# Caste Differences in Child Growth: Disentangling Endowment and Investment Effects

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#### Abstract

Using the fourth round of the Indian National Family Health Survey (NFHS-4), and subsequently replicating our results using the fifth round (NFHS-5), we document differential child physical growth patterns across caste groups in India, demonstrating that lower caste children are born shorter and grow less quickly than children from higher-caste households. We then show that, in line with work from previous rounds of the NFHS, these differences are largely explainable by observable covariates, particularly maternal characteristics and household wealth variables. Our research also reveals a previously undocumented dynamic, that the influence of these variables changes as children develop, and suggests that castegaps are the result of multiple mechanisms impacting the child growth process at different stages of development. Using age-disaggregated decomposition methods, we demonstrate that health endowment related variables (e.g. maternal height) largely explain birth length gaps, and that variables related to health investments (e.g. household wealth, health care usage) become increasingly influential as children age. Children from lower caste households thus face two margins generating height gaps as they age: a persistent endowment disparity present from birth, and a post birth investment differential that exacerbates the initial deficit.

JEL classification: I14, I15, O10, O15, O53

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## 1 Introduction

We document large disparities in child height for age z-scores (HAZ) across Indian caste groups using data from the fourth round of the Indian National Family Health Survey (NFHS-4) and replicate the results using the fifth round (NFHS-5). Scheduled Caste (SC) and Scheduled Tribe (ST) children are, on average, around 0.4 and 0.5 standard deviations (sd) shorter than Upper Caste (UC) children in the first six-months of life, while children from Other Backwards Classes (OBC) are about 0.2sd shorter. By age five, caste HAZ differentials have increased by an additional 0.1 - 0.3sd in each group.

Caste differentials also largely disappear, or at least greatly attenuate in magnitude, after adjusting for a broad set of household and community variables in a regression model, a finding common to studies analyzing data from previous rounds of the NFHS (Van de Poel and Speybroeck, 2009; Coffey et al., 2019). Our results are fully consistent with this previous research on the topic. What separates our work from previous analyses of child HAZ gaps across caste groups is our focus on the biological process of human growth. While both Van de Poel and Speybroeck (2009) and Coffey et al. (2019) are concerned with the social processes generating caste HAZ disparities, we are interested in the inter-generational and contemporary disparities in health inputs that generate them. To accomplish this, we shift the analytic focus of our research from the static health measures used in previous work (HAZ, stunting), onto the dynamics of child growth as children age.

Figure 1 summarizes our main empirical focus and findings, graphing mean HAZ across child age in months for four broad caste groups: UC, OBC, SC and ST. The overall pattern is similar across all groups and mirrors the HAZ-age profile shape common across the developing world (Shrimpton et al., 2001; Victora et al., 2010). Indian children as a whole are, on average, born below the WHO reference population by between 0.2sd and

0.5sd. Over the first two years of life, Indian children then grow too slowly compared to the reference population, reflected in a decreasing mean HAZ over this period.

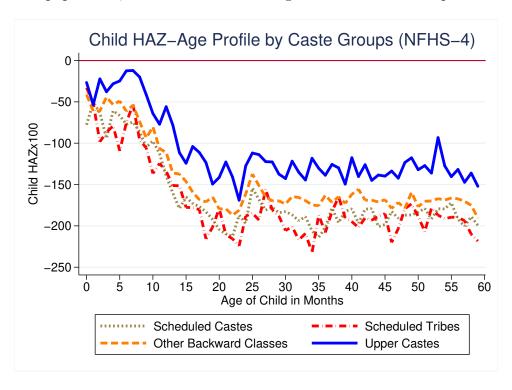


Figure 1: Child HAZ by Caste Groups

Notes: This figure graphs mean child HAZ score (x100) by caste groups for children from 0 to 5 years. The x-axis represents child age in months and the y-axis is mean weighted HAZ(x100). Median child HAZ for reference population children is 0. The mean child HAZ in this sample is -1.49. A child with HAZ between -2 and -3 indicates moderate chronic malnutrition (stunted), and HAZ below -3 indicates severe chronic malnutrition. The results are weighted by sample weights.

The caste differentials themselves display similar age-dynamics. SC, ST and OBC children are, on average, born shorter than UC children. These gaps, in the standard deviation units of HAZ, then widen over the first two years of life, and subsequently remain relatively constant or slightly decrease between the ages of 2 and 5.

We structure our interpretation of these dynamics based on insights derived from a dynamic health capital accumulation model (Grossman, 1972). Health capital theory considers the realized health of a person at any age as the result of two distinct mechanisms: a health endowment provided to a child at birth, and a stream of subsequent health inputs

consumed by the child after birth. Following Aiyar and Cummins (2021), we interpret birth length as a measure of child health endowments, and the rate of child growth as a measure of the interaction between this health endowment and the subsequent stream of health inputs consumed by the child.

Such a model predicts caste HAZ disparities that change as children age. Lower caste women are smaller, sicker and have less access to maternity care than higher caste women, potentially generating an "endowment" effect in the caste-HAZ deficit (Dommaraju et al., 2008; Sanneving et al., 2013; Saikia et al., 2019; Blunch and Gupta, 2020; Hamal et al., 2020; Uddin et al., 2020). Similarly, lower caste households are significantly poorer than upper caste households, and many simply cannot afford health inputs like high quality and sufficient food, or to live in areas with sanitation or clean air (Thorat and Sadana, 2009; Vart et al., 2015; LoPalo et al., 2019; Spears and Thorat, 2019; Biswas et al., 2023). Such disparities in post-birth private and public investments may exacerbate differences at birth and generate divergent growth trajectories (Dommaraju et al., 2008; Dewey and Begum, 2011; Mertens et al., 2023).

Moreover, such a model predicts that the determinants of the HAZ gaps change as children age as well. Initial birth length deficits are likely to be the result of long-term maternal health and nutrition and/or pre-natal health care differentials, but should not be explainable by determinants of post-birth health inputs. On the other hand, household wealth disparities across caste are likely to generate differential health consumption patterns post-birth (e.g. in terms of nutritional intake or health care demand) that are likely to affect the rate at which children grow. Similarly, caste locational sorting may generate differential access to public goods that provide non-rival and non-excludable benefits to everyone in some area (e.g. public sanitation, pollution exposure), potentially generating differential growth patterns across caste as children age. The health capital theory prediction is clear: endowment-related health inputs should predominantly explain birth length disparities; post-birth consumption of (private and public) health inputs should

become increasingly influential as children grow.

Our decomposition results suggest precisely this: an initial HAZ deficit at birth that is statistically explained largely by differences in variables related to the health endowment; and household health investment variables that have little explanatory power over HAZ gaps at birth, but which grow in explanatory power as children age. By the age of 5, we estimate that around half of the caste-HAZ deficit is due to disparities in average child health endowments, and around half due to deficits in post-birth child health inputs. Almost none of the caste gaps are ascribed by the model to disparities in public goods across caste groups. We conclude that initial endowment deficits across caste persist through early childhood, while private investment effects, driven by caste differentials in household wealth and expenditure, accumulate over the first few years of life.

While some of the dynamics we describe have been explored in the broader literature on growth faltering (Danaei et al., 2016; De Onis and Branca, 2016; Prendergast and Humphrey, 2014), we add new evidence documenting the age dynamics of childhood HAZ disparities across caste groups in India. We build on the economic demography literature examining the influence of health related variables in explaining caste HAZ disparities (Van de Poel and Speybroeck, 2009; Coffey et al., 2019) by studying the changing influence of household inputs over the life course of a child.

The goal of this work is to provide researchers and policy makers with economic insights into the biological (in contrast to social) processes behind the disparate and diverging child growth trajectories across castes. Our results cannot speak to questions of the economic and social discriminatory practices that have generated the disparities in child health endowments and investments that we document, nor to the effectiveness or efficiency of any particular policy aimed at remediating such disparities. We instead speak to the timing and subject of any policies or interventions aimed at reducing caste disparities in child health. An empirically equivalent definition of our "endowment" and "investment" related variables would be health inputs that could (in theory) be intervened upon either

before or after a child is born. Our results thus reinforce an important overarching insight for both researchers and policy makers - understanding or ameliorating caste disparities in child HAZ will require addressing both contemporary disparities in early life child health inputs and nutritional intake, and disparities in the health and nutrition of the next generation of mothers.

## 2 Caste Disparities

Caste disparities in India exist across almost every meaningful human welfare measure including household earnings, educational attainment and life-course health outcomes (Deshpande, 2000, 2001; Borooah, 2005; Kijima, 2006; Munshi and Rosenzweig, 2006; Subramanian et al., 2006; Deshpande, 2007; Deshpande and Newman, 2007; Van de Poel and Speybroeck, 2009; Perkins et al., 2011; Zacharias and Vakulabharanam, 2011; Kumar, 2013; Deshpande and Sharma, 2016; Maity, 2017; Deshpande and Ramachandran, 2019; LoPalo et al., 2019; Munshi, 2019; Blunch and Gupta, 2020; Vyas et al., 2022; Goraya, 2023). Health outcome disparities across caste are well documented at every age: lower caste children are more likely to experience stunted growth; adult lower caste men and women are shorter and less healthy; and people from lower castes die younger (Kijima, 2006; Subramanian et al., 2006; Van de Poel and Speybroeck, 2009; Perkins et al., 2011; Maity, 2017; Saikia et al., 2019; Raushan et al., 2022; Vyas et al., 2022). The literature on these caste disparities in child health outcomes has largely focused on either quantifying the extent of current discrimination against lower caste members, or tracing out the mechanisms through which the long history of caste discrimination has translated religious social hierarchies into political and economic hierarchies that generate large health disparities (Coffey et al., 2019; LoPalo et al., 2019; Blunch and Gupta, 2020).

Both sets of discriminatory practices - contemporaneous and historical - are potential explanations of the child HAZ disparities across castes that we investigate. Caste-based

occupational sorting that arises due to closely-knit caste networks leads to exclusion of SC and ST communities from lucrative livelihood opportunities (Deshpande, 2000, 2001; Ito, 2009; Siddique, 2011; Munshi, 2019), generating large income and wealth disparities across caste groups. These disparities in spending power then translate into disparities in health investment levels by the household, particularly disparities in food consumption and nutritional intake (Thorat and Sadana, 2009; Mahadevan and Suardi, 2013; Parappurathu et al., 2015; Choudhury et al., 2021; Biswas et al., 2023). Furthermore, direct discriminatory practices lower access to health care for SC, ST, and OBC children both directly (Coffey et al., 2019; LoPalo et al., 2019; Spears and Thorat, 2019) and indirectly (Debnath and Jain, 2020; Blunch and Gupta, 2020).

Additionally, long term economic inequality reinforces health disparities across generations. Many studies have documented that poor maternal health leads to worse health outcomes for children (Addo et al., 2013; Aizer and Currie, 2014; Chakrabarti et al., 2021). Furthermore, maternal health is correlated with household wealth, which is strongly differential across castes. Together, the health-wealth correlation for parents generates a channel for the inter-generational transmission of poor health within lower caste households, independent of any contemporaneous discriminatory practices (Dommaraju et al., 2008; Sanneving et al., 2013; Saikia et al., 2019; Blunch and Gupta, 2020; Hamal et al., 2020; Uddin et al., 2020).

In the next section, we offer a biologically-focused economic perspective on the process through which child health disparities arise across caste groups. To do so, we model the biological process of child growth and the economic factors that influence this process, providing clarity on the key temporal mechanisms through which disparities in child health come to exist and persist across castes in India.

## 3 Theoretical Framework

We approach the question of child growth differentials across caste from the perspective of health capital accumulation. In this section we sketch out the structure of health capital accumulation theory in order to define the roles of health endowments and investment streams in early life development (Grossman, 1972). We then discuss how HAZ is an especially appropriate measure of early life health capital and how the HAZ-age profile reflects the process of early life health capital accumulation in poor countries.

## 3.1 Health Capital

Households have preferences over the consumption and health outcomes of their members, and optimize an inter-temporal lifetime utility function representing those preferences subject to a budget constraint for their expenditures. Households can purchase consumption and health investments at a total cost that does not exceed the available budget in a period. We consider a household with a single newborn child.

Child health capital at birth is defined as  $H_0$ , a health endowment that is bestowed upon, and not chosen by, the newborn. In any given subsequent period, health at age 'A',  $H_A$ , is the result of a production function  $f(H_{A-1}, I_{A-1}^*)$  which takes as its inputs the health capital of the previous period  $(H_{A-1})$  and optimally chosen health investments  $(I_{A-1}^*)$  in the previous period.

Households choose optimal consumption and health investment by maximizing their utility function subject to the budget constraints and the health capital production function. Choosing optimal health investment implies choosing an optimal health level, given health in the previous period  $(H_{A-1})$ . Furthermore, since health iterates from period to period beginning at birth,  $H_A$  can be expressed as  $H_A^*(H_0, I^*)$ , where  $I^*$  represents the stream of child health investments provided from birth up until a child is observed.

### 3.2 Endowments, Private Investments, and Public Health

The biological content of health capital theory resides in the health production function  $f(H_0, I^*)$ , which is realized as the health of a person of some age  $H_A^*(H_0, I^*)$ , and differences in health are attributed to differences in  $H_0$  and/or  $I^*$ . That is, health capital theory conceives of two sets of potential causal channels that determine a child's realized health at any given point in their lives: health endowments  $(H_0)$  and health input streams  $(I^*)$ . The legacy and contemporary reality of caste socioeconomic disparities make it likely a priori that both of these causal channels operate on caste HAZ disparities: on average, UC women are healthier when they give birth, and have more resources to provide their children after birth.

The health capital model defines the health endowment as the health of a child at birth, an initial store of health (energy, potential, genetics) bequeathed to a child as they enter the world. We proxy for this theoretical construct at a population level using caste-level estimates of implied birth length and very early life HAZ. Determinants of birth length, birth weight, or other very early life health measurements include maternal height, weight, age, and birth order (Currie, 2009; Ahmed and Ray, 2018; Chari et al., 2017; Özaltin et al., 2010; Maertens, 2013; Swaminathan et al., 2019; Von Grafenstein et al., 2023). Timely interventions on children born in the hospital can also play a role in ensuring that children are healthier at birth (Godlonton and Okeke, 2016; Daysal et al., 2015). We consider maternal health variables, birth order, and pre-natal and delivery care as observable characteristics related to the determinants of the health endowment, and thus a child's length at birth.

After-birth, health capital is determined jointly by this initial health endowment and the subsequent stream of health inputs a child experiences up until they are measured. Empirically, we thus consider differences in the population rate of growth of child HAZ as evidence of interactions between population-level initial health endowments and the

subsequent stream of health inputs provided to the average child post-birth. This investment stream can be conceptually divided into two sub-types: private investments made
by the household, and public investments affecting the availability of public goods and
the health environment. Private investments are made by individual households, and
can be proxied most directly by household wealth or assets (land ownership, bathroom
facilities) (Swaminathan et al., 2019; Attanasio et al., 2020). Alternatively, public goods
like sanitation and health environment affect all children in an area (Spears, 2020; Geruso
and Spears, 2018).

Health capital at any given age thus contains within it traces of an initial endowment component  $(H_0)$  and a component determined by the subsequent stream of health inputs consumed by the individual. While for adults we might expect the initial endowment effect to be dwarfed by the subsequent health experiences of the person, for children the relative importance of the two is less clear. The health endowment is more recent, and the stream of privately and publicly provided health investments a child has received up until that point in their lives is relatively short.

## 3.3 Height-for-Age Z-score (HAZ)

A good measure of health capital for children, then, would be one that captures the cumulative health of a child from birth until they are measured. We argue that HAZ is precisely such a measure.

Children are born a certain length, and their growth trajectory is then determined by the interaction of this initial birth length and the stream of nutritional and medical health inputs the child experiences from that point on. That is, child length or height contains within it information on the cumulative health experience of children from birth until they are measured, in the same manner as health capital.

Child height-for-age Z-score is an age- and gender-normalized measure of child height.

The Z-score measures we employ have been standardized across developed and developing countries by the World Health Organization (WHO) using a reference population of relatively well-nourished children (WHO, 2006), with part of the sample coming from an affluent neighborhood in New Delhi. These well-nourished children grow, on average, at the same rates across the sampled countries, implying that population level deviations from these standards are not determined by genetic origin, but instead by the circumstances of children's birth and growth. This normalization allows for comparisons of the relative magnitude of child health outcomes as children age.

Other anthropometric measures of child health, such as those based on weight or arm circumference that change rapidly in the short term, cannot claim to be such acceptable proxies for health capital and its nature as a cumulative stock accrued as people age. Measures related to acute child morbidity are even shorter-term measures. Child mortality rates may contain information on average very early life health capital, but the infrequency of mortality at ages beyond the first year makes detecting differences in health levels of older children largely impossible.

## 3.4 HAZ-age Profile

Shrimpton et al. (2001) were the first to document the age-dynamics of HAZ as a consistent feature of child health in developing countries. They show that, across the developing world, children are born with HAZ that is slightly lower than healthy populations (slightly below 0). These children then grow much less quickly than the median child in the reference population up until the child is around 2 years old. Further work has shown that this pattern is consistent across social groups, and is not explained by observable covariates (Rieger and Trommlerová, 2016; Roth et al., 2017; Alderman and Headey, 2018). Focusing on the HAZ-age profile, as opposed to mean HAZ, centers our empirical perspective on the health capital accumulation process itself, as opposed to the stock of

health capital at any particular moment in time.

Given this consistent and stable pattern in global child growth patterns, Aiyar and Cummins (2021) develop regression models to capture the effects of a key variable of interest on changes in the location and shape of the HAZ-age profile. They also develop the health capital accumulation interpretation we employ, relating changes in the HAZ-age profile intercept at age 0 (implied birth length z-score) to differences in health endowments, and changes in the slope of the HAZ-age profile to differences in the interaction between the health endowment and the post-birth health investment stream.

Our work extends this age-profile empirical perspective to the realm of decomposition methods. While Aiyar and Cummins (2021) were interested in estimating correlations between one key variable and changes in the shape of the HAZ-age profile, here we are interested in how suites of variables, defined in relation to theoretical economic mechanisms, can explain differences in HAZ-age profiles across socio-economic groups.

## 4 Data

#### 4.1 Data Source

Our primary child-level dataset of outcomes and covariates come from the NFHS 2015-16 (NFHS-4), the fourth of the Indian NFHS series<sup>1</sup>. The dataset is population representative at the district level. Our main estimation sample consists of information on 146,778 Hindu children below the age of five <sup>2</sup> Table 1 provides summary statistics. Indian children are on average 1.49sd shorter than the WHO reference population median. Caste groups follow IPUMS-DHS recoding to include: Scheduled Caste (SC), Scheduled Tribe (ST),

<sup>&</sup>lt;sup>1</sup>(for Population Sciences, IIPS)

<sup>&</sup>lt;sup>2</sup>In appendix A we present a description of the data used in our analysis of NFHS-5 for section 7. Individual level information from NFHS-5 was made public after our analysis of the NFHS-4 data was complete and disseminated. All analyses in the main results section use data from NFHS-4. In section 7, we use the same methods to compare results from the NFHS-4 and the NFHS-5. All results, for both the NFHS-4 and NFHS-5 data, can be replicated using Stata code available at https://osf.io/5dge7/

Other Backward Classes (OBC), and Upper Caste (UC)<sup>3</sup> Overall, in our weighted sample, 23.7% of children are SC, 14.6% are ST, 43.7% are OBC, and 17.9% are UC. As expected, lower caste and tribal children have lower HAZ scores on average than their UC counter parts. SC children are 1.67sd below, OBCs are 1.49sd below, and ST children are around 1.72sd below the reference height for their sex and age, while UC children are only 1.12sd below.

## 4.2 Variable Groups

The NFHS-4 provides information on a large number of child, parent, household and community level characteristics. Motivated by health capital theory, we separate our observed covariates into three groups: endowment variables, and variables for private health inputs, and public health inputs. A table of representative summary statistics is provided in Table 1, and the full table including all variables is available in the Appendix Table A.1.

As mentioned in our discussion of health capital theory, our categorization of household variables as exclusive determinants of either health endowments or health investments, while not arbitrary, is imprecise. It is reasonable to argue that many variables, such as maternal height or household wealth, will affect both child health endowments and the subsequent stream of child health inputs (at least indirectly). Similarly, the total effects of private sanitation on health may nullify the effects of public sanitation on health. We stress that our goal is not to estimate the causal impact of any particular variable in explaining these caste disparities but rather to highlight two distinct channels of health disparities (health endowments and post-birth investment in health inputs) as determinants of the caste gaps in child HAZ.

An empirically equivalent definition of "endowment" and "investment" related vari-

 $<sup>^3</sup>$ Our main estimates compare SC/ST/OBC children to UC children. In the Appendix we provide an analysis comparing Muslim Indian children with UC Hindu Indian children.

ables would be variables that could (in theory) be acted upon either before (endowment) or after (input/investment) a child is born. Child birth order may have effects on the within-household distribution of resources post-birth, and maternal height may continue to operate post-birth, but by definition birth order cannot be altered after birth and maternal growth spurts after birth are unlikely to be important for child growth rates. Alternatively, household wealth is likely to have cumulative effects over the life-course by affecting the stream of post-birth child health inputs, and thus post-birth intervention or manipulation that alters the household budget constraint may be effective at improving child growth. When we frame the distinction in this manner, our theoretical distinction among metaphysical objects (endowments and investments) becomes an operational distinction regarding the locus of any potential intervention aimed at alleviating caste HAZ disparities (before or after a child is born). With this caveat in mind, we now proceed to define the contents of three families of explanatory variables.

#### 4.2.1 Health Endowments

Endowment variables include birth order, maternal age at child's birth, maternal HAZ and WAZ, and delivery care. From Table 1, we see that Indian mothers are on average 24.23 years old, have around 2.14 children and are 2.03sd shorter than the median height of healthy women across the world. UC mothers are on average healthier than lower caste mothers. They are slightly less likely to have more than two children, and more likely to report having given birth in a hospital. ST mothers are only slightly less tall than SC mothers but are much less likely to give birth in a hospital. OBC mothers are slightly more healthy than SC and ST groups but less healthy than US mothers. About half of SC and OBC mothers report having their deliveries in a hospital, whereas 71% of UC mothers deliver in hospitals.

#### 4.2.2 Private Investments

Private investment variables include household wealth index quintiles, maternal education, motorcycle ownership, ownership of agricultural land, access to treated water, owning a private toilet or shared toilet, vaccination status and post-natal care. 71% of mothers have at least a primary education. About 32% of the entire sample report access to clean drinking water and 45% of households own agricultural land. On average, UC households tend to be able to provide higher levels of private investments to their children relative to lower caste households. UC mothers are more likely to have some education (89%), and are less likely to be among the poorest asset quintile and more likely to be among the richest in the sample.

Among the disadvantaged groups, SC and ST households are much more likely to be in the poorest wealth quintile and less than 10% are in the richest quintile. OBC households, on the other hand, are slightly more likely than SC/ST households to be among the richest, though women from the UC dominate the richest category. Around one-third of lower caste and tribal women have no education, and less than 10% of mothers have higher education. Interestingly, OBCs own assets like motorcycles and land at a similar rate as UC mothers. ST households are more likely to own agricultural land but less likely to own means of transport than SC households. Treated drinking water is more prevalent for ST (38%) and UC (44%), while SC lag at 22% of households. About half of SC, ST and OBC mothers have no access to household toilets. Nearly 90% of all children in these groups have completed their Bacille Calmette-Guérin (BCG) vaccinations for tuberculosis, with measles vaccine take-up the lowest at around 70%. In this dimension, children among ST groups fare the worst in terms of vaccination completion but all other groups are comparable.

Table 1: Summary Statistics (NFHS-4)

	SC mean/sd	ST mean/sd	$\begin{array}{c} \mathrm{OBC} \\ \mathrm{mean/sd} \end{array}$	UC mean/sd	All mean/sd
HAZ (x 100)	-166.79	-171.84	-148.69	-112.61	-149.29
	(164.41)	(169.98)	(166.18)	(160.43)	(166.28)
$Endowment\ Variables$					
Mother's Age at Child's Birth	24.21	24.03	24.21	24.44	24.23
	(4.78)	(4.95)	(4.53)	(4.52)	(4.64)
Mother's HAZ (x 100)	-217.65	-211.85	-201.27	-182.60	-203.18
	(93.00)	(89.77)	(95.68)	(94.38)	(94.87)
Birth Order	2.29	2.29	2.12	1.86	2.14
	(1.46)	(1.43)	(1.31)	(1.04)	(1.33)
Delivery Care	0.51	0.47	0.56	0.71	0.56
	(0.50)	(0.50)	(0.50)	(0.45)	(0.50)
Private Investment Variables					
Poorest	0.33	0.50	0.23	0.08	0.26
	(0.47)	(0.50)	(0.42)	(0.28)	(0.44)
Maternal Educ at least Primary	0.65	0.55	0.71	0.89	0.71
	(0.48)	(0.50)	(0.45)	(0.31)	(0.45)
Treat Drinking Water	0.22	0.38	0.31	0.44	0.32
	(0.41)	(0.49)	(0.46)	(0.50)	(0.47)
Owns Agricultural Land	0.33	0.55	0.48	0.49	0.45
	(0.47)	(0.50)	(0.50)	(0.50)	(0.50)
No Toilet Facility	0.60	0.74	0.51	0.25	0.51
	(0.49)	(0.44)	(0.50)	(0.43)	(0.50)
Public Health Variables					
PSU has sewer system access	0.10	0.07	0.12	0.23	0.13
	(0.31)	(0.26)	(0.33)	(0.42)	(0.34)
Urban = 1	0.23	0.11	0.25	0.39	0.26
	(0.42)	(0.32)	(0.43)	(0.49)	(0.44)
N	34913	21441	64206	26218	146778

This table shows the summary statistics for endowment, private investment, and public health variables. It contains data from NFHS-4/2015 IPUMS-DHS in India that are used in the analyses. Results are weighted by sample weights.

#### 4.2.3 Public Investments

Public health variables include access to a sewer system in the primary sampling unit (PSU), state-urban dummies, and whether distance to health facility is a barrier to health care access. On average, 13% have a sewer system, 24% live in urban areas, and 65% face barriers to access a health facility. UCs have more access to sewer systems and are more likely to live in urban areas, while STs are the least likely to have access to the system and about a third as likely to live in urban areas (11% for ST, 39% for UC).

These measures of public health inputs are limited relative to the richer and more predictive information we have on maternal and household characteristics. Sewer and health center access carry information about important channels, but they are rough, aggregate measures of key inputs such as the public health environment. We attempt to ameliorate this issue with a novel interpretation of a common regression adjustment. Regional or locational indicator variables by their nature capture the unobserved determinants of child health that are common to people in a specific place and time. In the context of child health, this could include access to health care, relative food prices, water and air quality, socio-cultural practices and any number of other unmeasured variables that affect every child in the community. We interpret these indicators as a kind of net public goods provision to children, determinants of HAZ that are non-rival and non-excludable for the local population, regardless of caste affiliation. If sorting across location (and thus public health inputs) statistically explains the caste HAZ gaps, regional variables should capture this effect.

# 5 Empirical Methods

We employ three main empirical methods to estimate and explain caste HAZ disparities. We use standard linear regression techniques, disaggregated by child age group, to estimate both the magnitude and age-dynamics of unconditional and conditional HAZ differentials across caste groups. To capture measures more closely aligned to our health capital concepts of endowment and investment effects, we then augment these non-parametric estimates with the parameterized age-profile methods described in Aiyar and Cummins (2021) that estimate caste gaps in (implied) birth length and the rate of growth of young children. Finally, we decompose the caste gaps using simple Oaxaca-Blinder (OB) decompositions to quantify the contribution of the relative influence of the three theoretical health capital channels toward explaining the HAZ gaps as children age: endowments, private investments, and the public health environment.

## 5.1 Estimating Unconditional and Conditional Caste Gaps

We first estimate age-specific mean HAZ differences across caste group (relative to UC children) using a standard linear regression model:

$$Y_{irvg}^{A} = Caste_{g}^{'A}\delta_{g}^{A} + X_{1irvg}^{'A}\beta_{1}^{A} + X_{2v}^{'A}\beta_{2}^{A} + \lambda_{r}^{A} + \epsilon_{irvg}^{A}$$

$$\tag{1}$$

where  $Y_{irvg}^A$  is the HAZ of child i, aged A, living in region r in PSU v and belonging to caste g.  $Caste'_{irvg}^A$  is a vector of indicator variables representing the caste to which the child belongs: SC, ST or OBC (with UC comprising the omitted reference group).  $X_1$  and  $X_2$  are individual-level explanatory variables and village level variables respectively, and  $\lambda_r^A$  is a vector of indicator variables for each DHS state-by-urban location, each specific to child age group, A. The coefficients of interest,  $\delta_g^A$ , are age-specific estimates of the HAZ gap between UC children and the other caste groups. We always estimate this equation separately for each 6-month child age group, allowing  $\delta$ ,  $\beta$ , and  $\lambda$  to vary by age.

We first estimate Equation 1 omitting  $X_1$ ,  $X_2$ , and  $\lambda$  to estimate the unconditional HAZ gap between UC and other castes. The regressions are weighted by individual survey weights and standard errors are clustered at the primary sampling unit level. The resulting

coefficients constitute our estimate of the true population gap in HAZ. We then include  $X_1$ ,  $X_2$ , and  $\lambda$  and re-estimate Equation 1 to estimate the adjusted caste HAZ gaps given observable covariates of households and children. The estimates here are interpreted as estimates of the height gap that would exist in the population if the observed covariates included in the regression model were evenly distributed across the caste groups.

# 5.2 Estimating Proxy Parameters: Implied birth HAZ $(\alpha)$ and rate of loss of HAZ $(\beta)$

Aiyar and Cummins (2021) propose an alternative method to estimating how covariates of interest affect child health endowments and investments. As a complementary approach to estimating age-specific coefficients of the same model to trace out HAZ disparities across age, they attempt to more directly estimate the determinants of the HAZ-age profile using a two step quasi-structural approach. They first estimate the group-level parameters of a stylized structural HAZ-age profile, specifically the intercept (birth length) and slope (rate of growth) of the average HAZ-age profile for that group. Then, in a second stage regression, these estimates are used as observations to estimate the determinants of the group-level parameters themselves.

This allows the model to focus on two particular features of the HAZ-age profile: the y-axis intercept (the implied group-average birth length), which is an empirical counterpart to the health endowment; and the slope of the HAZ-age profile over the first two years of life (the average rate of loss of HAZ), which is related to the interaction of the health endowment and the subsequent stream of health inputs provided to a child. In contrast, when we bin regressions by age as above, we lose precision on the intercept itself (we estimate a single coefficient for 0-6 month olds) and on the rate of child growth (by failing to borrow information from observations across age-bins). By parameterizing the group-level HAZ-age profile as an intercept and a slope across age, we can potentially improve

precision of parameter estimates, and simultaneously produce estimates that map more closely to the mechanics and predictions of health capital theory.

The model begins with the following equation, estimated only on children aged 0-2 and estimated separately by caste-region cells. We restrict these regressions to children under the age of 2 to capture the characteristic loss of HAZ over the first two years of life (Shrimpton et al., 2001; Victora et al., 2010), and we include only cells with at least 20 observations to ensure reasonable within-cell estimates of the intercept and slope.

$$Y_i^{rg} = \alpha^{rg} + \beta_{rg} * Age_i^{rg} + \epsilon_i^{rg} \tag{2}$$

 $Y_i^{rg}$  is the HAZ of child i from region r and caste-group g.  $\hat{\alpha}^{rg}$ , the estimate of the implied (sub-group) average birth-length z-score, is interpreted as a measure of the average health endowment for caste group g in geographic region r, defined in our main specifications as district-by-urban groups. Similarly,  $\hat{\beta}^{rg}$  provides an estimate of the rate of loss of HAZ over the first two years of life for caste group g in region r. Slope coefficients are interpreted as the result of the interaction between the (subgroup average) initial health endowment and the (subgroup average) subsequent stream of consumed health inputs. Regressions in this first stage are weighted by survey sampling weights.

We then estimate caste level differences in  $\hat{\beta}$  and  $\hat{\alpha}$  with the following regression equation:

$$\hat{Z}_{rg} = Caste'_{g}\delta_{g} + Endowment'_{rg}\beta_{1} + Private'_{rg}\beta_{2} + Public'_{rg}\beta_{3} + \epsilon_{rg}$$
(3)

Here,  $\hat{Z}_{rg}$  is either the estimated health endowment,  $\hat{\alpha}_{rg}$ , or estimated rate of loss of HAZ,  $\hat{\beta}_{rg}$ , from Equation 2.  $\delta^g$  represents the caste gap in health endowments or rate of growth.

As above in the individual-level regressions, we estimate unconditional versions of Equation 3 and conditional regressions that adjust the gap for observable covariates.

For the conditional regressions, we include the district-urban-caste-group mean of our endowment and private investment variables. Public health variables are captured by state-urban cell fixed effects. These regressions are run at the district-urban-caste level and are weighted by cell-size of each district-urban-caste group. Standard errors are clustered by state-urban-caste group.

## 5.3 Decomposition

In previous studies and our own, the unconditional caste gap estimates are large, but the conditional caste gap differences are small. This motivates a decomposition exercise that attempts to quantify the contributions of the different covariates towards explaining the unconditional disparity estimates. We employ an Oaxaca-Blinder (OB) decomposition to answer that question.

In the OB decomposition framework, the difference in mean HAZ between caste group g and the upper caste group, uc, for a specific age group A can be represented as:

$$\overline{HAZ}_{g}^{A} - \overline{HAZ}_{uc}^{A} = \overline{\beta}_{g}^{A} \overline{X}_{g}^{A} - \overline{\beta}_{uc}^{A} \overline{X}_{uc}^{A}$$

$$\tag{4}$$

The Oaxaca-Blinder decomposition then re-organizes those terms into:

$$\overline{HAZ}_{g}^{A} - \overline{HAZ}_{uc}^{A} = \hat{\beta}_{g}^{A} (\overline{X}_{g}^{A} - \overline{X}_{uc}^{A}) + \overline{X}_{uc}^{A} (\hat{\beta}_{g}^{A} - \hat{\beta}_{uc}^{A})$$
 (5)

The first and the second terms on the right-hand side are commonly referred to as the explained and the unexplained portions of the HAZ gap, respectively. In our case, the explained effect tells us the difference in mean HAZ due to the differences in the average level of covariates between lower caste children and UC children. The unexplained effect is interpreted as the difference in the returns to the covariates. In other words, if caste group q was given the mean level of observed covariates as that of the UC (uc) group

 $(\bar{X}_{uc})$ , the remaining difference in HAZ between the groups would be apportioned to differences in the returns to those covariates, and ascribed to the unexplained portion of variation. For ease of interpretation, we present the explained share of variation from the OB decompositions in percentage points, calculated as the explained variation (in HAZ units) divided by the total gap in the unconditional regressions (also in HAZ units) across all the age groups, A.

## 6 Results

#### 6.1 Unconditional and Conditional Estimates

Figure 2 (Top Panel) shows regression estimates from the unconditional model from Equation 1, tracing out mean HAZ differences across caste groups by age. Each point estimate is the coefficient of a caste group relative to the base category of UC children. The y-axis represents the coefficient estimates (and 95% confidence intervals) on the caste-group variables, and the x-axis separates the estimates into 6-month age-bins.

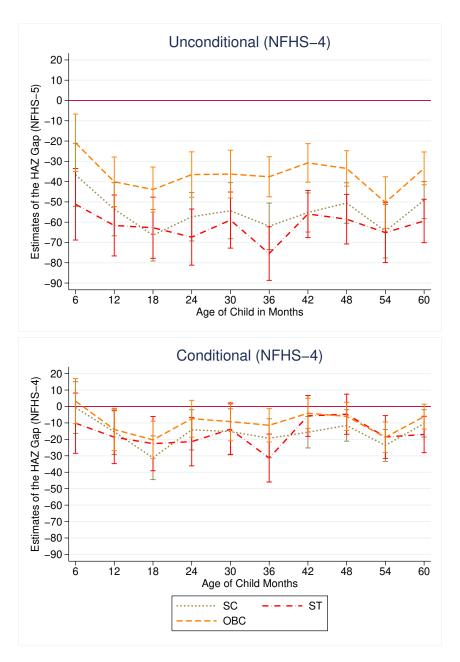


Figure 2: Regression Estimates of Caste HAZ Differentials by Age (0-60 months) Notes: This figure presents regression estimates for both unconditional and conditional regressions in Equation 1. The y-axis provides the coefficient estimates (and confidence intervals) on the caste-group variables, and the x-axis separates the estimates into 6-month age-bins. The top panel presents regression estimates from the unconditional model. In the bottom panel, the conditional regression estimates include all controls related to health endowments, private investment, and public health. The regressions are weighted by survey weight and clustered at PSU level.

In the unconditional model, all children in lower caste and tribal minority groups are born smaller than UC children and experience post-birth growth rates that leave them much shorter than UCs by the time they have completed early childhood. OBC children start around 0.21sd below UC children at birth. OBC children then grow less quickly than UC children after birth and average differences increase to around 0.38sd by an OBC child's third birthday. These differences reduce to around 0.33sd by the 4th year, providing some evidence of catch up in later years. SC children are born with HAZ scores around 0.37sd below UC children. Over the first three years, they lose, on average, an additional 0.25sd in HAZ, leading to a 0.62sd difference by their third birthday. After that, heights improve slightly and by the child's fifth birthday they are on average 0.5sd below a UC child. ST children experience the largest deficit of around 0.51sd at birth. They face a large dip in HAZ by their 3rd birthday where differences grow to around 0.75sd. By the time they are done with early childhood, ST children are 0.6sd below UC children.

Figure 2 (Bottom Panel) provides conditional (regression adjusted) caste gap estimates controlling for covariates related to the health endowment, private investment, and public health variables described above. Including covariates reduces differences in HAZ gaps across all caste groups at all ages. STs, who face the largest unconditional HAZ gap relative to UCs, see reductions in the gap at birth of around 0.41sd (to about 0.10sd) once covariates are included. Adjusted differences in birth length differences are indistinguishable from zero. Adjusted differences increase to 0.3sd by a child's third birthday, before settling to 0.2sd by a child's fifth birthday. These estimates are consistent with the observable covariates explaining the ST birth length gap in its entirety, and between 65-85% of the gap with UC children by age 5. Adjusted for observed covariates, SC and OBC children are also statistically insignificantly shorter than UC children at birth. However, as children age, differences begin to appear. Coefficients for OBCs children hover between

<sup>&</sup>lt;sup>4</sup>Regression estimates are provided in Table A.2 in the appendix.

0 and 0.2sd across most ages, with estimates for only 4 of the 10 periods statistically distinguishable from 0 at a 95% confidence level. Adjusted estimates for SCs show similar patterns with somewhat larger point estimates that hover between 0.05 to 0.31sd, with 9 of the 10 estimates being significantly different from 0. Even still, covariate adjustment reduces the height gaps between OBCs and SCs with UCs by well over half.<sup>5</sup>

One concern is that differential infant mortality across caste groups could be driving our estimates of the very early life caste gaps. Most children who die as children do so within the first six months of life. If lower caste children are more likely to die, and those that do die have differential potential HAZ across caste groups, this mortality effect would appear to us as part of a differential health endowment across caste groups. We provide two reasons this concern is not likely to prove fatal to our interpretation. First, in both theory and as documented around the world, child stunting is predictive of infant mortality (Olofin et al., 2013). In this case, our estimates of the caste HAZ deficits would likely be biased toward zero over the early period. Second, a recent paper by Panda (2020) argues that infant mortality risk is actually positively correlated with (potential) child HAZ in India. The study estimates that children who die would be approximately 17% taller (in units of HAZ) than the average child who lives, or approximately 0.34sd at a mean HAZ of -2sd. Meanwhile, Bora et al. (2019) estimates child mortality rates that are approximately 1 percentage point higher for SC/ST children than other children. Taken together, these would imply that absent differential mortality, mean HAZ for SC/ST children would be about 0.003sd higher than we observe. This is approximately two orders of magnitude below our estimated caste gaps, and thus unlikely to greatly affect our inferences regarding the importance of health endowment deficits.

<sup>&</sup>lt;sup>5</sup>Detailed regression estimates are provided in Table A.3 in the appendix.

#### 6.1.1 Regression Estimates by Gender and Location

The results above provide average correlations across the entire population, estimated as though the associations are similar for all groups of children. There are numerous reasons to believe this may not be the case: child growth faltering is different in rural and urban settings (Rieger and Trommlerová, 2016), gender differences in the effects of caste discrimination are assured (Islam et al., 2021; Deshpande, 2007), and different parts of India enforce and experience caste-based exclusionary social practices like untouchability in different ways (LoPalo et al., 2019; Coffey et al., 2019). Figure 3 provides disaggregated estimates of unconditional and conditional caste gaps across three dimensions: child gender, rural/urban status, and across states of high and low density of UC Hindus.

The top row displays results when our models are estimated separately on girls and boys. Each graph shows unconditional (solid) and conditional (dashed) caste-gap estimates across child age for one gender, with girls on the left of the first row, and boys on the top right. There are large unconditional caste differentials for both boys and girls, on the order of 0.2-0.55sd, and these gaps tend to grow in magnitude over the first two years of life. There is no noticeable difference in either the magnitude or the age-dynamics of the caste HAZ gaps across child gender. And as with the aggregate results, in both cases the unconditional estimates greatly attenuate and become, for the most part, statistically insignificant when controls are added.

The middle row divides the sample into rural (left graph) and urban (right graph) subsamples according the NFHS definition. The results of the aggregate sample appear largely to represent attenuated dynamics in the rural areas. Rural children display the signature growth faltering dynamics seen in our aggregate results, but the growth faltering process is harder to characterize in the urban sample, in part due to noisier estimates from a smaller sample size. Urban and rural OBC children are born approximately 0.2sd below UC children. Compared with UC children, SC and ST children in urban areas are born

about 0.3sd and 0.2sd shorter respectively. In rural areas, these differences at birth are much larger, 0.35sd (SC) and 0.55sd (ST). The loss of HAZ over the first two years of life is common across all groups of children in rural areas, leading to HAZ gaps of around 0.6sd for SC and ST children by age 2, and around 0.4sd for OBCs. The loss of HAZ in the urban sample is more rapid over the first 18 months, dropping approximately an additional 0.4sd for each group, but HAZ gaps immediately narrow in the next six months of life, and it is difficult to distinguish the extent to which massive changes from 18 to 24 months constitute real improvements or simply mean reversion in the estimates. In both areas, however, adjustment for covariates greatly attenuates the gaps towards zero at all ages, and most coefficients become statistically insignificant.

The final row of Figure 3 displays results across states with low (left graph) or high (right graph) share of UC children. This follows the intuition in Coffey et al. (2019), who divide their sample into regions with higher and lower concentrations of UC Hindus as a proxy for local discrimination, though we construct our sub-groups somewhat differently. We use the median of state-level shares of UC ( $\sim 24\%$ ) to divide the states into those with a high and low share of UC. While this process generates an almost equal number of states in each group, it does not generate equivalent sample sizes. Low UC share states contain almost 80% of the total sample observations, and the relatively noisy estimates for the high UC states are likely driven by this much smaller sample size.

Overall, the results for low UC states are more in line with the aggregate results as compared to the high UC states. Children from lower castes in low UC states are born 0.2-0.5sd shorter than UC children. The growth faltering in low UC states is characteristic of the aggregate results, and these initial gaps increase by 0.2-0.3sd over the first two years. The estimates also attenuate at every age after adjusting for covariates. On the other hand, in the high UC states, OBC children are no shorter than UC children at any age, even in the unconditional regressions. However, SC and ST children are between 0.2sd-0.6sd shorter than UC children in the unconditional estimates, though the

growth faltering process in these states is not visually apparent and the age-dynamics are indistinguishable from noise.

We note a few commonalities across the results and in relation to the aggregate results. First, the unconditional estimates for most sub-groups are of similar magnitude and statistically significant. UC children are born with better health than all types of sub-groups across India. Second, these differences also largely attenuate towards 0 in conditional regressions for all sub-groups, following the pattern in the full sample. Moreover, the growth faltering dynamics we focus on in our interpretation hold in the larger subsamples, while in the smaller sample sizes (Urban and High UC) we are unable to distinguish these dynamics from noise in our estimates.

#### 6.1.2 Regression Estimates for Muslim Children

Our analysis thus far has focused exclusively on Hindu children. A natural question, though, is the extent to which the patterns we see in HAZ disparities among Hindu children resemble patterns in HAZ disparities with another marginalized group of Indians: Muslims. We thus replicate our analyses by comparing Muslim children with UC Hindu children. We provide a brief overview here, but elaborate further in Appendix G.

In Figure A.2 we see that the HAZ-age profiles demonstrate that Muslim children display a similar growth faltering dynamic as seen for low caste Hindu children. We then replicate our regression results in Figure A.3. Unconditional estimates in the top panel shows that Muslim children are around 0.2 sd smaller than UC children at birth. These differences increase to around 0.45 sd by age 5. Conditional estimates are small and statistically insignificant for the first 6 months. By age 2, Muslim children are around 0.25 sd shorter than UC children, and this gap maintains a relatively constant magnitude (and largely maintaining statistical significance) through age 5.

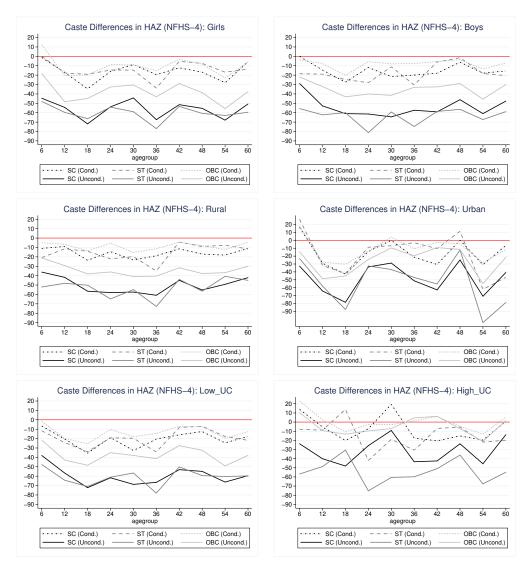


Figure 3: Replication of Individual-Level Results by Gender and Location (NFHS-4) Notes: The graph on the top left panel plots the regression estimates for girls and the graph on the top right plots the regression estimates for boys. The graph in the middle panel on the left plots the regression estimates for rural children and the middle panel on the right plots the regression estimates for urban children. The bottom left panel has estimates from states with a below median share of UC children and the bottom right panel has estimates of the states with higher than median share. In each graph, the y-axis is the coefficient estimates on the caste-group variable, and the x-axis separates the estimates into 6-month age-bins. The solid lines presents regression estimates from the unconditional model and the dashed lines are estimates from the conditional model. Conditional regression estimates adjust for all controls related to endowment, private investment, and public health. The results are weighted by survey weight and clustered at PSU level.

## 6.2 Intercept ( $\alpha$ ) and Slope ( $\beta$ ) Estimates

An alternative way to investigate the age dynamics of HAZ caste disparities is to focus on the location and shape of the HAZ-age profile itself, and then estimate the determinants of that shape (Aiyar and Cummins, 2021). Results from Equation 3, estimating our measures of implied birth length and rate of growth, are presented in Table 2. Columns 1 through 4 in Table 2 provide our baseline estimates of caste differentials in the intercept ( $\alpha$ ) and slope ( $\beta$ ) of the HAZ-age profile over the first two years of life. The first two columns present estimates for caste gaps in  $\alpha$  and the second two columns provide estimates for  $\beta$ . Columns 1 and 3 present the unconditional estimates, where the second stage regression (Equation 3) is estimated without covariates, and columns 2 and 4 provide estimates when district-caste-urban group level mean covariates and state-urban fixed-effects are included in the second stage.

Table 2: Rate of HAZ Loss and Caste (NFHS-4)

	$\begin{array}{c} (1) \\ \alpha \\ \text{b/se} \end{array}$	(2) α(  X) b/se	(3) β b/se	(4) β(  X) b/se	$\begin{array}{c} (5) \\ \beta(\mid \alpha) \\ \text{b/se} \end{array}$	(6) β(  X,α) b/se
SC	-46.65*** (9.88)	-4.72 (13.45)	-1.46** (0.60)	-0.47 $(0.90)$	-3.90*** (0.41)	-0.74** (0.35)
ST	-54.80*** (15.23)	-8.68 (16.31)	-0.92 (0.86)	-0.83 (1.03)	-3.79*** (0.49)	-1.32*** (0.39)
OBC	-30.67*** (8.32)	-1.53 (10.63)	-0.72 $(0.57)$	-0.36 $(0.70)$	$-2.32^{***}$ (0.35)	$-0.45^*$ (0.24)
Mean R Square Weighted N Real N	-37.3 0.04 37959 920	-37.3 0.25 37959 920	-7.8 0.01 37959 920	-7.8 0.18 37959 920	-7.8 0.68 37959 920	-7.8 0.81 37959 920

The results are weighted by numbers of individuals in each state-caste-urban cell and clustered at state-urban level. The covariates used include endowment, private investment, and public health variables. The state-urban fixed effects are included in the public health variables. Age Cutoff = Months. p-values: \*0.10, \*\*0.05, \*\*\*0.01.

Comparing results from columns 1 and 2 in Table 2 on birth length, we find that

they are similar to those in the first age-bins of the individual-level regressions. SC children are on average born a statistically significant 0.47sd shorter than the average UC child. Conditional on the inclusion of covariates, this difference reduces to 0.04sd and is statistically insignificant. OBC children have a statistically significant average unconditional birth length deficit of 0.31sd relative to UCs, a smaller gap compared to SC, but these differences reduce to 0.02sd and are statistically insignificant once we condition on household covariates. Unconditionally, ST children have statistically significant birth length deficit estimated at 0.55sd. Conditionally, this difference reduces to 0.09sd and is statistically insignificant.<sup>6</sup>

A similar picture emerges from the slope  $(\beta)$  estimates, where differences in growth rates are relatively large, and also largely attenuate when adjusted for observable group covariate means. Unconditional caste group point estimates in Column 3 are negative and statistically significant for SCs (-0.015sd/month) but not statistically significant for OBCs and STs. The adjusted estimates in column 4 for SC and OBC estimates are insignificant and closer to 0.

Columns 5 and 6 in Table 2 provide a second set of estimates for  $\beta$  and represent the results of a slightly different motivation and thought experiment. We know from previous results that lower caste children are born shorter. If there is a natural relationship across all castes in which birth length affects rate of growth, then any attempt to capture a meaningful correlation between caste and relative rate of child growth (separate from a birth length effect) would need to condition on the birth length. In columns 5 and 6 we include  $\hat{\alpha}$  as a control variable for  $\beta$ . The model implicitly allows the slope of the HAZ-age profile to vary based on the intercept, in a manner common across caste groups.

Column 5 provides estimates from a regression of  $\hat{\beta}$  on caste dummy variables and

<sup>&</sup>lt;sup>6</sup>These estimates come from restricting the estimation sample to children under the age of 24 months, to focus on the faltering of HAZ scores over the first two years of life. The top left panel in Figure A.1 provides estimates of caste gaps in  $\alpha$  at alternative cutoffs and the results are relatively robust to selection of age cutoff after 20m of age. The top right panel provides similar robustness checks for the unconditional estimates of  $\beta$ .

group-specific  $\hat{\alpha}$  and column 6 presents estimates conditional on including  $\hat{\alpha}$  and our standard suite of covariates. Conditional on the intercept estimate, the slope estimates indicate large growth rate gaps between UC children and SC (-0.04 sd/month), OBC (-0.02 sd/month) and ST (-0.04 sd/month) children. These gaps would produce a cumulative effect of between -0.55sd (for OBC) to -0.9sd (for SC and ST) HAZ points by 24 months of age. Point estimates attenuate and remain statistically significant with the inclusion of group level covariates. Conditional on the intercept and covariates, the slope estimates are -0.007 sd/month for SC, -0.005 sd/month for OBC and -0.013 sd/ month for ST, a reduction on the order of 75% in magnitude relative to the unconditional estimates.

#### 6.2.1 $\alpha$ and $\beta$ Estimates by Gender and Location

In Table A.5 to Table A.10, we present the full sets of results from a disaggregation of the  $\alpha$  and  $\beta$  estimates of caste gaps by gender and location. A caveat is that by restricting our analyses to district-urban cells with more than 20 observations, we lose a large portion of the sample within each sub-group analysis. We discuss this in more detail in section 8, but we note that these results should be interpreted with some caution.

In relation to gender differences, we estimate a higher unconditional birth length for girls than boys (-0.32sd compared to -0.53sd) though the two groups have comparable rate of loss estimates of approximately -0.08sd (Table A.5 and Table A.6). However, the unconditional caste gaps for both birth length and rate of loss are of a similar magnitude across gender. The conditional HAZ-caste gaps for  $\alpha$  among girls range between 0.16sd - 0.27sd but are not statistically different from UC children heights. The estimate of the growth rate for ST girls, conditional on both our usual covariates and the estimated birth length, is the only statistically significant conditional estimate and indicates a rate of loss of 0.002sd per month (less than .05sd cumulative by age 2), which is also the largest estimated group difference in  $\beta$ . For boys, conditional estimates for birth-length or rate of loss are not statistically different from 0.

As shown in Table A.7 and Table A.8, the caste gaps for rural areas are largely in line with the overall results, while again those for the urban areas are less consistent. Rural children are generally born shorter (mean  $\hat{\alpha}$  of 0.38) than urban children (mean  $\hat{\alpha}$  of 0.28), and also lose HAZ at a faster rate (mean  $\hat{\beta}$  of -.008sd/month for rural, relative to -.006sd/month for uban). Unconditional HAZ-caste differences exist at birth in rural areas (0.3-0.5sd) and urban areas (0.2-0.7sd) but the urban estimates are generally imprecisely estimated. The rural birth length estimates attenuate greatly towards 0 and become insignificant when conditioning on observable variables and the urban sample birth length estimates become increasingly imprecise and in some cases increase in magnitude. The slope estimates for both rural and urban samples are similar to the overall results, with the largest implied gaps in rate of loss of HAZ appearing for urban SC and ST children. Conditioning on birth length, rural ST children grow more slowly than UC children (0.01sd), but there is no measurable caste gap in growth rates for SC and OBC children. In the urban sample, SC children show significant growth rate gaps with UC children and these estimates are relatively large at around 0.02sd/month.

Consistent with the results in subsubsection 6.1.1, the results for low UC states in Table A.9 are comparable with the aggregate results in Table 2, while those for the smaller sample in high UC states are not (Table A.10). A key difference is in the mean intercept results. Children in low UC states have a mean  $\hat{\alpha}$  of -0.4sd, but those in the high UC states have an estimated mean close to zero. This is likely a result of the relatively small sample size in high UC states, and not necessarily a feature of differential growth faltering. Estimates of the rate of loss of HAZ are similar across regions at around 0.007-0.008sd/month for both groups. Unconditional HAZ caste gaps at birth vary from 0.14sd to 0.25sd in the low UC states, and are all statistically significant. In the high UC states estimates of the birth length caste gaps are smaller and not statistically significant, but they are the opposite sign for ST children. Conditioning on covariates attenuates the estimates of birth length gaps by about half for the low UC regions, while in the high UC

regions the estimates all become positive (but remain statistically indistinguishable from zero).

## 6.3 Decomposition Results

Figure 4 shows the Blinder-Oaxaca decomposition results, presented as the explained percentage of the unconditional height gap as described in Equation 4 and Equation 5. Child age binned into 6-month age groups is on the x-axis and the y-axis shows the share of the caste gap that can be explained by various groups of model covariates.

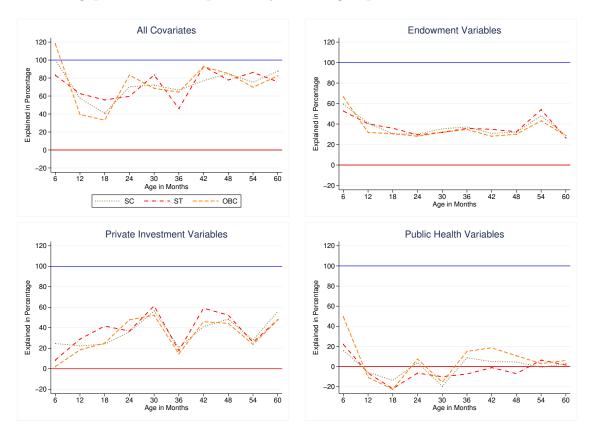


Figure 4: Blinder-Oaxaca Decomposition Results: Percent Explained **Notes:** This figure presents Blinder-Oaxaca decomposition results. Child age measured in 6-month age groups is on the x-axis and the y-axis is the percent of the caste gap that can be explained by model covariates. The top left panel presents the percent of the HAZ gap that is explained when all control variables are included. The top right panel is the percent of the HAZ gap explained by endowment variables. The bottom left panel depicts the percent of the HAZ gap explained by the private investment variables. The bottom right panel presents the percent HAZ gap that is explained in percentage by public health variables.

In general, well over half of the unadjusted caste HAZ differences can be explained by our observable covariate groups across all caste groups and all ages (top left panel). Birth length is almost fully explained, but during the critical year following, when child HAZ drops most rapidly, the covariates lose some explanatory power. However, from 18 months onward, the model explains an increasing share of the caste HAZ gaps, so that over 80% of the gap with UC children is explainable by age 5 for every other caste group. Of additional interest is the fact that the dynamic effect of covariate explanatory power across age is consistent across caste groups as well - the functioning of the covariates on HAZ appears to be stable across all groups of children at any given age.

The remaining panels of Figure 4 decompose this explained variation into the percent of the total caste gap explained by each of our three families of explanatory variables. As theory would predict, endowment variables explain the largest share of the explained variation in caste gaps for the youngest children in all caste groups. Private investment variables have almost no explanatory power over newborn caste HAZ gaps. As children age, the explanatory power of endowment variables remains relatively stable, decreasing only slightly to about 30% by age 5. The influence of private investment variables, though, begins to increase as children age. By age 5, half of caste HAZ differentials can be explained by the private investment related variables. Public health variables tend to have much smaller and inconsistent explanatory power over caste HAZ gaps. The only group for whom public health variables explain considerable fraction of the caste gap is for OBCs<sup>7</sup>. The estimates, though, are difficult to interpret, given that location and public infrastructure effects are estimated to mostly exacerbate OBC deficits in the first two years.

In general, we find surprisingly small associations between public health variables and child HAZ, despite the well-known importance to child health of public goods like clean water and sanitation services. While public health environment is clearly an important

<sup>&</sup>lt;sup>7</sup>Information on the shares from the OB decomposition can be found in Table A.4

determinant of child HAZ, it is not, according to our estimates, important to explaining caste HAZ gaps. There are two important caveats to this interpretation. The first is one of measurement: there is a general lack of high quality measures of public health inputs in our data, and we rely on regional indicator variables to capture much of any such effect. These regional variables are relatively large to allow for variation in our observable public health inputs at the community level, and thus may not capture imbalances in public health environment that are real in the world. The second is that even our direct local measures of public health - access to a sewer system and distance to health care facility-capture only the separate effect of having a community sewer system or health facility access, while the actual presence of a toilet in the house or health care visits for the child are ascribed to the private investment channel. Our work should not be interpreted as suggesting that public health is not an important determinant of child HAZ, but if it is important for explaining caste HAZ gaps, then it must be operating at either finer geographic levels and/or via inputs that are not observable in the data.

#### 6.3.1 Decomposition Results by Gender and Location

We also provide decomposition results for the previously analyzed subgroups in the Appendix. The loss of sample size (about half in each sub-group analysis) leads to noisier estimates, but they largely mimic the aggregate results described above.

Figures A.5 and A.6 show that overall results differ slightly by gender. For both the groups, birth length is almost fully explained, after which the explanatory power of covariates falls up to the age of 18 months. By age 5, almost all of the caste HAZ gaps for girls and 60% of the caste HAZ gaps for boys are explained by included set of variables. Endowment variables explain the birth length entirely for girls, while accounting for 40-65% of the caste HAZ gap in birth length for boys. Thereafter, the share explained remains stable at around 40% for girls and 20-40% for boys at any age. The share explained by private investment variables starts low at birth and increases overtime for both genders.

As before, the share of public health variables is null overall, with the exception that it explains a high share of the differences in the caste-height gap for OBC boys at their birth. These effects attenuate within the first 12 months.

Figures A.7 and A.8 present the results by rural and urban areas. Consistent with earlier results, the estimates from rural areas are similar to the aggregate results. The share of variation explained by endowment variables starts high and remains stable. The share of variation explained by private investment variables increases as children age. Public health variables continue to explain little of the HAZ caste gaps. Similar to the urban estimates of caste gaps themselves, our decomposition results do not reveal consistent patterns for urban children. This is likely attributable to both a decrease in sample size, and to the general differences in growth faltering patterns for urban children noted above.

In figures A.9 and A.10, we separate our results by the share of UCs in a state. Once again, consistent with findings in Section 6.1.1, the patterns for children in states with a low share of UCs (which accounts for 80% of the sample) are broadly consistent with the aggregate results. Birth length caste gaps are almost entirely explained by the included set of covariates up to 18 months. Endowment covariates have the highest explanatory share at birth and maintain a stable share at around 30% afterwards. The share explained for private investment begins at 20-30% at birth and grows as children age. Public health variables, on the other hand, do not contribute in explaining the caste HAZ gaps. States with a high share of UC provide noisy estimates, driven by the relatively small sample size for these states.<sup>8</sup>

<sup>&</sup>lt;sup>8</sup>The decomposition results comparing Muslim and UC-Hindu children lead to the same broad conclusion as comparisons among different caste groups of Hindu children - endowments matter early on, the effect of private investment variables accumulates over time, and public health variables don't seem to explain much of HAZ differences between UC and Muslim children (Figure A.4).

#### 6.3.2 Timing of Investments

One econometric concern about our estimates of the increasing influence of investment related variables is that, unlike endowment related variables such as maternal health, private investment variables are sometimes increasing in value, or probability, as children grow. Newborns do not receive many vaccinations, and children under the age of 6 months have only had so many health care visits. In order to determine the extent to which our increase in the explanatory power of private investment may be due simply to an increase in the magnitude or probability of age-determined covariates, we divide our Oaxaca-Blinder decomposition results for private investments into age-invariant and age-varying sub-types. We then graph out the relative contribution of each sub-type to the overall explanatory power of private investments across age in Figure 5.

The top row of Figure 5 graphs the outcome-age profile for two representative variables. The upper left panel graphs the age-profile of an important age-invariant private investment, the fraction of children in households at each asset quintile across child age. Household wealth is not correlated with child age, at least for very young children. On the other hand, one can essentially infer the vaccination schedule for children from the top right panel, which graphs the age-profile of take-up of various vaccines, a representative age-varying private investment. If age-varying measures like vaccinations are driving the explanatory power of private investments, then the apparent increase in the explanatory power of private investment variables could, in theory, be simply the result of the increasing take-up of vaccines as children age. In that case, the estimates of increasing explanatory power of private investments would be driven by some of them simply turning on.

The bottom row of Figure 5 shows the Oaxaca-Blinder decomposition for the suites of age-invariant and age-varying private investment variables (estimated from the full model, but with their contributions accounted for separately). The left panel shows that

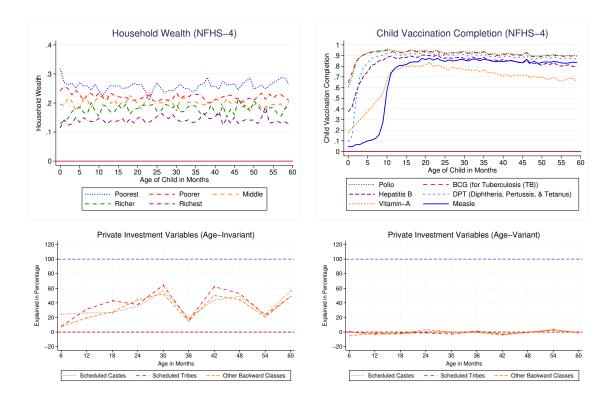


Figure 5: Age-Specific and Non-Age-Specific Private Investments

Notes: The top two panels of the figure shows the frequency of two particular private investment variables for children from 0 to 5 years. The top left panel shows the age-invariant nature of the household wealth measure of private investments across child age, while the top right panel shows the age-specific frequency of vaccination status by child age. The bottom row displays Blinder-Oaxaca decomposition results separately for age-varying and age-invariant private investment variables. Child age measured in 6-month age groups is on the x-axis and the y-axis is the percent of the caste gap that can be explained by model covariates. The bottom left panel presents the percent of the HAZ gap explained by the private investment variables that are age-invariant. The bottom right panel depicts the percent of the HAZ gap explained by the private investment variables that vary by age.

the private investment effects are mostly driven by age-invariant private investment and that age-varying variables such as vaccinations and prenatal care do not explain much of the caste HAZ gaps.

## 7 Replication Using NFHS-5

We replicate the analyses above using the most recent wave of the NFHS conducted in 2019-20 (NFHS-5), which provides an independent sample of over 250,000 children. Our

initial choices over the sample selection rules and regression model specifications employed in this paper, along with the economic interpretation of our results, were developed in 2021 and were presented at several conferences, using data exclusively from NFHS-4. Subsequently, data from the next round of the NFHS-5 was made available to researchers. We then replicated the results from the NFHS-4 on data from the newly available NFHS-5, using the same methods and (to the extent possible) the same regression specifications as before. That is, we used the methods, specifications and interpretation from our results using NFHS-4 as a kind of de facto pre-analysis plan for analyzing the NFHS-5 data.

We choose to present the main analysis of the paper using NFHS-4 because the data from the NFHS-5 wave is not complete for some of the variables. Specifically, NFHS-5 only provides information on health inputs (e.g. vaccination and pre-natal check status) for children up to the age of 3 years whereas we have complete information for children up to the age of 5 years in NFHS-4. The sample that answered the vaccination (Polio, DPT, Hepatitis B, Measles, BCG) question also changed in NFHS-5. Nevertheless, using this newer dataset, we can replicate a majority of the analyses conducted on the NFHS-4.

Figure 6 presents a comparison between the results from the NFHS-4 (left column) and NFHS-5 (right column). The patterns in the HAZ-profiles (first row) are quite similar between the two waves. Children from lower castes are shorter than upper caste children at birth and these differences get larger as children age. Similar to NFHS-4, SC and ST children in the NFHS-5 face the largest HAZ disparities. In the second row, we present the unconditional regression estimates of caste group differences in HAZ. Compared to NFHS-4, there appears to be a small secular decrease in unconditional caste gaps overall, with all lower caste groups seeing smaller unconditional gaps relative to UC children. In the NFHS-5 sample, differences in height at birth between OBC children and UC children have become statistically insignificant, while the gaps for SC and ST children remain significant but are relatively smaller than in the previous round, decreasing from 0.4-0.5sd in the NFHS-4 to 0.2-0.3sd in the NFHS-5. This upward level shift of the HAZ-age profile

across rounds persists through the growth faltering process, and HAZ caste gaps from age 2 onwards are all about 0.1sd smaller in the newer round of data. Conditional estimates, presented in the bottom panel, are more similar across rounds, and again indicate that caste differences in HAZ can be explained by observable characteristics of households, similar to the NFHS-4 results above and results from other research using NFHS-2 and NFHS-3 (Van de Poel and Speybroeck, 2009; Coffey et al., 2019).

Similarly, in Table 3, we replicate our earlier findings on implied birth length and rate of growth from Table 2 with results from NFHS-5 data. By and large, the patterns are similar across the two rounds in sign and magnitude but some differences emerge. Mean implied birth length ( $\alpha$ ) is actually lower in NFHS-5 (-.45sd compared to -.37), but mean rates of loss ( $\beta$ ) are lower as well (-0.006sd/month compared to -0.008sd in NFHS-4). On the other hand, the unconditional caste gaps in HAZ at birth decline over time (-0.31sd to -0.55sd in NFHS-4 as compared to -0.2sd to -0.4sd in NFHS-5). Conditional on covariates the results from NFHS-5 follow those from NFHS-4 and all differences in birth-lengths become less than 0.1sd and statistically insignificant. The estimated gaps for rate of loss of HAZ across caste groups are relatively stable across rounds. For ST children, the gaps in unconditional rate of loss increases from 0.009sd in NFHS-4 to 0.012sd in NFHS-5, while the unconditional slope gap estimates are small and statistically insignificant for SC and OBC children. Comparing columns 5 and 6, the slope estimates conditional on  $\hat{\alpha}$ , there is no meaningful change in the estimated gaps in  $\beta$  across rounds.

The striking similarity of results over the two waves indicates an amount of temporal stability in the child growth dynamics we originally observed in the NFHS-5, even when applying a de facto pre-defined regression model to the NFHS-5 data This eases concerns related to cherry picking results or regression model specifications. This temporal stability exists over and above the similarities in dynamics across caste groups within each wave. Both of these layers of stability - within and between survey waves - lend credence to our argument that the differential growth processes across caste that we identified in the 2015

data are meaningful beyond just a particular sample at a particular moment in time.<sup>9</sup>

## 8 Limitations

Our empirical analysis faces limitations, including our interpretation of results and our ability to estimate our models with sufficient precision.

First, to interpret our decomposition results as reflecting exact, true underlying contributions of each variable group, we would need a fully specified structural model of child health and measures of all the relevant inputs. We provide only a stylized growth model with three sets of key determinants, along with the relevant measures for such determinants that are observable in our data. In cases where our variable groups have rich information on key determinants, as for maternal health or household wealth, our estimates may be reasonable. However, our measurement and empirical definition of public health inputs are both unorthodox and imperfect. We acknowledge that a large number of public health determinants of child HAZ may remain unmeasured and thus not accounted for in our decomposition estimates.

Second, data requirements for  $\alpha/\beta$  slope and intercept models are high for both the number of geographic cells and the number of observations required per cell. This creates two important limitations for our work. The first is that sub-group estimates of slope and intercept coefficients we provide are imprecise and provide less insight than we would hope. The second is that we are unable to statistically decompose the changes in the intercept and slope coefficients as we can with the fixed-effects estimates. This is due to

<sup>&</sup>lt;sup>9</sup>We also present the sub-group specific replication results in the Online Supplement for completeness. In summary, we see that the patterns are broadly similar across subgroups, although relative to results from the NFHS-4, the results for girls more closely resemble the results for boys. The results for the rural sample are again similar to the full sample results, but urban sample continues to generate divergent patterns, again likely due to the generally less severe growth faltering experienced by children in urban areas. The results across states with high or low concentrations of UC children both remain consistent with the aggregate results in both survey rounds, with the high UC states again generating noisy results due to the much smaller sample size.

two factors. There is the large number of covariates, including state-urban fixed-effects, relative to the number of district-urban cells. But more fundamentally, these estimates rely almost exclusively on within-cell variation; they are designed to compare two HAZ-age profiles from the same region but from different caste groups. This puts tremendous importance on the locational fixed-effects, and makes it difficult to pin down the effects of other important covariates, including and in particular those associated with public health.

Table 3: Rate of HAZ Loss and Caste (NFHS-5)

	(1)	(2)	(3)	(4)	(5)	(6)
	$\alpha$	$\alpha(\mid X)$	$\beta$	$\beta(\mid X)$	$\beta(\mid \alpha)$	$\beta(\mid X, \alpha)$
	b/se	b/se	b/se	b/se	b/se	b/se
SC	-37.09***	-12.54	-1.35**	-0.56	-3.44***	-1.27**
	(8.02)	(12.75)	(0.60)	(0.83)	(0.55)	(0.50)
ST	-40.46***	-11.91	-1.20*	-0.69	-3.47***	-1.36**
	(11.40)	(14.26)	(0.69)	(0.92)	(0.51)	(0.60)
OBC	-20.38**	-4.03	-0.71	-0.37	-1.86***	-0.60
	(8.65)	(12.15)	(0.58)	(0.77)	(0.45)	(0.43)
Mean	-45.5	-45.5	-6.2	-6.2	-6.2	-6.2
R Square	0.02	0.13	0.00	0.16	0.69	0.77
Weighted N	33133	33133	33133	33133	33133	33133
Real N	836	836	836	836	836	836

The results are weighted by numbers of individuals in each state-caste-urban cell and clustered at state-urban level. The covariates used include endowment, private investment, and public health variables. The state-urban fixed effects are included in the public health variables. Age Cutoff = Months. p-values: \*0.10, \*\*0.05, \*\*\*0.01.

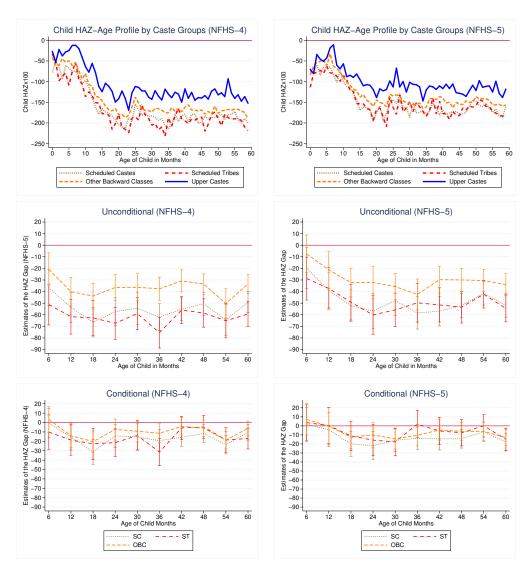


Figure 6: Replication of Individual-Level Results: NFHS-4 versus NFHS-5 Notes: The first row graphs mean child HAZ score (x100) by caste groups for children from 0 to 5 years. The left column shows estimates using the NFHS-4 (2015-2016) and the right columns shows the results from the NFHS-5 (2019-2021). The x axis represents age in months and the y axis is the weighted HAZ. The second and third rows graph the regression estimates for both unconditional and conditional regressions as well as the explanatory power. For the bottom two rows, the y-axis is the coefficient estimates (and confidence intervals) on the caste-group variable, and the x-axis separates the estimates into 6-month age-bins. The middle row presents regression estimates from the unconditional model. The gray dotted line is the difference of SC and UC children, the red dashed-dotted line represents differences between ST and UC children, and the orange dashed line represents differences between OBC and UC children. In the bottom row, the conditional regression estimates adjust for all controls related to endowment, private investment, and public health. The results are weighted by survey weight and clustered at PSU level.

### 9 Conclusion

Child HAZ gaps across caste groups in India are significant. In line with previous literature, we confirm that caste HAZ gaps remain large and are largely explainable by observable differences in households across caste groups (Coffey et al., 2019; LoPalo et al., 2019; Van de Poel and Speybroeck, 2009). Our framework, though, reveals new features of these caste gaps. We document that these caste gaps are present at birth and grow in size, particularly over the first two years of life. Our decomposition results suggest that observable characteristics of households related to both health endowments and (private) health investments matter significantly in explaining the differential child growth patterns across caste, and do so in a manner that changes as children age. Endowment related variables largely explain birth length HAZ gaps across castes, and private investments become increasingly important in explaining those gaps as children age. By the age of 5, the two variable groups each explain around half of the HAZ disparities across caste groups. These patterns are remarkably similar in both the fourth and fifth waves of the NFHS.

Our findings imply two things. First, persistent effects of endowment related variables as children age imply that historical factors affecting maternal physiology are likely to be nearly as important in generating caste HAZ gaps as contemporary factors (both economic and social). Second, the increasing importance of post-birth child investments as children age indicates that lower caste children face real disadvantages that disproportionately and negatively affect their growth and development even today. And while our results are consistent with both discriminatory and non-discriminatory, and both contemporary and historical factors, they also cast doubt on the ability of public policy to remediate HAZ caste gaps in the short-term. Health endowments don't change after birth, and remedying the health endowment disparities across castes is likely to be a multi-generational process.

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# Appendix

# A Data Availability Across NFHS-4 and NFHS-5

The National Family Health Survey 5 (NFHS-5) contains information on population, health, and nutrition for India from 2019-2021. Similar to NFHS-4, NFHS-5 includes district-level data for important variables. The total sample size of NFHS-5 is around 610,000 households. Variables collected in NFHS-5 are similar to the variables in NFHS-4, but with slight differences.

For endowment variables group, we use the same variables of birth order, maternal age, squared maternal age, maternal HAZ, maternal WAZ. However, 30% of delivery care data is missing. For the private investment variables, we include comparable variables such as wealth status, maternal education, motorcycle, own land, toilet type. To overcome the lack of data on water treatment status we utilize a water source variable. We divide this up into private water access and public water access at the home level. The major differences is the access to vaccination variables. This information was not available for children: 1. Who were born before 2016; 2. Who were not the "last birth, next to last birth, or second to last birth" child; 3. Who died during any stage of this. In other words, the NFHS-5 questionnaire only collect information on vaccine for last 3 births but has more restrictions than the NFHS-4. Thus vaccination information from many older children (33 months and above) was not available and hence comparable across surveys. For the public investment variables, we used sewer system access at PSU level, distance to health facilities, state-urban fixed effects.

# B Detailed Summary Statistics

Table A.1: Summary Statistics Full (NFHS-4)

	$\begin{array}{c} (1) \\ SC \\ mean/sd \end{array}$	$\begin{array}{c} (2) \\ \text{ST} \\ \text{mean/sd} \end{array}$	(3) OBC mean/sd	$\begin{array}{c} (4) \\ \text{UC} \\ \text{mean/sd} \end{array}$	(5) All mean/sd
HAZ (x 100)	-166.79	-171.84	-148.69	-112.61	-149.29
	(164.41)	(169.98)	(166.18)	(160.43)	(166.28)
$Endowment\ Variables$					
Birth Order	2.29	2.29	2.12	1.86	2.14
	(1.46)	(1.43)	(1.31)	(1.04)	(1.33)
Percent $BO = 1$	0.36	0.36	0.38	0.45	0.39
	(0.48)	(0.48)	(0.49)	(0.50)	(0.49)
Percent $BO = 2$	0.31	0.31	0.34	0.36	0.33
	(0.46)	(0.46)	(0.47)	(0.48)	(0.47)
Percent BO (2-6)	0.31	0.32	0.27	0.19	0.27
	(0.46)	(0.47)	(0.44)	(0.39)	(0.44)
Percent $BO > 6$	0.02	0.02	0.01	0.00	0.01
	(0.14)	(0.13)	(0.11)	(0.06)	(0.11)
Mother's Age at Child's Birth	24.21	24.03	24.21	24.44	24.23
	(4.78)	(4.95)	(4.53)	(4.52)	(4.64)
Mother's Age Squared	609.21	601.84	606.47	$\hat{6}17.97$	608.72
-	(256.43)	(266.47)	(241.90)	(238.78)	(247.96)
Mother's HAZ (x 100)	-217.65	-211.85	-201.27	-182.60	-203.18
,	(93.00)	(89.77)	(95.68)	(94.38)	(94.87)
Mother's WAZ (x 100)	-113.47	-142.25	-102.61	-68.64	-103.63
,	(111.92)	(99.46)	(114.19)	(121.94)	(115.34)
Delivery Care	0.51	$0.47^{'}$	0.56	0.71	0.56
v	(0.50)	(0.50)	(0.50)	(0.45)	(0.50)
Private Investment Variables	` /	,	,	,	( )
Poorest	0.33	0.50	0.23	0.08	0.26

	(0.47)	(0.50)	(0.42)	(0.28)	(0.44)
Poorer	0.26	0.25	0.22	0.16	0.22
	(0.44)	(0.43)	(0.41)	(0.36)	(0.41)
Middle	0.20	0.14	0.21	0.21	0.20
	(0.40)	(0.35)	(0.41)	(0.40)	(0.40)
Richer	0.14	0.07	0.20	0.25	0.18
	(0.35)	(0.25)	(0.40)	(0.43)	(0.38)
Richest	0.08	0.04	0.14	0.30	0.14
	(0.26)	(0.19)	(0.35)	(0.46)	(0.35)
Maternal Educ at least Primary	0.65	0.55	0.71	0.89	0.71
	(0.48)	(0.50)	(0.45)	(0.31)	(0.45)
Percent No Educ (mother)	0.35	0.45	0.29	0.11	0.29
	(0.48)	(0.50)	(0.45)	(0.31)	(0.45)
Percent Primary Educ (mother)	0.16	0.16	0.13	0.09	0.13
	(0.37)	(0.37)	(0.33)	(0.29)	(0.34)
Percent Secondary Educ (mother)	$0.42^{'}$	$0.35^{'}$	$0.47^{'}$	$0.58^{'}$	$0.47^{'}$
,	(0.49)	(0.48)	(0.50)	(0.49)	(0.50)
Percent Higher Educ (mother)	$0.07^{'}$	$0.04^{'}$	0.11	$0.22^{'}$	0.11
	(0.25)	(0.19)	(0.32)	(0.41)	(0.31)
Owns Motorcycle	0.29	0.27	0.44	0.54	0.40
ů	(0.45)	(0.44)	(0.50)	(0.50)	(0.49)
Owns Agricultural Land	$0.33^{-}$	$0.55^{'}$	0.48	$0.49^{'}$	$0.45^{'}$
	(0.47)	(0.50)	(0.50)	(0.50)	(0.50)
Treat Drinking Water	$0.22^{'}$	$0.38^{'}$	$0.31^{'}$	$0.44^{'}$	$0.32^{'}$
Ü	(0.41)	(0.49)	(0.46)	(0.50)	(0.47)
No Toilet Facility	0.60	$0.74^{'}$	$0.51^{'}$	$0.25^{'}$	$0.51^{'}$
v	(0.49)	(0.44)	(0.50)	(0.43)	(0.50)
Flush Toilet	$0.34^{'}$	$0.20^{'}$	$0.44^{'}$	$0.66^{'}$	$0.43^{'}$
	(0.47)	(0.40)	(0.50)	(0.47)	(0.49)
Pit Toilet	0.06	$0.06^{'}$	$0.05^{'}$	0.08	0.06
	(0.24)	(0.23)	(0.21)	(0.27)	(0.24)
Postnatal Care-Health Worker	$0.03^{'}$	$0.03^{'}$	$0.03^{'}$	$0.02^{'}$	0.03
	(0.16)	(0.18)	(0.16)	(0.15)	(0.16)

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Postnatal Care-Health Facility	0.01	0.01	0.01	0.01	0.01
, and the second	(0.11)	(0.12)	(0.11)	(0.11)	(0.11)
Completed Polio Vaccination	0.92	0.88	0.92	0.93	0.92
	(0.27)	(0.32)	(0.27)	(0.25)	(0.27)
Completed DPT Vaccinations	0.87	0.83	0.88	0.89	0.87
	(0.34)	(0.38)	(0.33)	(0.31)	(0.33)
Completed Hepatitis B Vaccination	0.83	0.80	0.84	0.87	0.84
	(0.37)	(0.40)	(0.37)	(0.34)	(0.37)
Completed Measles Vaccinations	0.72	0.69	0.74	0.76	0.73
	(0.45)	(0.46)	(0.44)	(0.42)	(0.44)
Received Vitamin A	0.68	0.67	0.69	0.72	0.69
	(0.47)	(0.47)	(0.46)	(0.45)	(0.46)
Completed BCG Vaccination	0.91	0.88	0.92	0.93	0.91
	(0.28)	(0.33)	(0.28)	(0.26)	(0.28)
Public Health Variables					
PSU has sewer system access	0.10	0.07	0.12	0.23	0.13
	(0.31)	(0.26)	(0.33)	(0.42)	(0.34)
Distance to Health Facility as Barrier	0.36	0.44	0.33	0.25	0.33
	(0.48)	(0.50)	(0.47)	(0.43)	(0.47)
Urban = 1	0.23	0.11	0.25	0.39	0.26
	(0.42)	(0.32)	(0.43)	(0.49)	(0.44)
N	34913	21441	64206	26218	146778

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# C Unconditional Effects

Table A.2: Unconditional Caste Differences in HAZ (NFHS-4)

	(1) 0-6 b/se	(2) 6-12 b/se	(3) 12-18 b/se	(4) 18-24 b/se	(5) 24-30 b/se	(6) 30-36 b/se	(7) 36-42 b/se	(8) 42-48 b/se	(9) 48-54 b/se	(10) 54-59 b/se
SC	-36.65***	-53.61***	-66.41***	-57.34***	-54.34***	-62.02***	-55.22***	-50.55***	-64.45***	-49.10***
	(7.94)	(6.68)	(6.48)	(6.08)	(7.06)	(5.84)	(4.92)	(5.09)	(6.73)	(4.68)
$\operatorname{ST}$	-51.16***	-61.61***	-62.73***	-67.36***	-58.96***	-75.47***	-55.96***	-58.51***	-65.15***	-59.40***
	(9.00)	(7.67)	(7.69)	(7.05)	(7.05)	(6.74)	(5.94)	(6.24)	(7.54)	(5.46)
OBC	-20.86***	-40.08***	-43.90***	-36.52***	-36.30***	-37.60***	-30.77***	-33.49***	-50.29***	-33.46***
	(7.23)	(6.24)	(5.66)	(5.71)	(6.00)	(5.03)	(4.85)	(4.46)	(6.47)	(4.13)
Observations	11811	15053	14470	14933	14493	14917	15546	15641	14705	15209

p-values: \* 0.10, \*\* 0.05, \*\*\* 0.01

Age is measured in months and one age group is 6 months.

# D Conditional Effects

Table A.3: Conditional Caste Differences in HAZ (NFHS-4)  $\,$ 

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	0-6	6-12	12-18	18-24	24 - 30	30-36	36-42	42 - 48	48-54	54-60
	b/se	b/se	b/se	b/se	b/se	b/se	b/se	b/se	b/se	b/se
SC	-0.65	-15.44**	-31.20***	-14.19**	-15.24**	-19.32***	-15.68***	-11.55**	-23.67***	-10.31**
	(8.02)	(7.06)	(6.78)	(6.24)	(7.06)	(6.03)	(4.86)	(4.88)	(4.95)	(4.24)
ST	-10.15	-18.67**	-22.60***	-21.39***	-13.86*	-31.36***	-5.73	-4.71	-18.55***	-17.02***
	(9.34)	(8.21)	(8.42)	(7.52)	(7.89)	(7.44)	(6.35)	(6.24)	(6.63)	(5.65)
OBC	3.28	-13.99**	-20.32***	-7.43	-9.20	-11.44**	-4.14	-6.03	-18.75***	-6.15
	(7.01)	(6.59)	(5.83)	(5.70)	(5.97)	(5.16)	(4.66)	(4.38)	(4.76)	(3.87)
Percent $BO = 1$	0.00	0.00	52.55***	0.00	0.00	53.48***	42.77***	0.00	0.00	0.00
	(.)	(.)	(15.49)	(.)	(.)	(16.42)	(13.94)	(.)	(.)	(.)
Percent $BO = 2$	12.07**	-14.35***	34.72**	-10.30**	-17.97***	41.40**	23.75*	-15.12***	-17.37***	-15.52***
	(5.88)	(5.33)	(15.23)	(4.69)	(4.80)	(16.40)	(13.75)	(3.77)	(3.94)	(3.18)
Percent BO (2-6)	7.13	-24.73***	34.32**	-25.71***	-30.05***	28.82*	13.34	-21.42***	-31.53***	-24.78***
	(7.16)	(6.70)	(14.52)	(5.57)	(5.98)	(15.84)	(13.33)	(4.78)	(4.57)	(4.11)
Percent $BO > 6$	0.95	-29.02*	0.00	-56.53***	-57.73***	0.00	0.00	-30.08**	-55.51***	-48.48***
	(21.05)	(17.57)	(.)	(15.88)	(14.79)	(.)	(.)	(12.97)	(12.08)	(10.59)
Mother's Age at Child's Birth	8.46**	17.72***	2.00	6.38	7.42**	10.18***	10.10***	8.37***	5.42**	8.89***
	(4.31)	(3.56)	(3.19)	(4.18)	(3.11)	(2.58)	(2.37)	(2.63)	(2.29)	(2.21)
Mother's Age Squared	-0.12	-0.30***	-0.00	-0.08	-0.10*	-0.14***	-0.15***	-0.12**	-0.06	-0.13***
	(0.08)	(0.06)	(0.06)	(0.08)	(0.06)	(0.05)	(0.04)	(0.05)	(0.04)	(0.04)
Mother's HAZ (x 100)	0.23***	0.31***	0.30***	0.30***	0.34***	0.31***	0.32***	0.33***	0.28***	0.28***
,	(0.03)	(0.02)	(0.02)	(0.02)	(0.02)	(0.02)	(0.02)	(0.02)	(0.02)	(0.02)
Mother's WAZ (x 100)	0.16***	0.12***	0.13***	0.13***	0.08***	0.10***	0.10***	0.12***	0.12***	0.12***
` ,	(0.03)	(0.02)	(0.02)	(0.02)	(0.02)	(0.02)	(0.02)	(0.01)	(0.01)	(0.01)
Delivery Care	$2.42^{'}$	$5.20^{'}$	12.45***	$6.51^*$	$5.12^{'}$	$6.32^{*}$	$2.31^{'}$	$3.47^{'}$	3.10	-2.68
~	(4.76)	(4.40)	(4.10)	(3.65)	(4.76)	(3.52)	(3.24)	(3.24)	(3.18)	(3.07)
Poorest	-39.44***	-30.84**	-5.21	. ,	-54.70***	0.00	0.00	-42.21***	-30.19***	

	(14.02)	(13.28)	(11.56)	(16.03)	(11.88)	(.)	(.)	(9.03)	(9.12)	(8.10)
Poorer	-37.46***				-51.29***	5.33	7.10*		-27.97***	
	(12.70)	(11.94)	(10.35)	(12.63)	(10.33)	(4.68)	(4.28)	(8.41)	(8.26)	(7.12)
Middle	-23.46**	-15.88	4.30		-30.43***	13.73**	20.27***	-24.35***	-25.72***	-17.74***
	(10.73)	(10.16)	(8.89)	(9.72)	(9.28)	(5.99)	(5.48)	(7.50)	(7.43)	(6.26)
Richer	-13.96	-12.13	-0.93	-22.77**	-18.74**	19.82**	21.58***	-12.22*	-20.51***	-11.40**
	(9.83)	(9.30)	(7.82)	(9.16)	(8.54)	(7.90)	(7.06)	(6.86)	(7.01)	(5.64)
Richest	0.00	0.00	0.00	0.00	0.00	25.80***	39.12***	0.00	0.00	0.00
	(.)	(.)	(.)	(.)	(.)	(9.97)	(9.19)	(.)	(.)	(.)
Percent No Educ (mother)	-15.89	-8.15	-36.34***	-38.68***	-27.40***	-11.35**	-3.45	-13.77***	-21.42***	-8.38**
	(9.88)	(9.17)	(8.31)	(9.06)	(8.61)	(4.97)	(4.67)	(4.40)	(8.12)	(3.96)
Percent Primary Educ (mother)	-7.03	-3.03	-33.77***	-28.46***	-20.16**	0.00	0.00	0.00	-22.89***	0.00
	(10.65)	(9.65)	(8.74)	(8.62)	(8.71)	(.)	(.)	(.)	(8.33)	(.)
Percent Secondary Educ (mother)	-9.76	-4.67	-9.41	-13.92*	-14.24*	$9.30^{*}$	11.20**	7.49*	-11.90	8.67**
,	(8.28)	(8.12)	(7.26)	(7.58)	(7.74)	(4.75)	(4.78)	(4.31)	(7.41)	(3.91)
Percent Higher Educ (mother)	$0.00^{'}$	$0.00^{'}$	0.00	$0.00^{'}$	$0.00^{'}$	24.95***	29.91***	24.46***	$0.00^{'}$	14.27**
	(.)	(.)	(.)	(.)	(.)	(7.90)	(8.39)	(7.10)	(.)	(6.04)
Owns Motorcycle	-11.14*	1.50	9.70**	10.32**	4.12	9.81**	$0.67^{'}$	$7.27^{*}$	2.70	-1.60
V	(5.77)	(5.75)	(4.92)	(4.92)	(5.02)	(4.27)	(3.97)	(3.84)	(4.26)	(3.40)
Owns Agricultural Land	14.40***	3.88	-0.30	-3.63	-0.25	-1.57	-2.51	1.08	$1.72^{'}$	2.76
	(4.72)	(4.31)	(3.93)	(3.81)	(4.15)	(3.49)	(3.23)	(3.18)	(3.51)	(2.71)
Treat Drinking Water	-2.39	-0.58	-8.50	-8.65*	9.89**	$1.25^{'}$	-4.48	$7.85^{*}$	4.26	8.11**
O	(6.01)	(5.56)	(5.37)	(4.81)	(4.93)	(4.45)	(4.07)	(4.11)	(3.87)	(3.43)
No Toilet Facility	15.67	-1.53	-15.28*	0.00	-0.01	-5.79	0.00	-9.23**	-2.09	7.45
V	(10.54)	(8.67)	(8.97)	(.)	(8.86)	(4.97)	(.)	(4.15)	(4.45)	(6.15)
Flush Toilet	10.49	9.60	1.02	8.35	-2.96	0.00	4.63	0.00	0.00	16.52***
	(9.85)	(8.62)	(8.82)	(6.77)	(9.26)	(.)	(4.47)	(.)	(.)	(6.13)
Pit Toilet	0.00	0.00	$0.00^{'}$	23.18***	0.00	1.25	2.70	4.92	7.11	0.00
	(.)	(.)	(.)	(8.65)	(.)	(6.94)	(7.16)	(6.88)	(6.17)	(.)
Postnatal Care-Health Worker	-1.53	2.76	13.82	-13.30	-9.13	-12.96	7.62	-8.70	-15.27	-12.90
	(8.88)	(12.27)	(11.54)	(10.81)	(11.10)	(10.81)	(11.36)	(9.62)	(11.32)	(9.63)
Postnatal Care-Health Facility	-13.71	10.06	6.98	-32.69*	14.38	33.32	15.47	8.41	-15.11	-3.30
1 oction of the first in the first	(11.83)	(21.59)	(21.91)	(18.60)	(15.04)	(25.58)	(21.96)	(21.36)	(19.71)	(14.56)
	(11.00)	(21.00)	(21.01)	(10.00)	(10.01)	(20.00)	(21.00)	(21.00)	(10.11)	(11.00)

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Completed Polio Vaccination	9.24	14.38	10.93	-26.15*	-22.48**	-14.70	-9.33	-12.11	-3.12	3.35
	(9.76)	(13.81)	(12.58)	(14.39)	(11.14)	(10.33)	(9.16)	(9.28)	(10.08)	(8.04)
Completed DPT Vaccinations	2.37	-7.68	-0.21	-3.25	-3.38	-6.95	-8.15	-0.22	-4.50	-2.37
	(5.43)	(7.73)	(10.60)	(15.22)	(11.50)	(9.77)	(9.97)	(8.47)	(9.29)	(7.29)
Completed Hepatitis B Vaccination	-2.50	-5.08	-8.93	-9.37	-7.61	11.81*	9.28	0.32	10.19**	-4.23
	(5.81)	(6.45)	(7.56)	(9.47)	(9.27)	(7.01)	(6.14)	(5.47)	(5.17)	(4.08)
Completed Measles Vaccinations	26.28**	-8.54*	3.36	13.76**	-2.44	10.21	-3.18	1.84	4.90	4.20
	(11.14)	(5.04)	(5.55)	(6.76)	(10.61)	(6.37)	(5.92)	(5.35)	(5.90)	(5.12)
Received Vitamin A	-2.76	10.11**	-4.69	-2.43	-12.08**	-14.77***	-7.67*	-5.83	-9.70***	-2.43
	(5.40)	(4.57)	(5.03)	(5.55)	(4.74)	(3.86)	(3.92)	(3.61)	(3.31)	(2.96)
Completed BCG Vaccination	-3.17	-3.23	-15.34	8.80	27.56**	2.59	3.18	11.45	-1.20	-3.05
	(9.83)	(12.12)	(11.67)	(11.72)	(10.74)	(12.00)	(8.99)	(9.39)	(10.53)	(8.76)
PSU has sewer system access	11.11	-4.38	-9.08	-3.39	3.50	-0.88	-6.92	-1.41	-8.45	0.78
	(9.03)	(8.49)	(7.93)	(7.07)	(9.62)	(6.68)	(6.60)	(6.51)	(6.98)	(5.10)
Distance to Health Facility as Barrier	5.20	2.28	3.21	0.64	1.05	1.89	0.02	0.05	-3.89	-5.15*
	(4.63)	(4.46)	(4.19)	(4.53)	(4.06)	(3.57)	(3.29)	(3.12)	(3.24)	(2.74)
Observations	11811	15053	14470	14933	14493	14917	15546	15641	14705	15209

p-values: \* 0.10, \*\* 0.05, \*\*\* 0.01

# E Alpha / Beta Estimates

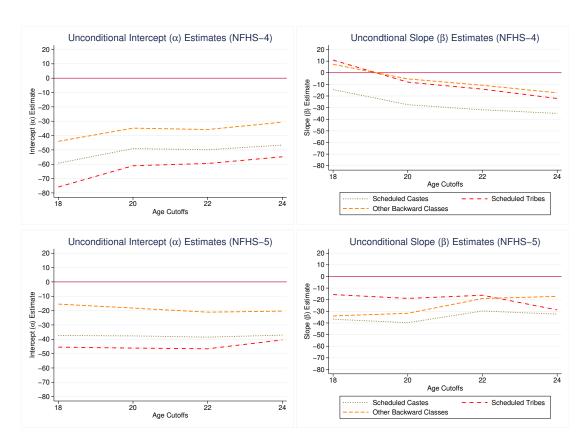


Figure A.1:  $\alpha/\beta$  Estimates by Age Cutoffs

**Notes:** This figure shows the robustness of estimated coefficients on caste group dummies for the  $\alpha$  and  $\beta$  regressions across in Equation 3 by age cutoff for NFHS 4 and NFHS 5 data. The x axis represents the age cutoff in months. The left panel presents the unconditional estimates for birth length  $(\hat{\alpha})$ . The right panel presents the unconditional estimates for the rate of loss  $(\hat{\beta})$ . The results are weighted by numbers of individuals in each state-caste-urban cell and clustered at state-urban level.

# F Oaxaca Blinder Decompositions

Table A.4: Explained in Percentage for Blinder-Oaxaca Decomposition

		All		En	Endowment			Private			Public		
	(1)	(2)	(3)	$\overline{(4)}$	(5)	(6)	(7)	(8)	(9)	$\overline{(10)}$	(11)	(12)	
	SC	ST	OBC	SC	ST	OBC	SC	ST	OBC	SC	ST	OBC	
	mean	mean	mean	mean	mean	mean	mean	mean	mean	mean	mean	mean	
Child Age $= 6$ m	100.08	83.12	118.08	59.45	52.69	66.51	24.62	8.39	2.10	16.02	22.04	49.47	
Child Age $= 12m$	57.61	62.67	39.41	40.89	40.23	31.83	22.33	28.90	18.37	-5.61	-6.46	-10.79	
Child Age $= 18$ m	40.77	55.66	33.18	30.52	35.92	30.57	23.98	41.69	25.11	-13.73	-21.95	-22.50	
Child Age = $24$ m	70.44	59.59	83.35	30.25	29.39	28.09	36.03	36.75	47.71	4.16	-6.55	7.54	
Child Age $= 30$ m													
Child Age $= 36$ m	66.59	46.00	64.36	37.18	35.74	34.71	20.69	17.67	14.55	8.72	-7.41	15.11	
Child Age $= 42$ m	77.08	92.93	92.72	30.89	34.85	28.06	41.20	59.11	45.95	5.00	-1.03	18.71	
Child Age $= 48$ m	85.04	77.80	85.06	32.09	32.50	30.10	48.35	52.28	44.24	4.60	-6.97	10.72	
Child Age $= 54$ m	75.28	86.28	69.80	48.16	54.01	43.12	28.01	25.84	23.70	-0.89	6.43	2.98	
Child Age $= 60$ m	87.66	75.81	82.35	28.84	26.38	28.73	55.75	47.89	47.67	3.07	1.54	5.96	
Total	73.27	72.32	73.69	37.36	37.37	35.36	35.73	37.99	32.16	0.18	-3.04	6.17	

This table shows the results of Blinder-Oaxaca Decomposition in terms of explained in percentage. Child age is measures in months.

#### G HAZ differences between Muslim & UC children

Figure A.2 summarizes the mean HAZ across child age in months for Muslim children and upper caste children from the NFHS-4 data. Muslim children are, on average, born smaller than upper caste children and grow at a slower rate. In the first 6 months, UC children seem to recover rapidly.

In Figure A.3, the top and bottom panel shows regression estimates from the unconditional and conditional regression models. Each point estimate in Figure A.3 is the coefficient of Muslim children relative to upper caste children (UC). In the unconditional model, Muslim children are around 0.2 sd smaller than UC children at birth. These differences increase to around 0.45 sd by age 5. In the bottom panel, religion gap estimates lower after controlling for covariates related to the health endowment, private investment, and public investment. There are no differences in the first 6 months and these differences increase to 0.3 sd in the first 12 months. These changes support the issue of selective mortality that UC children face as discussed in Bhalotra et al. (2010). By age 2, Muslim children are around 0.1 sd shorter and this gap remains a constant over the rest of their age.

Figure A.4 shows the Blinder-Oaxaca decomposition results explained in percentage as described in Equation 4 and Equation 5 for Muslim children when compared to UC children. In the top left panel, we see that more than 50% of the religion gaps in birth length can be explained by covariates. One third of the height differences between Muslim children and UC children can be explained by their endowment covariates. These shares are decreasing over the child's age. In the bottom left panel, around 80% of the differences at birth can be explained by differences in private investment variables. These differences decrease by 12 months and then increase by age. By age 5, around two thirds of the differences can be explained by differences in private investment variables across groups. Public health variables explain almost no share of the differences.

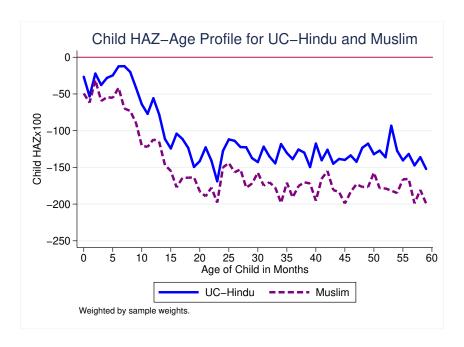


Figure A.2: Child HAZ for UC Hindu and Muslim **Notes:** This figure presents child HAZ score by religion (UC-Hindus and Muslims). The x-axis represents age in months and the y-axis is the weighted mean HAZ. The results are weighted by survey weights.

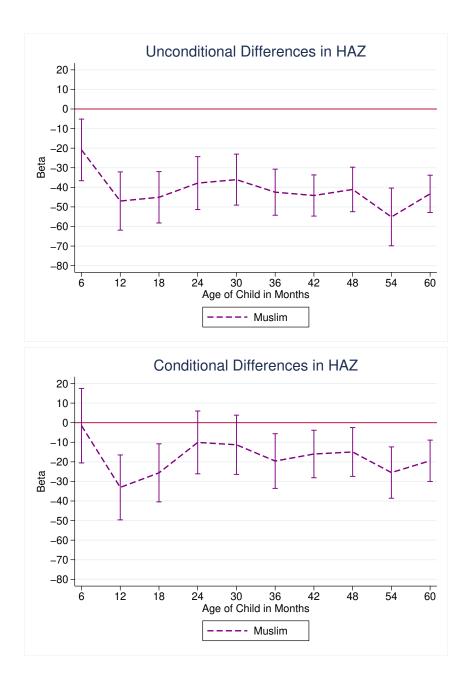


Figure A.3: Regression Estimates (UC Hindu vs. Muslims) **Notes:** This figure presents regression estimates for both unconditional and conditional regressions in Equation 1, with non-UC Hindus excluded and Muslim children comprising the group of interest. The y-axis is the coefficient estimates (and 95% confidence intervals) on the caste-group variable, and the x-axis separates the estimates into 6-month age-bins. The top panel presents regression estimates from the unconditional model. In the bottom panel, the regression (conditional) estimates include all controls related to endowment, private investment, and public health. The results are weighted by survey weights and clustered at PSU level.

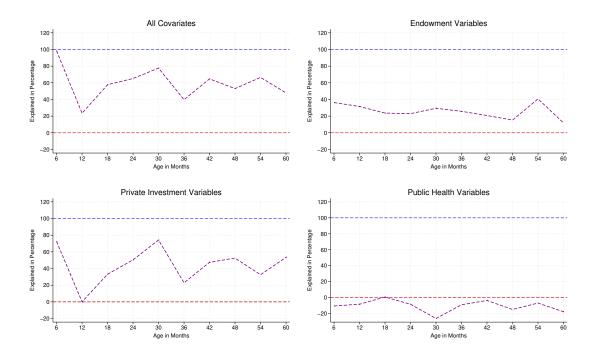


Figure A.4: Blinder-Oaxaca Decomposition Results: Explained in Percentage (UC Hindu vs. Muslims)

Notes: This figure presents Blinder-Oaxaca decomposition results for Muslim children relative to UC-Hindu children. Child age measured in 6-month age groups is on the x-axis and the y-axis is the percent of the religion gap that can be explained by model covariates. The top left panel presents the percent of the HAZ gap that is explained when all control variables are included. The top right panel is the the percent of the HAZ gap explained by endowment variables. The bottom left panel depicts the percent of the HAZ gap explained by the private investment variables. The bottom right panel presents the percent HAZ gap that is explained in percentage by public health variables.

# H Alpha / Beta (AB) Estimates: Additional Analyses

## H.1 AB Estimates By Gender

Table A.5: Rate of HAZ Loss and Caste (NFHS-4): Girls

	(1)	(2)	(3)	(4)	(5)	(6)
	$\alpha$	$\alpha(\mid X)$	$\beta$	$\beta(\mid X)$	$\beta(\mid \alpha)$	$\beta(\mid X,\alpha)$
	b/se	b/se	b/se	b/se	b/se	b/se
SC	-51.15***	26.27	-2.03*	-2.34	-4.78***	-0.84
	(17.95)	(36.08)	(1.12)	(2.44)	(0.71)	(0.83)
ST	-70.97***	18.62	-0.40	-2.73	-4.22***	-1.67*
	(20.62)	(34.84)	(1.03)	(2.25)	(0.61)	(0.85)
OBC	-48.57***	16.40	-0.34	-1.52	-2.95***	-0.59
	(14.03)	(30.53)	(0.75)	(1.91)	(0.66)	(0.77)
Mean	-32.0	-32.0	-8.0	-8.0	-8.0	-8.0
R Square	0.04	0.31	0.01	0.26	0.70	0.82
Weighted N	10576	10576	10576	10576	10576	10576
Real N	339	339	339	339	339	339

The results are weighted by numbers of individuals in each state-caste-urban cell and clustered at state-urban level. The covariates used include endowment, private investment, and public health variables. The state-urban fixed effects are included in the public health variables. Age Cutoff = Months. p-values: \*0.10, \*\*0.05, \*\*\*0.01.

Table A.6: Rate of HAZ Loss and Caste (NFHS-4): Boys

	(1)	(2)	(3)	(4)	(5)	(6)
	$\alpha$	$\alpha(\mid X)$	$\beta$	$\beta(\mid X)$	$\beta(\mid \alpha)$	$\beta(\mid X, \alpha)$
	b/se	b/se	b/se	b/se	b/se	b/se
$\overline{SC}$	-51.35*	-0.80	-2.32	-0.95	-5.23***	-1.00
	(25.69)	(23.76)	(1.67)	(1.51)	(0.55)	(0.62)
ST	-84.86***	-34.72	-0.40	1.19	-5.20***	-0.85
	(22.67)	(32.89)	(1.54)	(1.83)	(0.53)	(0.80)
OBC	-32.52	4.95	-1.30	-0.54	-3.14***	-0.24
	(19.24)	(23.64)	(1.37)	(1.29)	(0.43)	(0.67)
Mean	-53.4	-53.4	-7.8	-7.8	-7.8	-7.8
R Square	0.08	0.35	0.02	0.28	0.72	0.83
Weighted N	12817	12817	12817	12817	12817	12817
Real N	407	407	407	407	407	407

The results are weighted by numbers of individuals in each state-caste-urban cell and clustered at state-urban level. The covariates used include endowment, private investment, and public health variables. The state-urban fixed effects are included in the public health variables. Age Cutoff = Months. p-values: \*0.10, \*\*0.05, \*\*\*0.01.

## H.2 AB Estimates By Location

Table A.7: Rate of HAZ Loss and Caste (NFHS-4): Rural

	(1)	(2)	(3)	(4)	(5)	(6)
	$\alpha$	$\alpha(\mid X)$	$\beta$	$\beta( X)$	$\beta(\mid \alpha)$	$\beta(\mid X, \alpha)$
	b/se	b/se	b/se	b/se	b/se	b/se
SC	-49.32***	-9.21	-1.06	0.10	-3.64***	-0.43
	(10.77)	(14.09)	(0.67)	(0.91)	(0.44)	(0.37)
ST	-56.20***	-11.34	-0.51	-0.49	-3.45***	-1.15***
	(16.10)	(17.33)	(0.94)	(1.07)	(0.54)	(0.37)
OBC	-30.19***	-1.80	-0.63	-0.17	-2.21***	-0.28
	(9.64)	(11.56)	(0.65)	(0.73)	(0.40)	(0.22)
Mean	-38.3	-38.3	-8.0	-8.0	-8.0	-8.0
R Square	0.04	0.25	0.00	0.16	0.68	0.80
Weighted N	33993	33993	33993	33993	33993	33993
Real N	790	790	790	790	790	790

The results are weighted by numbers of individuals in each state-caste-urban cell and clustered at state-urban level. The covariates used include endowment, private investment, and public health variables. The state-urban fixed effects are included in the public health variables. Age Cutoff = Months. p-values: \* 0.10, \*\* 0.05, \*\*\* 0.01.

Table A.8: Rate of HAZ Loss and Caste (NFHS-4): Urban

	(1)	(2)	(3)	(4)	(5)	(6)
	$\alpha$	$\alpha(\mid X)$	$\beta$	$\beta(\mid X)$	$\beta(\mid \alpha)$	$\beta(\mid X, \alpha)$
	b/se	b/se	b/se	b/se	b/se	b/se
SC	-18.77	-8.02	-3.11*	-1.75	-4.10***	-2.17**
	(20.39)	(23.74)	(1.51)	(1.81)	(0.60)	(1.04)
ST	67.26	114.18	-5.97*	-5.55	-2.45***	0.30
	(69.47)	(88.62)	(3.23)	(3.68)	(0.77)	(1.95)
OBC	-35.67**	-39.92*	-0.11	1.06	-1.98***	-0.99
	(16.61)	(21.14)	(1.29)	(1.88)	(0.60)	(1.16)
Mean	-28.5	-28.5	-6.2	-6.2	-6.2	-6.2
R Square	0.04	0.50	0.05	0.52	0.76	0.87
Weighted N	3966	3966	3966	3966	3966	3966
Real N	130	130	130	130	130	130

The results are weighted by numbers of individuals in each state-caste-urban cell and clustered at state-urban level. The covariates used include endowment, private investment, and public health variables. The state-urban fixed effects are included in the public health variables. Age Cutoff = Months. p-values: \*0.10, \*\*0.05, \*\*\*0.01.

## H.3 AB Estimates By region

Table A.9: Rate of HAZ Loss and Caste (NFHS-4): Low\_UC

	(1)	(2)	(3)	(4)	(5)	(6)
	$\alpha$	$\alpha(\mid X)$	$\beta$	$\beta(\mid X)$	$\beta(\mid \alpha)$	$\beta(\mid X,\alpha)$
	b/se	b/se	b/se	b/se	b/se	b/se
$\overline{SC}$	-44.03***	-20.59	-1.38	0.27	-3.69***	-0.89**
	(12.03)	(12.16)	(0.89)	(0.91)	(0.49)	(0.37)
ST	-54.07***	-25.61	-0.40	0.07	-3.24***	-1.37***
	(18.31)	(15.44)	(1.30)	(1.05)	(0.70)	(0.41)
OBC	-24.42**	-14.13	-0.52	0.31	-1.80***	-0.49
	(10.95)	(10.27)	(0.89)	(0.75)	(0.46)	(0.29)
Mean	-42.4	-42.4	-7.9	-7.9	-7.9	-7.9
R Square	0.04	0.23	0.01	0.18	0.68	0.80
Weighted N	32358	32358	32358	32358	32358	32358
Real N	750	750	750	750	750	750

The results are weighted by numbers of individuals in each state-caste-urban cell and clustered at state-urban level. The covariates used include endowment, private investment, and public health variables. The state-urban fixed effects are included in the public health variables. Age Cutoff = Months. p-values: \* 0.10, \*\* 0.05, \*\*\* 0.01.

Table A.10: Rate of HAZ Loss and Caste (NFHS-4): High\_UC

	(1)	(2)	(3)	(4)	(5)	(6)
	$\alpha$	$\alpha(\mid X)$	$\beta$	$\beta( X)$	$\beta( \alpha)$	$\beta(\mid \mathrm{X},\!lpha)$
	b/se	b/se	b/se	b/se	b/se	b/se
SC	-27.44	25.34	-0.71	-0.96	-2.22***	0.61
	(17.04)	(23.49)	(1.27)	(1.57)	(0.42)	(0.73)
ST	33.73	8.87	-4.96***	-1.06	-3.09**	-0.51
	(32.25)	(30.72)	(1.07)	(2.01)	(1.41)	(1.10)
OBC	-21.96	0.70	-0.14	-1.48	-1.36**	-1.43***
	(14.62)	(15.10)	(0.82)	(1.17)	(0.56)	(0.45)
Mean	-7.5	-7.5	-7.4	-7.4	-7.4	-7.4
R Square	0.04	0.39	0.05	0.33	0.73	0.88
Weighted N	5601	5601	5601	5601	5601	5601
Real N	170	170	170	170	170	170

The results are weighted by numbers of individuals in each state-caste-urban cell and clustered at state-urban level. The covariates used include endowment, private investment, and public health variables. The state-urban fixed effects are included in the public health variables. Age Cutoff = Months. p-values: \*0.10, \*\*0.05, \*\*\*0.01.

# I Oaxaca Blinder (OB) Decompositions: Additional Analyses

### I.1 OB Decompositions By Gender

Figure A.5 shows the Blinder-Oaxaca decomposition results for girls. In the top left panel, we see that more than 80% of the share gaps among lower and upper caste children can be explained by covariates. The caste gaps among girls is almost entirely explained at birth by differences in endowments but reduces to around 30% by age 3 and onwards. For girls, private investment covariates explain 60% of caste gaps and the rest is explained by differences in public investments. These trends are similar among the different caste groups.

Figure A.6 shows the Blinder-Oaxaca decomposition results for boys. In the top left panel, we see that the explanatory power decreases in the first 18 months and then increases to more than 80%, varying across the cohorts. Up to 60% of the caste gaps among boys is explained by differences in endowments at birth and this reduces to around 30% by age 3 and onwards. Private investments covariates explain 20% of differences at birth, increasing to 60% by age 3. Nearly the entire caste gap in birth length for boys is explained by differences in public investments. After that, these differences matter less as in the aggregate results and these trends are similar among different caste groups.

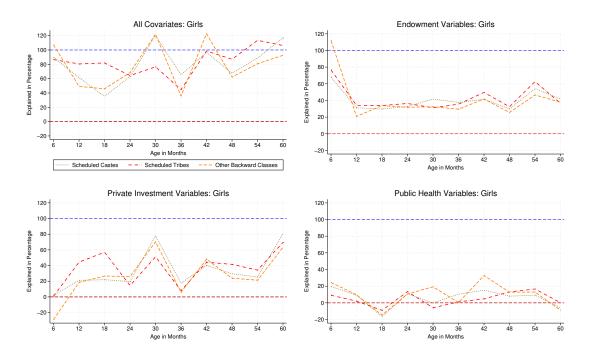


Figure A.5: Blinder-Oaxaca Decomposition Results: Explained in Percentage (Girls) **Notes:** This figure presents Blinder-Oaxaca decomposition results. Results are expressed in percentage of the unconditional caste gap among children who live in regions (states) among girls. Child age measured in 6-month age groups is on the x-axis. The top left panel presents the percent of the HAZ gap that is explained when all control variables are included. The top right panel is the the percent of the HAZ gap explained by endowment variables. The bottom left panel depicts the percent of the HAZ gap explained by the private investment variables. The bottom right panel presents the percent HAZ gap that is explained in percentage by public health variables.

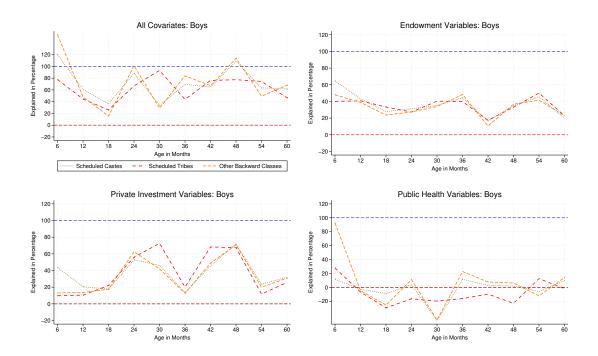


Figure A.6: Blinder-Oaxaca Decomposition Results: Explained in Percentage (Boys) **Notes:** This figure presents Blinder-Oaxaca decomposition results. Results are expressed in percentage of the unconditional caste gap among children who live in regions (states) among boys. Child age is measured in 6 month bins. The top left panel presents the percent of the HAZ gap that is explained when all control variables are included. The top right panel is the the percent of the HAZ gap explained by endowment variables. The bottom left panel depicts the percent of the HAZ gap explained by the private investment variables. The bottom right panel presents the percent HAZ gap that is explained in percentage by public health variables.

#### I.2 OB Decompositions By Location

Figure A.7 shows the Blinder-Oaxaca decomposition results for children living in rural areas. In the top left panel, we see that more than 80% of the caste gaps in HAZ among lower and upper caste children can be explained by covariates. In rural areas, the caste gaps are almost entirely explained at birth and see large drop in share explained at 18 months before it rises again. By age 5, almost the entire gap is explained by covariates. The endowment, investment, and public health variables follows the patterns of aggregate results. The share explained for endowment covariates starts high and remains stable, for private covariates increases after birth, and for public health variables remains around zero. Around 40% of the height differences at birth can be explained by endowment covariates when low caste children live in areas with lower shares of upper caste (top-right panel). These shares are slightly decreasing over the child's age. Endowment differences explain around 30% of differences by age 5. In the bottom left panel, less than 20% of the differences at birth can be explained by differences in private investment variables for ST children. Among SC and OBC children about 30% and for OBCs 20% of the HAZ differences can be explained by private investments. These differences increase and by age 5 explain around around 60% of the differences. In rural areas, public health variables explain around 20% of the differences at birth and up to age 5, with some years being irrelevant (bottom-right panel).

Figure A.8 shows the Blinder-Oaxaca decomposition results for children in urban areas. These estimates are noisy since less than 30% of the sample qualifies as part of the definition of being urban. In the top left panel, we see that all the gaps can be explained by covariates. Among OBC children (orange, dashed line), differences in endowment variables explain around 50% of the differences. This falls to 30% by age 5. Private investments play a large role in explaining differences in the first two years while public investments explain the differences between ages 2 and 4. Among ST children (red, dashed-dotted lines), endowment differences explain 40-60% of the differences over the child's age with the falling to 30% by age 5. Private investments explain differences when endowments matter less and public health variables do not explain differences for ST children HAZ gaps. SC children (grey dotted lines), follow similar patterns as the ST children with the difference that between years 3 and 4, public health variables explain some of differences HAZ gaps for SC children.

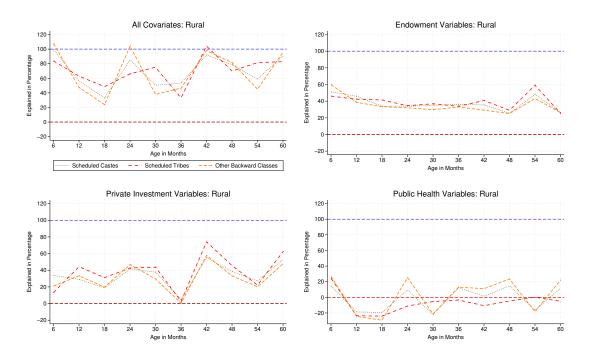


Figure A.7: Blinder-Oaxaca Decomposition Results: Explained in Percentage (Rural) Notes: This figure presents Blinder-Oaxaca decomposition results. Results are expressed in percentage of the unconditional caste gap among children who live in regions (states) among rural children. Child age measured in 6-month age groups is on the x-axis. The top left panel presents the percent of the HAZ gap that is explained when all control variables are included. The top right panel is the the percent of the HAZ gap explained by endowment variables. The bottom left panel depicts the percent of the HAZ gap explained by the private investment variables. The bottom right panel presents the percent HAZ gap that is explained in percentage by public health variables.

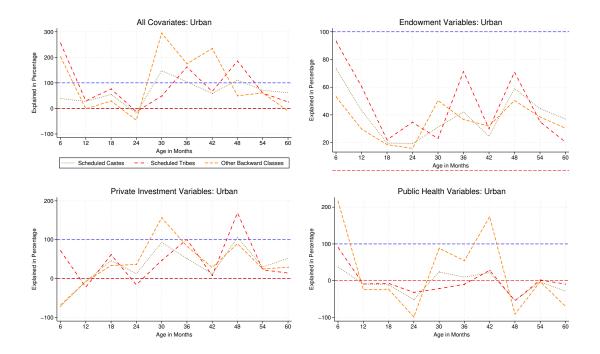


Figure A.8: Blinder-Oaxaca Decomposition Results: Explained in Percentage (Urban) Notes: This figure presents Blinder-Oaxaca decomposition results. Results are expressed in percentage of the unconditional caste gap among children who live in regions (states) among gurban children. Child age is measured in 6 month bins. The top left panel presents the percent of the HAZ gap that is explained when all control variables are included. The top right panel is the the percent of the HAZ gap explained by endowment variables. The bottom left panel depicts the percent of the HAZ gap explained by the private investment variables. The bottom right panel presents the percent HAZ gap that is explained in percentage by public health variables.

#### I.3 OB Decompositions By region

The median share of UC households across the country is around 15%. Using this figure, we divide the sample into states with a high share of upper caste ( $\geq 15\%$ ) and low share of upper caste (<15%).

Figure A.9 shows the Blinder-Oaxaca decomposition results for children living in areas with low shares of UC households. In the top left panel, we see that the share of caste gaps among lower and upper caste children that can be explained by covariates lies above 80%. This briefly decreases till age 3 after which all the differences can be explained by covariates in the model. Around 40% of the height differences at birth can be explained by endowment covariates when low caste children live in areas with lower shares of upper caste (top-right panel). These shares are slightly decreasing over the child's age and by age 5, endowment differences can explain around 30% of HAZ caste gaps. In the bottom left panel, about 20% of the differences at birth can be explained by differences in private investment variables for ST children. For SC and OBC children at birth, the explained share is about 50% and 35%, respectively. These differences increase and by age 5 explain around around 60% of the differences. In areas with low shares of UC households, public health variables explain almost no share of the differences in HAZafter birth (bottom-right panel).

Figure A.10 shows the Blinder-Oaxaca decomposition results explained in percentage for children living in regions with high shares of UC households. These estimates are noisy since 20% of the sample qualifies as part of the definition of high UC share states. A discerning reader, similar in the previous section, may take objection to placing weight on the interpretation of these share due to the small sample sizes on which these are estimated. In the top left panel, we see that all the share gaps can be explained by covariates. Hence we avoid presenting a more detailed analysis.

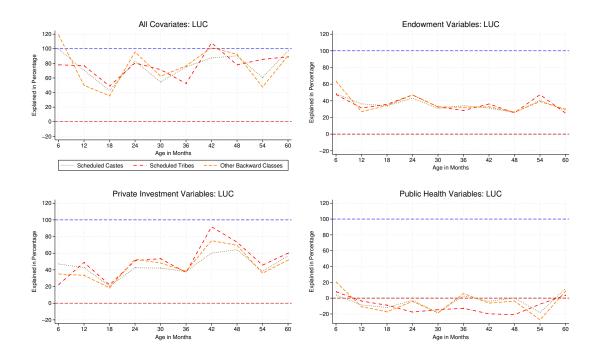


Figure A.9: Blinder-Oaxaca Decomposition Results: Explained in Percentage (Low Share of Upper Caste by State)

Notes: This figure presents Blinder-Oaxaca decomposition results. Results are expressed in percentage of the unconditional caste gap among children who live in regions (states) with a low share of UC children. Child age is measured in 6 month bins. The top left panel presents the percent of the HAZ gap that is explained when all control variables are included. The top right panel is the the percent of the HAZ gap explained by endowment variables. The bottom left panel depicts the percent of the HAZ gap explained by the private investment variables. The bottom right panel presents the percent HAZ gap that is explained in percentage by public health variables.

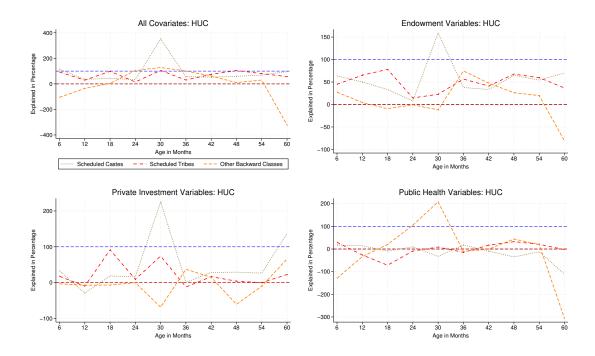


Figure A.10: Blinder-Oaxaca Decomposition Results: Explained in Percentage (High Share of Upper Caste by State)

Notes: This figure presents Blinder-Oaxaca decomposition results. Results are expressed in percentage of the unconditional caste gap among children who live in regions (states) with a high share of UC children. Child age measured in 6-month age groups is on the x-axis. The top left panel presents the percent of the HAZ gap that is explained when all control variables are included. The top right panel is the the percent of the HAZ gap explained by endowment variables. The bottom left panel depicts the percent of the HAZ gap explained by the private investment variables. The bottom right panel presents the percent HAZ gap that is explained in percentage by public health variables.