

## **Intergroup Contact and its Effects on Discriminatory Attitudes: Evidence from India** **Executive Summary**

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This paper investigates how living in close proximity to neighbors from other caste groups through a randomized slum relocation policy in Pune, India, shapes attitudes towards members of other castes. The study leverages the unique experimental setup created by the policy, where slum dwellers are randomly assigned housing units within apartment buildings, ensuring exogenous variation in neighborhood caste diversity and thus addressing the usual issue of self-selection in neighborhood studies. The setting involved slum dwellers relocated under a government program to two new housing sites in Pune, who were randomly assigned apartments, thereby removing household choice over neighborhood composition. The study combines administrative records of apartment assignments with survey data collected from 692 adults living in these sites, measuring attitudes such as trust, beliefs about inter-caste marriage, the importance of caste, perceptions of caste injustice, and friendships. The random assignment allows the author to compare the attitudes of individuals exposed to varying levels of neighborhood caste diversity, thereby estimating the causal impact of such exposure.

The main findings indicate that exposure to more neighbors from other castes leads to higher trust in members of other castes and greater acceptance of inter-caste marriage. Specifically, a one standard deviation increase in local caste diversity leads to a 9.6 percentage point rise in trust, a 7.2 percentage point increase in support for inter-caste marriage, and a 9.5 percentage point increase in the belief that caste injustice persists. However, diversity exposure does not affect support for affirmative action or alter the importance individuals attach to caste identity. The role of friendships was also examined, finding that having more other-caste neighbors is associated with more inter-caste friendships, although these estimates are imprecise. Nonetheless, the main benefits of diversity arise even without changes in friendship networks. The paper also identifies variation among sub-caste groups; while overall inter-caste attitudes become more inclusive, some sub-caste groups heighten their identification with their own group when surrounded by more same-sub-caste neighbors. Importantly, the findings remain robust to alternate model specifications and are not driven by survey attrition.

The implications of the study suggest that policies increasing neighborhood-level caste diversity—such as randomized or carefully designed integration policies—can foster more supportive attitudes towards other groups and reduce prejudice simply by increasing everyday contact. More broadly, the study contributes nuanced evidence to debates about diversity and social cohesion, demonstrating that exposure, rather than just friendships, can reduce group-based prejudices and that these effects can be detected even in highly entrenched systems like the Indian caste system. In summary, living among a more diverse set of neighbors can meaningfully reduce social prejudice even in contexts with deep historical divisions, supporting interventions designed to break up patterns of segregation and foster integration in urban policy.