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

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Abstract

This paper argues that the allocation of places in the Chinese college market is guided by a competition between universities for highest-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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