

# The Institution of Merit: A Study of Chinese College Admissions\*

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October 20, 2021

## Abstract

This paper argues that the allocation of places in the Chinese college market is guided by a competition between universities for high-test-score applicants. Using a unique data set of admissions quotas and cutoffs, we estimate the provincial preferences of a group of top Chinese universities. We find that universities in our sample have remarkably similar preferences. Regardless of rank and location, they consistently favor students from richer provinces. The preference explains why applicants from richer provinces are more likely to be admitted by a top university in China. However, contrary to popular beliefs, there is little evidence that top Chinese universities favor home-province applicants. Rather, applicants prefer universities closer to home.

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\*For helpful comments, we thank Sambuddha Ghosh, Xican Xi, Ruli Xiao, Daniel Xu, Jin Yan, as well as participants of various seminars and conferences. We are grateful to Deng Pan and Wenzhang Zhang for sharing data on the distribution of test scores. Guangrui Chen, Hao Chen, Kaiyang Chen, Yunyun Chu, Qingyuan Dong, Hanzhi Huang, Wan Li, Sijie Lin, Xinyi Long, Xinshan Ren, Yangfan Sun, Feiluona Tu'erhong, Juan Peng, Huijie Wang, Haoyang Wu, Yuhe Wu, Shijie Xu, Xifan Xue, Qingyuan Zhang, Xueqing Zhang, Dezhi Zhu, Yushuo Zhu, Liuyi Liu, Zibin Xu helped us collect data. The research is supported by the Research Grants Council of Hong Kong (GRF no. 14623518) and the National Natural Science Foundation of China (Grant no. 72003036). Part of the research was conducted when Chan was the CUHK-CASBS fellow at the Center for Advanced Study in Behavioral Sciences, Stanford University. Chan thanks the Center for its hospitality.

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