

# Attentional Role of Quota Implementation\*

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## Abstract

This paper introduces a new role of quotas, e.g., labor market quotas: the attentional role. We study the effect of quota implementation on the attention allocation strategy of a rationally inattentive (RI) agent. Our main result is that an RI agent who is forced to fulfill a quota never hires the candidates without acquiring information about them, unlike an unrestricted RI agent who in some cases bases her decision on prior belief only. We also show that in our context quotas are equivalent to other types of affirmative policies such as subsidies and blind resume policy. We show how our results can be used to set a quota level that increases the expected value of the chosen candidate and also decreases statistical discrimination and discrimination in terms of how much attention is paid to each applicant. At the same time, quota implementation could be destructive if the social planner has imperfect information about the parameters of the model.

**Keywords:** discrete choice, rational inattention, multinomial logit, quotas  
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