



PHILOSOPHY OF ECONOMICS & POLITICS

LECTURE 11: MERITOCRACY

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Today's agenda

- * Conservatives often **defend the existing (capitalist) order** by pointing out that it is 'meritocratic' or '**merit based**'
- * Today we'll be looking at some points of view according to which:
 - * **A fully meritocratic society would be dystopian;**
 - * **Successful people can hardly justify their privileges on the basis of merit**
- * Then we'll look at some consequences for the **future of democracy**
- * Finally, I'll say a few words about the **formative essays** and feedback

Capitalism, a merit-based system?

- * One of the perceived deficiencies of capitalism is its association with **significant inequalities** (material and otherwise)
- * Conservatives sometimes defend these by pointing out that '**capitalism gives you what you deserve**'
- * Two examples...
- * Today we'll be looking at three ***critical* takes on 'meritocracy'**

What is the 'meritocracy'?

- * Literally: the '**rule of those who deserve**'
- * Better: **social benefits** — e.g., wealth, power, prestige — **are to be distributed in proportion to individuals' talents and efforts**
- * According to Michael Young:
 - * Distribution of social benefits **strictly according to IQ**
 - * He imagined that:
 - * There were **very reliable tests to measure IQ** (eventually from very early age!)
 - * **IQ was predictive of 'social contribution'** (i.e., smarter people would contribute more to social product)
 - * To fulfil their potential, **smarter people had to be educated better**

Education before the rise of the meritocracy

- * *The Rise of the Meritocracy* (1958) is a satire, written from the point of view of a fictional narrator who lives in 2034 and looks back
- * Before it was organised according to strict meritocratic principles (i.e., at the time Young was writing!), **(British) education was characterised by:**
 - * (relatively early) **segregation;**
 - * **school fees** for secondary schools;
 - * various channels through which **wealthy families could ensure a good education for their offspring:** difficulty for poorer kids to pay for secondary schools; better quality of public schools; public school places for alumni or donors
- * This system came under threat **due to international competition**

Establishing a meritocratic school system

- * Important: the left (e.g., the early Labour Party) was initially a defender of the meritocracy — to ensure that members of the working classes had the same life chances as those of the upper classes ('equality of opportunity')
- * Since intelligence is to some extent genetic, intelligence was distributed similarly in the different classes; talented working-class kids should not be denied access to social goods
- * Since the aristocracy operates strongly through families, the traditional family should be weakened and the influence of schools strengthened

Establishing a meritocratic school system

- * Therefore, **secondary schooling was made compulsory**, the state **school fees were abolished** (in 1944) and generally the **quality of schooling was improved**
- * Strong economic growth after WWII was a problem because working-class children were **incentivised by high wages to leave school**; therefore '**learning wages**' were introduced
- * As (public) school fees were often paid out of wealth, **a capital tax was introduced**
- * First the focus was on improving the top of the educational hierarchy (if engineers were needed, more money was pumped into engineering degrees), later it was realised that one could not let a talent slip through the net, so **education was improved all the way down to the nursery**

Establishing a meritocratic school system

- * **Segregation** remained but was now **aided by IQ tests**
- * IQ tests first demonstrated their reliability in the army during the wars
- * IQ tests measure not necessarily ‘all-round intelligence’ but the **potential to benefit from higher education**
- * It was perceived that **IQ tests were fairer and more reliable than teacher evaluations and exams**
- * Since there might be late bloomers, the possibility of **lifetime/adult education** was introduced

Meritocracy reaches industry, too

- * Apart from **nepotism**, an important principle that characterised promotions within firms was **seniority**: higher positions and salaries were given to individuals with more experience
- * The **principle of seniority** was replaced more and more by the **principle of merit** and therefore high-IQ outsiders were recruited for top positions
- * The disadvantage of the seniority system was that **it forced a fixed and early retirement** — but why should those who are most productive leave the workforce?
- * (Again, the root source here was international competition.)
- * As lifespans increased, so did the pressure on the seniority system

The downsides of meritocracy

- * Thus, the principle of merit affected more and more segments of society until it was **universally adhered to**
- * But that led to numerous **undesirable consequences**
- * When merit competes with kinship and seniority, disadvantaged members of society are able to blame others for their lack of success; **in a pure meritocracy they can only blame themselves**
- * **Before the rise of the meritocracy socially superior individuals had respect for members of lower classes** — as it was at least possible to find talented and insightful individuals among them
- * **Workers could feel self-respect** as bosses had their positions due to nepotism

The downsides of meritocracy

- * Thus, **the gulf between the classes widened**: members of the higher and lower classes have no longer much in common
- * **The socially inferior is certain to be inferior in other ways as well — intelligence, education...: The aristocracy of birth has turned into an aristocracy of talent**
- * Thus **they lose any ambition** and focus on the physical and short-term enjoyment
- * The only reason they don't rebel is that their stupidity prevents them from realising the poverty of their situation
- * With automation, the only jobs they could work in was **personal service** (cleaners, carers...)
- * This also brought about **the downfall of the Labour movement** (as all smart workers were now members of the upper classes!) as well as the decline of Parliament

The effects on democracy

- * Christopher Lasch is worried about the **erosion of civic virtue and character** formation caused by meritocracy
- * He believes (with John Dewey, among others), that **democracy is not just a set of institutions but in addition presupposes that citizens take responsibility for their lives and develop their minds and moral characters**
- * In the absence of common standards (to judge actions and characters), tolerance becomes indifference, cultural pluralism degenerates into an aesthetic spectacle
- * But these **common standards are impossible to maintain** unless (nearly) everyone enjoys a sufficient degree workmanship, literacy, general competence
- * In a meritocracy, these are difficult to ensure for the less talented parts of the populations; instead at best **multiple standards will arise** but that means a return to aristocracy (even if there is social mobility!)

Success and luck

- * Economist Robert Frank points out that **successful people tend to emphasise hard work and talent in explaining their fate** (due to moral and psychological reasons) while de-emphasising (or suppressing) that **luck plays an important role**
- * Clearly, however, **the influence of luck is enormous:**
 - * It explains the distribution of talent and effort to begin with
 - * Holding fixed T&E, the process that determines success is chancy
- * Even in the society Young imagines, luck may play a role: suppose the IQ tests measure intelligence with 98% reliability...
- * In our society, the importance of luck is greater and it has increased recently
 - * **Winner-takes-all markets**
 - * **Higher competition**

Success and luck

- * Ignoring the influence of luck has **adverse consequences**
- * At the individual level, because **it makes people overestimate their talents**, it leads them to try things at which they have no chance to succeed
- * At the social level, **it makes successful people reluctant to support investments** necessary to sustain environments that help to spread material success around (such as health, education, infrastructure and other public goods)
- * To be born into a wealthy society is enormously lucky; but **to sustain the quality of the environment, investment in public goods is needed**
- * **A simple tax reform would do the trick:** replace progressive income taxes with a more steeply progressive consumption tax

Summary and objections

- * As Frank points out, **our society is not a pure merit-based system**
 - * IQ predicts life success, but **the association is neither universal nor linear**
 - * Exceptions include people in **entertainment** ('lip-synching boy bands') and **sports**
 - * Elsewhere you need a lot else such as good **luck** and **stamina**
- * Perhaps 'people get what they deserve' isn't a good defence of capitalism; instead, focus on **individual freedom**
- * That capitalism cannot be a purely merit-based system is demonstrated by Robert Nozick's **Wilt Chamberlain thought experiment**
- * It is also always important to justify **relative to alternatives**

Some remarks on formative essays

- * Do background research; not just module readings or lecture summaries
- * Don't follow a single source
- * Engage with arguments
- * Cite sources
- * But: don't just paraphrase secondary literature
- * Don't get lost in definitions. Only what's necessary
- * A good grade doesn't guarantee an equally good grade in the summative essay or exam!