Catch up, Mismatch and Learning: Some Evidence from India

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Affirmative action (AA) policies used to advance disadvantaged.
Intense debate over impact of AA on intended beneficiaries.
Do college admission preferences help minorities?
Compared to the US, India offers a better environment to measure effect of preferences.
In Indian elite educational institutions (EEI):

- Transparent admission criteria, extreme preferences, rigid course structure.
- Reservations: SC/ST take the JEE with general students but 15% and 7.5% of the seats in each major are reserved for SC and ST students, respectively.
- Gap between SC/ST and their non minority peers is greater in selective majors.
- Extreme preferences: admission cut-off scores of 50% for SC/ST vs 97% non SC/ST.
453 students graduating in 2008.

Three sources of data:

- Institutional records: GPA and credits by semester, gender, caste, age, and major.
- Exit survey: schooling, parents’ education, family income, first wage after graduation, among others.
- JEE applicant data 2009: 384,977 applicants for 8295 seats
Questions

- Targeting
  - Are quotas working?
  - Are they consistent with helping underprivileged get into college?

- Catch Up
  - Are minority students catching up?

- Mismatch
  - Do minority students gain from going to selective majors?
    - Wages?
    - Stress Levels?
Targeting

- Over 90% of SC/ST applicants would not have gotten in without reservations.
- Minority students come from poorer districts compared to those they displace.
Arcidiacono et al. (2011): Evolution of GPA over time is not enough to measure catch up.

- Variance of grades within a major changes over time.
- Grading criteria across majors may differ.

We look at final performance by initial percentiles within a major.

For example, if SC/ST start up in the 20th percentile and end up in the 10th percentile we can say they are falling behind.
Flatter curves for SC/ST (falling behind), more so in selective majors.
**Problem: Selection**

- Better students go to better majors
- Higher wages could be due to selection and not a major choice

**Mean Wage Differences in Dollars between Selective and Non-Selective Majors**

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<tr>
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<th>Mean Differences</th>
<th>Controlling for Selection</th>
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<tbody>
<tr>
<td>GE</td>
<td>3600***</td>
<td>3130</td>
</tr>
<tr>
<td>SC/ST</td>
<td>1400*</td>
<td>-1790**</td>
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In both GE and SC/ST, people in selective majors are more stressed out.

SC/ST more stressed because of selective majors and less so for GE.
Evidence on minority students falling behind, labor market mismatch, and social mismatch.

Suggests such extreme preferences may not even be in the interest of SC/ST: lower wages and more stress.

However, our work on Turkey brings hope: the disadvantaged learn more (and faster) when they are allowed to retake college entrance exam.