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The Spillover Effects of Affirmative Action on Competitiveness and Unethical Behavior

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Abstract: We conduct an artefactual field experiment to examine various spillover effects of Affirmative Action policies in the context of castes in India. We test *a*) if individuals who enter tournaments in the presence of an Affirmative Action policy remain competitive after the policy has been removed, and *b*) whether having been exposed to the policy generates unethical behavior and spite against subjects from the category who has benefited from the policy. We find that this policy substantially increases the beliefs on being a winner and the competitiveness of the backward caste members. However, we find no spillover effect on confidence and competitiveness once Affirmative Action is withdrawn. Furthermore, the discrimination by the dominant category against the backward category is not significantly aggravated by Affirmative Action, except when individuals learn that they have lost the previous competition.

JEL codes: C91, J16, J24, J31, M52

Keywords: Affirmative Action, castes, competitiveness, unethical behavior, field experiment

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