

M.A. Winter Semester

ECONOMICS

Course 904 – Economics of Discrimination

(Admissions of 1999 and onwards)

Time : 2-1/2 hours

Maximum Marks : 70

(Write your Roll No. on the top of immediately on receipt of this question paper).

Answer any three questions. All questions carry equal marks.

1. What is the evidence from existing empirical assessments of the affirmative action (AA) programme in India targeted at the Scheduled Castes and Tribes? In light of the costs and benefits of the quota system, discuss the alternative policy responses to the increased demand for quotas from groups which have not been included in the AA programme so far?
2. What is meant by "effective discrimination"? Show how "complete segregation by the minority does not avoid the bad economic effects of discrimination, but only multiplies them".
3. Demonstrate how the Theil Index meets each of the desirable properties of inequality measures. Between the decomposed versions of the Gini coefficient and the Theil index, which, according to you, is more suitable for analysing inter-group inequalities? (In your answer, include a discussion of the various components of the decomposed versions of both indices).
4. a) Which aspects of discrimination are better captured by audit and correspondence studies that econometric studies are not able to capture?
b) What is the evidence on caste discrimination in contemporary formal sector, urban labour markets in India? (Include evidence from all the studies that you are familiar with).
5. "Statistical discrimination occurs because of economic incentives and taste-based discrimination occurs despite them". Do you agree? In your view, is gender discrimination an example of statistical discrimination or taste-based discrimination?