as social capital appears to be. Bonding social capital could hamper economic growth and undermine economic activity, the same could be true for antisocial norms that are widespread in developing and transition countries.

In this paper we study *connection between generalized trust and preferences over redistribution to different groups of people*. It's already documented that such preferences are driven by a large set of different parameters such as fairness and altruism (Alesina, Angeletos, 2005, Luttens, Valfort, 2012, Fong et al., 2006), cultural values (Luttmer, Singhal, 2011), public

[2] Similar argument mentioned in (Yamamura, 2012), who emphasizes that "existing literature on redistribution preferences has focused largely on Western countries". But according to him it's worthwhile to study Asian countries as they have different type of culture.

values (Corneo, Gruner, 2002), historic experience (Alesina, Giuliano, 2011), political views (Alesina, Giuliano, 2011). Role of trust and social norms seems to be underexplored.

Several papers show importance of interpersonal trust (Bergh, Bjørnskov, 2014, Bjørnskov, Svendsen, 2013), trust and civicness (Algan et al., 2014), social norms (Sabatini et al., 2014), and community participation (Yamamura, 2012) for redistribution preferences. It's documented that all these variables have significant impact on the size of the welfare state (measured for e.g. as the full government expenditures as in Bjørnskov, Svendsen, 2013) or preferences over redistribution (measured by public opinion surveys). But different groups of people whom government should help are overlooked.

Overall existing papers provide an answer to an important question of *how much to redistribute (or whether redistribute or not)* but do not raise another important question of *how to redistribute*. On the other hand, relationship between social capital variables and redistribution could be more peculiar with more precise questions about redistributive policies including defined areas and people to support. Higher levels of trust could lead to more support for one groups of people and less for others, thus helping the former and hampering the latter. Overall it could provide unpredictable outcomes for economic growth and growth promoting policies should account for it.

We use data for Russia provided by its Public Opinion Fund. Within country survey have an important advantage over cross country survey as variability of formal institutions is lower. Moreover, omitted variables if present seem to be quite the same for all regions because of the identical historical and institutional background for the regions of one country. Measurement error also should be smaller and the same for all regions as all questions are in one language and there is no problem of translation and different meaning of words in different cultures. Overall these could lead to a higher quality of results. Although the problem of external validity arises. Separate survey is needed to understand whether obtained results are country specific or not.

The rest of the paper is organized as follows. Section 2 gives a general background on Russian inequality and redistributive policy. Section 3 explains our data and empirical strategy, and section 4 continues with the results of the estimations. Section 5 concludes.

2. Redistribution Preferences: Whom to Help and Why?

The idea that not only size of redistribution but its dimensions, targeting as well as overall philosophy of welfare stare was pioneered by Esping-Andersen (1990) who coined the term "welfare state regime". He classified modern welfare states according to their level de-commodification, i.e. allowing citizens to maintain livelihood independently from the market, and degree of stratification (equalization vs. preserving of status differences). He laid out three

welfare state regimes: liberal, conservative (or corporatist-statist), and social-democratic (Esping-Andersen, 1990, p.26-29). Liberal regime is characterized by modest social benefits, strict entitlement rules, government encouraging private welfare schemes and often social stigma on benefit receivers. Iconic example of such welfare state regime is the USA. Conservative, or corporatist-statist type of regime is committed to maintaining social stratification through nets of status-attached benefits provided by the state; redistributive impact of the welfare state is minor. Conservative regimes also foregoes to provide welfare to individuals until support capacities of their families are not exhausted. This regime is found primarily in the continental Europe. Social-democratic regime, in turn, promotes social solidarity and individual independence from market fluctuations. Traditional family is not encouraged; conversely, government makes effort to externalize costs of familyhood through transfers and in-kind benefits targeted to children, aged or disabled. This welfare state regime is typical for Nordic countries.

Although no nation has any "pure" type of welfare state regime, and noticeable problems with classification of individual countries were discovered (Scruggs, Allan, 2008), Esping-Andersen typology had significant impact on later research. There were attempts to include additional regime types into classification, such as post-socialist one, characterized by holdovers of centrally planned economy like subsidized housing and energy prices (Kääriäinen, Lehtonen, 2006; Oorschot, Arts, 2005).

Different philosophies of welfare state imply different views on more general aspects of society: what are limits of personal responsibility, how great is moral hazard related to social security, how strong family and community ties are. Several scholars tried to find out relationship between welfare state regimes and social capital, with the former as the dependent variable (Kääriäinen, Lehtonen, 2006; Oorschot, Arts, 2005). These studies were carried out on cross-country samples of European nations, and typically treated welfare state regimes as exogenous. One of possible hypotheses assumes that there is possibility of crowding out private pro-social behavior and civic values by government actions which make social capital redundant. On the other hand, universalism of welfare states creates social homogeneity and solidarity, which is beneficial for interpersonal trust (Kumlin, Rothstein, 2005).

In this study, we take advantage of similarity, if not identity, of welfare state regimes across Russian regions due to federal social policy and Soviet-era inertia. This allows employing cross-regional variation in social capital to explain differences not in welfare state regimes but in popular preferences for social policy, which under democracy translate into actual choice of welfare state regime.

In the presence of bonding social capital higher interpersonal trust could lead to lesser demand for government support in favor of poor, homeless, having many children and others

who are in difficult situations. Underlying assumption for this is straightforward. People may expect help from other people which substitutes support from the government. So they don't want the government to help those who are in need. Thus our Hypothesis 1 is the following:

Hypothesis 1. Trusting people living in a bonding social capital environment may prefer less government redistribution to poor, homeless and others in difficult situations.

But trusting people may still want to reward those who did something noticeable for their country. Higher norms of pro-social behavior of those who have higher levels of generalized trust could lead to the demand for support in favor of distinguished teachers and doctors as well as war veterans. Thus we propose our Hypothesis 2:

Hypothesis 2. Trusting people with higher norms of pro-social behavior may want more government support for distinguished people.

3. Inequality and Redistribution Policy in Russia

Existing design of public redistribution system may explain much in preferences for redistribution. People may want more or less redistribution depending on a share of wealth being actually redistributed and existing support of different groups of people. Current level of inequality can also play a significant role.

For Russia drastic economic inequality is a major concern. Russia's Gini index was 41.7 in 2011[3]. Income gap in Russia is wider than in most European countries, including those of Central and Eastern Europe. As opposed to many developed countries, in Russia there are also great contrasts in income between regions[4]. Therefore our work requires careful control for wealth inequality.

Russian welfare system has relatively low funding. Independent Social Policy Institute estimates show that social expenditures' share in GDP in 2010 was only 14.2 per cent. This is significantly lower than OECD average in the same year (22 per cent), although it is still higher than in middle-income OECD countries like Chile, Mexico and Republic of Korea[5].

In addition to relatively scarce funding, Russian social welfare system has difficulties in targeting resources towards those who are actually in need. According to Ovtcharova (2001), Soviet welfare system had two main objectives: to reward meritorious citizens (such as WWII veterans, Chernobyl nuclear disaster responders, etc.) and to provide basic social insurance like pensions and free healthcare. In 1990th, this merit-oriented bias of social welfare was even deepened when Communist-oriented Duma alongside with regional governments introduced dozens of in-kind privileges based on relatively simple, easily-monitored formal criteria such as

[3] https://www.cia.gov/library/publications/the-world-factbook/geos/rs.html
[4] See (Zubarevich, Safronov, 2011)
[5] http://stats.oecd.org/Index.aspx?DataSetCode=SOCX_AGG

being veteran, retiree, disabled person or having many children. In 2005, these in-kind privileges were largely replaced with lump sum transfers; however, this brought no changes to overall redistribution pattern. According to Independent Social Policy Institute transfers to the poor accounted for only 3.5 per cent of social expenditures in 2010[6]. When it comes to increasing welfare spending, the government typically chooses to raise pensions.

Social welfare responsibilities in Russia are shared between the Federation and the regions. Federal-level social protection is uniform across regions although some policies may target special regions like northern ones. Regional-level welfare policies may vary across jurisdictions although any of them should comply with federal regulations. However, there is significant variation among regions in per capita social spending. In 2011, the minimum was 947 roubles in Nenetskiy autonomous okrug and the maximum was 233 thousand roubles in Moscow. These disparities can only be partly explained by regional differences in demography and public finance capacities and make it necessary to control for social expenditures.

4. Data and Methodology

4.1. Empirical information

Data for the study comes from several sources. The most important and unique are surveys of about 34000 individuals that were conducted in 2007, 2008, 2009 and 2011. These surveys were provided by a large Russian Public Opinion Fund and designed to be regionally representative. They contain information about people's preferences for redistribution, their interpersonal trust, norms of behavior and a rich set of individual level control variables such as gender, age, wealth, occupation, religion, nationality, etc. Although it's not a panel data and not all waves contain information about trust and redistribution our empirical strategy designed to take the best of it.

2007, 2008 and 2009 surveys were conducted in the same 68 regions of Russia with about 500 respondents in each region. 2011 survey was done in all 83 Russian regions with 400 respondents in each. So we restrict 2011 dataset to 68 regions that were covered by all four surveys. Most of the regions have a dominant Russian population, North Caucasus republics are not in the sample.

2011 survey contains information about preferences over redistribution to different groups of people. Hereby it's the most important for us, and we provide a brief explanation of its sample restricted to 68 regions of Russia. Respondents who participated in the 2011 survey were of the age from 18 to 82 years old, median age in the subsample is 44 years. The share of women is a bit higher than the share of men (55% and 45% respectively). 87% represent themselves as

[6] www.econorus.org/c2013/files/1f59.docx

Russians. 51% of the respondents are factory and office workers, 6% are entrepreneurs or managers and 41% of the respondents are currently unemployed. One third of surveyed respondents have secondary education or are even less educated, share of those who got higher education is about 18%.

Respondents appear to be not quite wealthy ones. Almost 10% of surveyed households lacks money even for food, 42% of households can get enough food and clothes but cannot afford to buy domestic appliances. Moreover, 45% of the respondents reported that social benefits and allowances are very important for their budget. Middle class families seem to comprise about 23% of the sample. More detailed characteristics of the sample could be found in Table A1 of the Appendix.

Official statistics is used as our second source mainly to provide proper regional level controls. They are GRP per capita, social expenditures, share of people below subsistence level, Gini index, ethnic fractionalization index, and urbanization. Detailed description and summary statistics for the main variables presented in Tables A2, A3.1 and A3.2 of the Appendix.

4.2. Empirical strategy

2011 survey forms the basis of our research as it is the only one that contains information about preferences over redistribution to different categories of people. It also provides a set of personal respondents' characteristics such as gender, age, education, occupation, religion, etc., but unfortunately does not contain any information about social capital of the respondents. On the contrary 2007-2009 surveys have some details about respondent's interpersonal trust and social norms. So we are unable to study the relationship between trust and preferences over redistribution at the individual level. But we do study the effect of regional level trust (obtained from 2007-2009 surveys) on individual's preferences to help one group of people or another (obtained from 2011 survey).

2008 survey also sheds some light on respondent's support of redistribution. It provides information not about preferences over redistribution to different categories of people, but about overall support of redistribution. This data provides the additional empirical evidence to the findings based on 2011 survey.

In our empirical strategy individual level preferences for redistribution in 2008 and 2011 serve as dependent variables. We start from a general question about inequality and redistribution[7] which allows us to have a link with previous studies: "What type of society is in your opinion more fair: one where income of people is nearly equal or one where income differ significantly depending on individual professional skills and enterprise?" It's for 2008 survey

[7] It can be also treated as tolerance of inequality. We are grateful to Daniel Treisman for this notion.

only. Than we continue with the main question of our interest which goes from 2011 survey: "To whom, in your opinion, government should help first: poor, homeless, labor and war veterans, combat operations participants, distinguished teachers and doctors, families with children, one-parent families and families with many children, disabled, pensioners, unemployed?" Three options for this question were allowed to choose. We construct an index on a scale from -3 to +3 where positive points are given for the preferences in favor of distinguished and disabled people and negative points for poor, homeless and others in difficult situations. We also use modified version of this index without disabled persons and construct a separate dummy for disabled persons. All these versions are described in Table A2 of the Appendix.

Trust in 2007, 2008 or 2009 aggregated for Russian regions is the main independent variable of interest. It goes in a traditional or close to traditional form of World Values Survey: "Generally speaking, would you say that most people can be trusted or that you need to be very careful in dealing with people?" with 1 for "Most people can be trusted" and 0 for "Can't be too careful". Trust is used in a crude form or calculated as fixed effects for the regions of OLS regression of trust on individual characteristics (age, gender, education, wealth, etc.):

$$Trust = \alpha Gender + \beta Age + \gamma Age^2 + \delta Education + \phi Wealth + \eta Nationality + \lambda CityType + \\ + \mu RegionalDummies + \varepsilon,$$ [8]

where $RegionalDummies$ stand for regional fixed effects. Further we appeal for these fixed effects as measures of regions' pure trust[9]. This approach makes sense because we can't control for individual determinants of trust in the main regression as its dependent variables go for 2008 and 2011.

Overall baseline model goes in a form:

$$RedistributionPreferences_{ij} = \alpha + \beta Trust_j + \gamma IndividualControls_{ij} + \delta RegionalControls_j + \varepsilon_{ij},$$

where $RedistributionPreferences_{ij}$ reflect preferences over redistribution of individual i living in a region j in 2008 or 2011; $Trust_j$ is for trust in region j in a crude or pure form in 2007, 2008 or 2009; $IndividualControls_{ij}$ include age, age squared, gender, wealth, education, occupation, nationality, religion, importance of social benefits for the respondent's family, and city size

[8] Nationality is for 2007 only.
[9] Overall strategy of getting pure trust is similar to that used by Algan et al. (2014).

dummies[10]; $RegionalControls_j$ are for GRP per capita, social expenditures, share of people below subsistence minimum/ Gini index, ethnic fractionalization index, urbanization, and level of corruption.

Some questions in 2007-2009 surveys were not only about trust but also about other social capital components (e.g. solidarity or willingness to help) and about some other aspects of respondents' view of the world (such as their opinion of the extent to which personal wellbeing is determined by individual efforts or by other circumstances), that may also be related to the preferences over redistribution. Regionally aggregated responses of these questions were also included in the regressions to shed light on the mechanisms of possible relation between trust and preferences over redistribution.

5. Explaining Preferences over Redistribution

5.1. Trust and Preferences over Redistribution

Estimations for the general question on inequality and redistribution presented in Table 1. All estimations include basic set of individual and regional level control variables described in a previous section. Gini coefficient and share of poor people in a region are added one by one as they represent different measures of inequality. Urbanization serves to check the robustness of the results as it contains information about urban population[11] and wealth of the region.

Generalized trust matters both statistically and economically suggesting more redistribution for those who have higher levels of trust[12]. Results seem to be robust to different sets of control variables. Effect of trust is two times larger than effect of gender and as strong as the effect of social expenditures in a region. This provides us with a link to previous research by Algan et al. (2014), where a positive and economically significant influence of trust on preferences over redistribution established.

Although we can't claim for sure that there is a causal link between trust and preferences over redistribution we have some evidence that it can be the case. By definition higher generalized trust leads to higher levels of support of unknown people. Thus more equal society could be perceived as more fair and more redistribution could be supported. But of course reverse causality is still possible and preferences over redistribution could shape generalized trust.

[10] Set of individual controls slightly varies for 2008 and 2011 dependent variables estimations. These details are mentioned in the notes for specific tables.
[11] Urban and rural population could have different preferences over redistribution.
[12] Table 1 shows estimations for 2007 trust but results are robust to trust in 2008 and 2009. Tables with 2008 and 2009 trust could be obtained from the authors.

Table 1. Trust and preferences over redistribution

	Preferences over redistribution				
	(1)	(2)	(3)	(4)	(5)
Trust	0.764***	0.826***	0.738***	0.866***	0.781***
	(0.187)	(0.187)	(0.183)	(0.200)	(0.195)
Log GRP per capita	0.029	-0.019	0.055*	-0.012	0.064*
	(0.031)	(0.048)	(0.031)	(0.050)	(0.035)
Gini coefficient			-0.838**		-0.881**
			(0.399)		(0.393)
Urbanization				-0.087	-0.099
				(0.107)	(0.112)
Poverty		-0.006		-0.006	
		(0.004)		(0.004)	
Corruption	0.176**	0.159**	0.164**	0.153**	0.158**
	(0.068)	(0.066)	(0.068)	(0.067)	(0.069)
Controls	Yes	Yes	Yes	Yes	Yes
Observations	31,068	31,068	31,068	31,068	31,068
R-squared	0.069	0.070	0.070	0.070	0.071

Note. Robust standard errors in parentheses. Trust is for 2007. All estimations include controls for gender, age, age squared, wealth, education, occupation, ethnolinguistic fractionalization, social expenditures, city size.
* Indicate significance at resp 10% level.
** Indicate significance at resp 5% level.
*** Indicate significance at resp 1% level.

It's worthwhile to note that more redistribution is preferred by younger and older persons, females, people with lower levels of education and income, and those living in more corrupted regions and regions with lower social expenditures[13]. Unemployment is positively associated with the demand for the state to redistribute more. It's a little bit puzzling that more corruption in a region is associated with preferences to redistribute. Prevalence of uncivic individuals could have such an outcome (as Algan et al. (2014) theoretical model predicts). Or more corruption and more redistribution could be just two characteristics of the same commodity called problematic regions. For now we don't have a reliable proof of causation, careful examination of this topic needed.

5.2.Redistribution to Different Groups of People

First we present results for the general index described in section 3. Columns (1) and (2) of Table 2 show baseline regressions. As in section 4.1 two inequality measures are added one by one. Controls for solidarity and luck perception are included separately in columns (3), (4) and (5), (6) respectively and combined in columns (7) and (8).

All these estimations show that higher trust is connected with higher levels of support for redistribution in favor of those who performed services for their homeland (war veterans,

[13] Results could be requested from the authors.

distinguished teachers, doctors, etc.) or can't work because of health problems or age (disabled, pensioners). Less support is found for people in complex life situations who still are able to work (poor, homeless, having many children). Solidarity and perception of luck appear to be insignificant at 10% level. However these variables influence *Trust* coefficient (especially strong fall of *Trust* coefficient takes place when *Solidarity* is included in the equation). So the additional tests are required to verify whether solidarity or luck perception could (at least to some extent) explain the obtained correlation between trust and preferences for redistribution.

In order to examine mechanisms of trust and preferences over redistribution relationship carefully we provide several other estimations. First we do regressions for disabled persons' dummy as a dependent variable because this group is different from the rest of people who gain positive points in index. Second we do estimations for a new index from which disabled persons excluded. These two modifications are in Tables 3 and 4 respectively which replicate Table 5 estimations for described above dependent variables.

Table 3 reveals insignificance of trust for redistribution to disabled persons. Trust coefficient in basic specifications of Tables 4 is quite similar to the coefficients from Table 2. It decreases in Table 4 specifications with solidarity and/or luck perception included in the equations, even stronger than in Table 2 regressions.

Solidarity coefficient appears to be significant in some specifications where new index is the dependent variable. More solidarity among people connected with less demand for redistribution from the state to poor, homeless, etc. Thus social capital looks like a substitute for government support. *Perception of luck* matters in some equations where disabled persons' dummy is the dependent variable. View of material well-being determined by person's own efforts associated with less redistribution to disabled. Overall results suggest there could be different channels of trust influence on redistribution in favor of different groups. Although more detailed examination of this topic is needed.

Table 2. Trust and preferences over redistribution (Redistribution index)

	Redistribution index							
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	
Trust	1.758***	1.712***	0.610	0.609	1.468*	1.422*	0.580	0.587
	(0.615)	(0.623)	(0.959)	(0.922)	(0.762)	(0.733)	(0.977)	(0.919)
Log GRP per capita	0.291***	0.324***	0.295***	0.316**	0.303***	0.333***	0.300***	0.321**
	(0.102)	(0.121)	(0.101)	(0.121)	(0.111)	(0.124)	(0.110)	(0.127)
Gini coefficient		-0.943		-0.779		-1.111		-0.876
		(2.019)		(1.923)		(2.036)		(1.967)
Urbanization	0.529	0.523	0.434	0.423	0.556	0.537	0.454	0.440
	(0.443)	(0.428)	(0.406)	(0.395)	(0.425)	(0.410)	(0.382)	(0.370)
Poverty	-0.001		0.001		0.001		0.001	
	(0.011)		(0.011)		(0.011)		(0.012)	
Solidarity			1.302	1.276			1.189	1.142
			(0.922)	(0.906)			(0.896)	(0.897)
Perception of luck					0.403	0.424	0.180	0.202
					(0.594)	(0.579)	(0.581)	(0.569)
Corruption	0.425*	0.432*	0.464*	0.462*	0.457*	0.455*	0.475*	0.470*
	(0.255)	(0.248)	(0.255)	(0.250)	(0.246)	(0.242)	(0.248)	(0.244)
Controls	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Observations	26,130	26,130	26,130	26,130	26,130	26,130	26,130	26,130
R-squared	0.049	0.049	0.050	0.050	0.049	0.049	0.050	0.050

Note. Robust standard errors in parentheses. Trust is for 2007. All estimations include controls for gender, age, age squared, nationality, religion, wealth, education, occupation, importance of social benefits for household budget, ethnolinguistic fractionalization, regional social expenditures, city size.
* Indicate significance at resp 10% level.
** Indicate significance at resp 5% level.
*** Indicate significance at resp 1% level.

Table 3. Trust and preferences over redistribution to disabled persons

	Redistribution to disabled persons							
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	
Trust	-0.001	-0.065	0.137	0.083	0.177	0.075	0.177	0.104
	(0.203)	(0.165)	(0.277)	(0.257)	(0.235)	(0.180)	(0.290)	(0.270)
Log GRP per capita	0.065**	0.105***	0.065**	0.106***	0.058*	0.100***	0.058*	0.101***
	(0.031)	(0.032)	(0.031)	(0.033)	(0.030)	(0.032)	(0.030)	(0.033)
Gini coefficient		-0.943		-0.965		-0.862		-0.870
		(0.671)		(0.675)		(0.669)		(0.671)
Urbanization	-0.008	-0.004	0.004	0.010	-0.025	-0.011	-0.025	-0.007
	(0.109)	(0.102)	(0.104)	(0.098)	(0.109)	(0.102)	(0.104)	(0.098)
Poverty	-0.002		-0.002		-0.003		-0.003	
	(0.004)		(0.004)		(0.004)		(0.004)	
Solidarity			-0.157	-0.171			0.000	-0.040
			(0.265)	(0.272)			(0.263)	(0.263)
Perception of luck					-0.249*	-0.204	-0.249*	-0.196
					(0.138)	(0.131)	(0.138)	(0.122)
Corruption	0.037	0.051	0.032	0.047	0.017	0.039	0.017	0.039
	(0.057)	(0.052)	(0.058)	(0.053)	(0.062)	(0.054)	(0.062)	(0.054)
Controls	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Observations	27,119	27,119	27,119	27,119	27,119	27,119	27,119	27,119
R-squared	0.017	0.018	0.017	0.018	0.018	0.019	0.018	0.019

Note. Robust standard errors in parentheses. Trust is for 2007. All estimations include controls for gender, age, age squared, nationality, religion, wealth, education, occupation, importance of social benefits for household budget, ethnolinguistic fractionalization, regional social expenditures, city size.
* Indicate significance at resp 10% level.
** Indicate significance at resp 5% level.
*** Indicate significance at resp 1% level.

Table 4. Trust and preferences over redistribution (Redistribution index2)

	Redistribution index2							
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	
Trust	1.738***	1.799***	0.508	0.620	1.228*	1.349**	0.424	0.569
	(0.563)	(0.579)	(0.793)	(0.768)	(0.663)	(0.661)	(0.777)	(0.737)
Log GRP per capita	0.237***	0.212**	0.241***	0.204*	0.257**	0.226**	0.255**	0.215*
	(0.090)	(0.101)	(0.090)	(0.102)	(0.098)	(0.105)	(0.098)	(0.108)
Gini coefficient		0.094		0.270		-0.165		0.054
		(1.802)		(1.682)		(1.822)		(1.742)
Urbanization	0.574	0.541	0.473	0.434	0.622*	0.563	0.530*	0.472
	(0.383)	(0.371)	(0.350)	(0.341)	(0.350)	(0.343)	(0.316)	(0.310)
Poverty	0.005		0.006		0.008		0.008	
	(0.009)		(0.009)		(0.010)		(0.010)	
Solidarity			1.395*	1.364*			1.077	1.067
			(0.748)	(0.719)			(0.736)	(0.730)
Perception of luck					0.710	0.658	0.508	0.450
					(0.532)	(0.505)	(0.533)	(0.512)
Corruption	0.391*	0.364	0.432*	0.397*	0.446**	0.401*	0.462**	0.414*
	(0.230)	(0.225)	(0.229)	(0.227)	(0.217)	(0.218)	(0.219)	(0.220)
Controls	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Observations	26,130	26,130	26,130	26,130	26,130	26,130	26,130	26,130
R-squared	0.048	0.048	0.049	0.049	0.049	0.049	0.049	0.049

Note. Robust standard errors in parentheses. Trust is for 2007. All estimations include controls for gender, age, age squared, nationality, religion, wealth, education, occupation, importance of social benefits for household budget, ethnolinguistic fractionalization, regional social expenditures, city size.
* Indicate significance at resp 10% level.
** Indicate significance at resp 5% level.
*** Indicate significance at resp 1% level.

6. Concluding Comments

Preferences over redistribution could be driven by a large set of factors representing individual's characteristics, his experience and region or country where he lives. Lots of them are well described in a literature although social norms and trust influence seem to be underexplored. Closest to ours papers show generalized trust and civicness importance for the size of welfare state and people's preferences over redistribution. But support to different groups of people is overlooked.

Our paper shows multidirectional impact of interpersonal trust on preferences over redistribution to different groups of people. For a first glance surprisingly more trust connected with less desire to redistribute in favor of poor, homeless, families with children and others in complex life situations. This could appear because people consider mutual help as a substitute for government support. At the same time trusting people want government to reward distinguished persons, i.e. war and labor veterans, distinguished teachers and doctors. Underlying mechanisms are not clear enough and seek to be examined with caution. We can expect that some other social capital variables and views of the world shape this relationship. Overall this suggests that consequences of interpersonal trust could be ambiguous and should be examined in greater detail.

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Appendix

Table A1. Sample characteristics

Occupation	
Entrepreneurs, farmers	2,1%
Top managers	0,7%
Managers	2,9%
Specialists	15,0%
Office workers	10,7%
Factory workers	25,5%
Retirees	26,0%
Unemployed (seeking for job)	3,8%
Not employed (not seeking for job)	6,5%
Students	4,5%
Other	1,9%
No response	0,2%

Education	
Primary education or less	8,8%
Secondary education	24,7%
Basic professional education	7,6%
Professional education (College)	38,5%
Incomplete higher education	2,8%
Higher education	17,5%

Welfare	
Lacks money even for food	9,7%
Can buy food but cannot buy enough clothes	25,9%
Can buy clothes but cannot buy domestic appliances	41,5%
Can buy domestic appliances but cannot buy a vehicle	16,2%
Can buy vehicle but cannot buy a house or apartments	5,0%
Can buy even a house or apartments	1,6%

Table A2. Definitions and derivation of variables

Variable name	Year of the survey	Level	Formulation of the survey question	Definition of the variable
Preference for redistribution	2008	Individual	What type of society is in your opinion more fair: one where incomes of people are nearly equal or one where incomes differ significantly depending on individual professional skills and enterprise? 1. Surely one where incomes are nearly equal 2. Rather one where incomes are nearly equal 3. Rather one where incomes differ significantly 4. Surely one where incomes differ significantly	1 – Surely one where incomes are nearly equal / Rather one where incomes are nearly equal 0 – Rather one where incomes differ significantly / Surely one where incomes differ significantly
Redistribution index Redistribution to disabled persons Redistribution index2	2011	Individual	In your opinion, from the groups listed below whom should the state help to in the first order? (choose up to three answers): 1. Poor 2. Homeless 3. War and labor veterans 4. Distinguished teachers, distinguished doctors, and other distinguished workers 5. Families with one parent and families with many children 6. Disabled persons (aged, invalid, orphans) 7. Retired 8. Persons who lost job 9. Families with children 10. Participants of military operations 11. None 12. Other groups of people	Three derivations used. I. Redistribution index: [war and labor veterans] + [distinguished teachers, distinguished doctors, and other distinguished workers]+ [disabled persons (aged, invalid, orphans)] + [retired] + [participants of military operations] - [poor] - [homeless] - [families with one parent and families with many children] – [persons who lost job] – [families with children] II. Redistribution index2: [war and labor veterans] + [distinguished teachers, distinguished doctors, and other distinguished workers]+ [retired] + [participants of military operations] - [poor] - [homeless] - [families with one parent and families with many children] – [persons who lost job] – [families with children] III. Dummy for disabled persons
Trust	2007	Regional	Generally speaking, would you say that most people can be trusted or that you need to be very careful in dealing with people? 1. Most people can be trusted 2. Can’t be too careful	1 – Most people can be trusted 0 – Can’t be too careful

Variable name	Year of the survey	Level	Formulation of the survey question	Definition of the variable
Perception of luck	2009	Regional	How do you think, what are your material conditions determined primarily by: by yourself (your effort, personality, diligence, prudence) or by circumstances that do not depend on you (situation in the country, in your locality, your chiefs, fortune, luck, etc.)? 1. Surely by myself 2. Rather by myself 3. Rather by circumstances 4. Surely by circumstances	1 – Surely by myself / rather by myself 0 – Rather by circumstances / surely by circumstances
Solidarity	2009	Regional	Do you think that people in Russia are solidary and united or discordant and disunited? 1. Surely solidary and united 2. Rather solidary and united 3. Rather discordant and disunited 4. Surely discordant and disunited	1 – Surely solidary and united / rather solidary and united 0 – Rather discordant and disunited / surely discordant and disunited
Gender	2011	Individual	Gender of the respondent	1 – Male 0 – Female
Age	2011	Individual	How old are you?	
Education	2011	Individual	What education do you have? 1. Uncompleted secondary or less 2. Secondary general (school) 3. Primary professional 4. Secondary special 5. Uncompleted higher 6. Higher 7. PhD	Dummy variables for: - Uncompleted secondary education or less - Secondary general - Primary professional - Secondary special - Uncompleted higher / higher / PhD
Type of employment	2011	Individual	What is the type of your employment currently? 1. Businessmen, entrepreneur, farmer 2. Top manager of enterprise, organization, firm 3. Department manager 4. Specialist, master 5. White collar worker 6. Blue collar worker 7. (Not working) retired	Dummy variables for …

Variable name	Year of the survey	Level	Formulation of the survey question	Definition of the variable
			8. Do not work and do not plan to look for job 9. Do not work and look for job 10. Student 11. Other	
Believer	2011	Individual	Do you consider yourself a believer? If yes, what religion / denomination do you belong to? 1. Orthodox 2. other Christian confessions 3. Moslem 4. Buddhist 5. Jew 6. Other 7. Do not consider myself a believer	1 – Orthodox / other Christian confessions / Moslem / Buddhist / Jew / Other 0 – Do not consider myself a believer
Wealth	2011	Individual	Which statement describes the material conditions of your family best of all? 1. Our family doesn't have enough money even for food 2. Our family has enough money for food, but not enough for clothes, shoes 3. Our family has enough money for clothes and shoes, but not enough for home appliances 4. Our family has enough money for home appliances, but not enough for a car 5. Our family has enough money for a car, but not enough for an apartment, house 6. Our family has enough money for an apartment, house	Dummy variables for: - Having not enough money even for food - Having enough money for food, but not enough for clothes, shoes - Having enough money for clothes and shoes, but not enough for home appliances - Having enough money for home appliances, but not enough for a car - Having enough money for a car
Importance of social benefits	2011	Individual	For some families social benefits, payments, remunerations are a significant part of family budget, while for other families this is not the case. How important are social benefits, payments, remunerations for your budget? 1. Very important: all social benefits, payments, remunerations comprise a significant part of the budget of my family 2. Slightly important: only free education and medical care are important	1 – Very important: all social benefits, payments, remunerations comprise a significant part of the budget of my family 0 – Slightly important: only free education and medical care are important / not important: my family can pay for everything including education and medical care

Variable name	Year of the survey	Level	Formulation of the survey question	Definition of the variable
			3. Not important: my family can pay for everything including education and medical care	
Type of settlement	2011	Individual	Type of settlement, respondent lives in: 1. City with the population 1 mln and more 2. City with the population from 500 thousands to 1 mln 3. City with the population from 250 to 500 thousands 4. City with the population from 100 to 250 thousands 5. Town with the population from 50 to 100 thousands 6. Town with the population less that 50 thousands 7. Settlement of the town type 8. Village	Dummies for …
Ethnolinguistic fractionalization	2010	Regional	Herfindahl—Hirschman index measures ethnic diversity within a region. Data on ethnic groups' shares obtained from 2010 Russian census.	Continuous variable with theoretical maximum of 1 (all regional inhabitants belong to the same ethnic group)
Log GRP per capita	2008, 2011	Regional	Logarithm of gross regional product per capita, adjusted for regional cost of living with regional average price for fixed commodity bundle, number of commodity bundles per year, by Rosstat	Continuous variable
Gini index	2008, 2011	Regional	Regional Gini index for income distribution by 20 percent groups, by Rosstat	Continuous variable with theoretical minimum 0 and maximum 100
Poverty	2008, 2011	Regional	Share of population whose income is smaller than regional poverty threshold, per cent, by Rosstat	Continuous variable with theoretical minimum 0 and maximum 100
Social spending	2005-2012	Regional	Spending per capita on social welfare by regional and local governments, rubles, by Russian Treasury	Continuous variable
Corruption	2010	Regional	Regional corruption index provided by INDEM foundation and FOM	Continuous variable between 0 and 1

Table A3.1. Summary statistics for the main variables (individual level)

Variable	Obs	Mean	Std. dev.	Min	Max
Preference for redistribution	31209	0,54	0,50	0	1
Preference for redistribution in favor of: poor	27200	0,29	0,45	0	1
Preference for redistribution in favor of: homeless	27200	0,19	0,39	0	1
Preference for redistribution in favor of: war and labor veterans	27200	0,31	0,46	0	1
Preference for redistribution in favor of: distinguished teachers, distinguished doctors, and other distinguished workers	27200	0,08	0,26	0	1
Preference for redistribution in favor of: families with one parent and families with many children	27200	0,43	0,50	0	1
Preference for redistribution in favor of: incapable persons (aged, invalid, orphans)	27200	0,45	0,50	0	1
Preference for redistribution in favor of: retired	27200	0,35	0,48	0	1
Preference for redistribution in favor of: persons who lost jobs	27200	0,17	0,37	0	1
Preference for redistribution in favor of: families with children	27200	0,32	0,47	0	1
Preference for redistribution in favor of: participants of military operations	27200	0,11	0,32	0	1
Gender: female	27200	0,55	0,50	0	1
Age	27200	44,6	17,2	18	95
Education: uncompleted secondary or less	27188	0,09	0,28	0	1
Education: secondary general	27188	0,25	0,43	0	1
Education: primary professional	27188	0,08	0,27	0	1
Education: secondary special	27188	0,39	0,49	0	1
Education: uncompleted higher	27188	0,03	0,16	0	1
Education: higher / PhD	27188	0,18	0,38	0	1
Type of employment: businessmen, entrepreneur, farmer	27130	0,02	0,14	0	1
Type of employment: top manager of enterprise, organization, firm	27130	0,01	0,08	0	1
Type of employment: department manager	27130	0,03	0,17	0	1
Type of employment: specialist, master	27130	0,15	0,36	0	1
Type of employment: white collar worker	27130	0,11	0,31	0	1
Type of employment: blue collar worker	27130	0,26	0,44	0	1
Type of employment: (not working) retired	27130	0,26	0,44	0	1
Type of employment: do not work and do not plan to look for job	27130	0,04	0,19	0	1
Type of employment: do not work and look for job	27130	0,07	0,25	0	1
Type of employment: student	27130	0,05	0,21	0	1
Type of employment: other	27130	0,02	0,14	0	1

Variable	Obs	Mean	Std. dev.	Min	Max
Nationality: Russian	27200	0,87	0,33	0	1
Religion: Orthodox Christian	27200	0,73	0,44	0	1
Religion: Moslem	27200	0,03	0,18	0	1
Religion: Atheist	27200	0,17	0,38	0	1
Religion: Other	27200	0,06	0,24	0	1
Wealth: having not enough money even for food	27200	0,10	0,30	0	1
Wealth: having enough money for food, but not enough for clothes, shoes	27200	0,26	0,44	0	1
Wealth: having enough money for clothes and shoes, but not enough for home appliances	27200	0,42	0,49	0	1
Wealth: having enough money for home appliances, but not enough for a car	27200	0,16	0,37	0	1
Wealth: having enough money for a car, but not enough for an apartment, house	27200	0,05	0,22	0	1
Wealth: having enough money for an apartment, house	27200	0,02	0,13	0	1
Importance of social benefits	27200	0,45	0,50	0	1
Type of settlement: city with population 1 mln and more	27200	0,08	0,26	0	1
Type of settlement: town with population from 500 thousands to 1 mln	27200	0,11	0,32	0	1
Type of settlement: town with population from 250 to 500 thousands	27200	0,13	0,33	0	1
Type of settlement: town with population from 100 to 250 thousands	27200	0,10	0,30	0	1
Type of settlement: town with population from 50 to 100 thousands	27200	0,08	0,27	0	1
Type of settlement: town with population less than 50 thousands	27200	0,14	0,35	0	1
Type of settlement: settlement of the town type	27200	0,09	0,28	0	1
Type of settlement: village	27200	0,28	0,45	0	1

Table A3.2. Summary statistics for the main variables (regional level)

Variable	Obs	Mean	Std. dev.	Min	Max
Trust	68	0,19	0,05	0,11	0,37
Solidarity	68	0,76	0,08	0,50	0,91
Perception of luck	68	0,41	0,07	0,29	0,61
Ethnolinguistic fractionalization	68	0,28	0,15	0,10	0,73
GRP, 2008	68	27,86	16,56	12,73	133,27
GRP, 2011	68	29,22	17,05	14,22	129,6
Gini index, 2008	68	0,4	0,03	0,35	0,51
Gini index, 2011	68	0,39	0,03	0,35	0,5
Social spending, 2008	68	10448,5	17857,5	857,7	141372
Social spending, 2011	68	16306,2	28740,5	1568	233193
Consumer spending, 2008	68	9400,47	3362,71	5107	24960
Consumer spending, 2011	68	13172,3	4119,36	7287	34585
Retail turnover, 2008	68	83791,1	29184,5	46586	210569
Retail turnover, 2011	68	115229	33492,8	63899	286952
Poverty, 2008	68	15,56	3,83	7,3	25,4
Poverty, 2011	68	14,92	3,46	8,1	24,2
Corruption	68	46,5	8,2	27	70