

---

# **ELITISM AND MERITOCRACY IN DEVELOPING COUNTRIES**

---

## **Selection Policies for Higher Education**

**Robert Klitgaard**

The Johns Hopkins University Press  
Baltimore and London

---

# Contents

---

<b>ACKNOWLEDGMENTS</b>	xi
<b>INTRODUCTION</b>	1
How the Book Is Organized	3
The Approach of This Book	6
<b>1. THE POLICY PROBLEMS</b>	
<b>The Case of the People's Republic of China</b>	9
The History of Examinations in China	10
The Communists Take Over	13
Swings in Priorities	15
Changes with the Cultural Revolution	16
Bringing Back Entrance Examinations	21
Why Change?	25
<b>2. SELECTION POLICIES IN DEVELOPING COUNTRIES</b>	33
Merit and Markets	35
How Important Is the Selection Problem?	36
The Efficiency of Selection	39
The Representation of Groups	42
Incentives Created by Admissions Systems	45
Policies Used for Selection	46
Values and Facts	48
<b>3. THE EFFICIENCY OF SELECTION</b>	53
Approaches to Efficiency in Education	54
Measures and Objectives	55
Assessing Predictive Power in the Context of Selection	58
Assessing Efficiency of Selection	61
Looking at the Costs of Selection Systems	63

Lessons about the Efficiency of Selection	65
Appendix: The Usefulness of Improved Selection	67
<b>4. REPRESENTATION AND BIAS</b>	
<b>The Case of the Philippines</b>	70
Higher Education in the Philippines	71
The Correlates of Scholastic Aptitude	72
How the U.P. Admissions System Works	75
Adverse Impact	77
Assessing Bias	80
Dealing with Predictive Bias	86
The Trade-off between Efficiency and Representation	88
Lessons from the Philippines Example	92
Concluding Observations on Representation and Bias	94
<b>5. THE INCENTIVES CREATED BY SELECTION POLICIES</b>	96
Effects on High-School Students and Curricula	97
Incentive Effects in the People's Republic of China	99
The Negative Effects of Discretion in the Philippines	101
Economic Analysis of Incentive Effects	104
A Qualitative Analysis of Incentives	107
<b>6. INTEGRATING THE ANALYSIS</b>	
<b>The Case of Indonesia</b>	110
The Problem	110
Studies of Academic Prediction	113
The Efficiency of Alternative Selection Policies	115
The Case of the Outer-Islanders	118
The Case of the Chinese Quota	121
Bias against Women	124
Incentive Effects	125
A Summary of the Policy Analysis	127
Appendix: Statistical Analysis of Academic Prediction in Indonesia	129
<b>7. CONCLUSIONS AND EXTENSIONS</b>	135
Choosing Elites in China	135
University Admissions around the Globe	138

**CONTENTS****ix**

Analyzing the Efficiency of Selection	140
Representation	145
The Incentive Effects of Selection Policies	150
Implications for Further Research on University Admissions	153
Extensions	156
<b>NOTES</b>	161
<b>INDEX</b>	185
<b>BOOKS IN THE SERIES</b>	191