Health knowledge arguably is one of the main inputs in the production of health outcomes. In particular, marginalized groups in society can be expected to benefit even more from improvements in their health knowledge than groups that are already (relatively) well off.

While previous studies have established important correlates of health knowledge such as education and income, much less is known about health knowledge and the intersection of marginalized vs. non-marginalized groups—such as the caste and religious system in India, Bangladesh, or Nepal—and the resources these groups have available. In particular, the access to health networks has received little to no attention in previous research.

This paper addresses these issues by exploring the relationship between health knowledge (specifically pertaining to the treatment of children with diarrhea) and caste and religion and a number of important mediating factors in India, estimating causal impacts through a combination of instrumental variables and matching methods.

The results indicate the presence of a substantively large caste and religion health knowledge gap in the context of proper treatment of diarrhea in children favoring high caste women relative to low caste and Muslim women. All groups have greater health knowledge in urban than in rural areas, but the gap is even wider in urban than in rural areas.

Additionally, high caste women benefit more in terms of health knowledge from having health networks than women from other groups; except if the health person is of the same caste/religion, in which case low caste and Muslim women sometimes benefit by as much as double that of high caste women, or even more.

It may therefore not be enough to give individuals access to high-quality networks if caste and religion-related gaps in health knowledge are to be reduced; such networks also have to be homophilous, to have the maximum effect.

Peeking into the “black box” of the underlying mechanism of these results, improved treatment from and confidence in the medical profession is found to be an important part of the mechanism linking social network formation with improved health knowledge about the treatment of diarrhea in children.