

## Letter from America —

# Meritocracy rules

*In his latest Letter, Sir Angus shows how the benefits of meritocratic educational systems can be abused, leaving the beneficiaries with privileges reminiscent of those accruing to the inheritors of wealth of previous generations. Furthermore, a particularly insidious feature of the system is that those who fail are now blamed for lack of merit, where previously their 'accident of birth' elicited compassion.*

FOR MY GENERATION IN BRITAIN, passing exams was our route to opportunity, and meritocracy was the system that distinguished our age from earlier ages of unearned privilege. It made sense ethically, that everyone should have a chance, and it made sense economically, that the people who had good jobs were qualified to do them. I have no nostalgia for the old system, but on meritocracy itself, it is no longer easy to be so enthusiastic.

In Britain, the Butler Education Act of 1944 made it possible to go to university without money. Education helped us develop skills and reach positions closed to our parents. My father started life in the Yorkshire coal mines, with only a primary education. He somehow managed to help me win a scholarship to Fettes in Edinburgh, exam number one, so that by the time I went

to Cambridge, exam number two, it was expected of me, the normal thing to do. Others came directly from state schools, though only about seven percent of my birth cohort went to university. The culture of the old

Cambridge was often difficult. The historian, Tony Judd, who came to King's in the mid-1960s from a state school in south London, tells how the mother of the first comprehensive schoolboy at the college could not explain to people on her street where her boy had gone; Borstal was the only convincing and respectable answer. A young mathematics don at King's regularly called his parents in Walsall and was regularly told by the apologetic porter on the switchboard that the lines to Warsaw were busy. A summer research assistant was told he would have to wait for his wages until Michaelmas, and when he asked what should he do to get by, was told that he would simply have to sell some securities.

### Building meritocracy...

When I became a don and helped grade the scholarship exam for Cambridge entry, I was proud of our meritocratic procedures; we did not know the names or the candidates nor whence they came, and we were proud of our

questions, which tried to select those who could 'think like an economist,' something that could not be learned by swotting facts. When the names were revealed we were distressed, but should not have been surprised, that the top scorers all came from the same public (in America, private) school. Our attempts to build a meritocracy had been subverted by money; a recent recipient of a first-class degree in economics at Cambridge had been recruited by the school and he knew exactly what to do to give the parents their money's worth,

That meritocracy would be resisted by the guardians of privilege was something we could expect, but what we did not expect was that the meritocrats themselves would soon become the guardians.

In the US, as in Britain, universities worked to broaden

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their intake, including women, Jews, blacks, and smart kids of all backgrounds, using their endowments to support need-blind admission, and emphasizing academic merit at the expense of other characteristics such as sports and,

particularly, family background. Kingman Brewster, President of Yale from 1963 to 1977, was a key figure in the American transition. He faced down the fury of the alumni, who saw their children being excluded to make room for people who looked very different from them (though they liked the fact that their daughters could go). In the decades since, as other universities followed suit, and as time passed, the composition of the professions changed, with privilege replaced by talent in medicine, in law, in banking, and in commerce. The replacements were cleverer than those whom they replaced, which seemed like a good idea, as in many ways it was, and still is.

### ...does not eliminate elitism

The newly empowered talent set about making money, at which they were extremely successful, especially in a globalizing and technically changing world, and they opened up a larger and larger gap between themselves and those who had not passed the exams. The philoso-

pher Michael Sandel notes that the winners attribute their success to their own merit — it's a meritocracy after all — and have little sympathy for those who have not succeeded. They can come to believe that they know what is good for the less talented, that their technocratic skills replace any need for democracy. Those who make the most money — legitimately or no — get to start philanthropic foundations that try to shape others' behavior. Those who failed the exams, the 'demeritocracy', may come to doubt their own merit, or may believe that the system is rigged against them. Those who missed out on being bankers or corporate executives may have been persuaded for a while that the huge salaries of others were in the public interest, helping everyone by creating jobs, paying taxes, and inventing marvellous and sometimes life-changing goods and services. But then came the Great Recession which took away their jobs and their homes and revealed the depth of the scam.

With high inequality, every test becomes a high-stakes test, whether making tenure, becoming partner, placing at a top hospital or, most of all, getting your kids into a top university. Cheating is almost irresistible when everyone seems to be doing it. We recently saw the exposure of the college cheating scandal, where parents paid sums ranging from tens to hundreds of thousands of dollars to gain admission for their children to desirable colleges, by faking exam results, or bribing sports' coaches who are allowed to admit a few students every year. Yale (ironically) was one of the universities involved, as was the University of Southern California where (full disclosure) I have a part time position (but not on the sports coaching staff.) Top American schools still make 'legacy' admissions, kids whose parents are alumni, and the system plays an important part in their financing. But many outsiders have difficulty drawing an ethical distinction between the alumni parents and the parents who bribed the coaches, though the latter now face time in jail. Only half of American adults think that colleges are having a positive effect on the country; fifty-nine percent of Republicans — the party that Donald Trump has made his own — think they are having a negative effect.

When experts overreach, we get what Bill Easterly has aptly called the *The Tyranny of Experts*, and expertise gets devalued along with the experts. To the angry underclass, science is spurious and lies and facts have equal credibility. What is true is that an elite based on talent is no more ethically meritorious than one based on hereditary privilege; opportunity restricted to talent is no more equal than opportunity restricted by class or by wealth. But the clever ones know how to turn themselves into a permanent elite that functions much like the old one, although, in the new dispensation, those excluded are led to blame, not the accident of their birth nor their parents' failure to get rich, but what they are told is their own lack of talent.

## Bristol's Festival of Economics

19-22 November

Programmed by Diane Coyle, economists and experts from around the world debate with each other – and their audiences – some of the key economic questions of our time.

*Tuesday 19 November*

12.30-1.30, Mark Carney, Governor of the Bank of England

*Wednesday 20 November*

11.00-12.00, George Magnus, 'Is China in Jeopardy?'

12.30-13.30, Arend Welmers, Harvey Fremlin, David Sproston, Annie Rubadji, 'Can Employee-Owned Businesses Save Our Economy?'

15.30-16.30, Jo Michell, 'Ask an Economist: Living Wage'

17.00-18.00, Neil Davis, Fleur Meddens, Stephanie von Hinke, Kessler Scholder, George Davey Smith, 'Genoeconomics: Can Genetics and Economics Learn from Each Other?'

18.30-19.30, Danielle Walker Palmour, 'Can We Build an Inclusive Economy?'

20.00-21.30, Margaret Heffernan, Roger Farmer, Marina Della Giusta, Vicky Pryce, Romesh Vaitilingam, 'Fact and Fiction in Economics: The Role of Media'

*Thursday 21 November*

8.00-9.45, Donna Kehoe and Malindi Myersk, 'Bank of England: Breakfast Briefing' 11.00-12.00, Deborah Hargreaves, 'Pay Inequality and the Future of Capitalism'

12.30-13.30, Margaret Heffernan, Diane Coyle, Carl Frey, Annabelle Gawer, 'Big Digital'

15.30-16.30, Clare Birkett, 'Ask an Economist: The Environment'

17.00-18.00, David Runciman, 'Talking Politics: Podcast Recording'

18.30-19.30, Carl Frey, 'The Technology Trap'

20.00-21.30, Romesh Vaitilingam, Carolina Alves, Meghnad Desai, David Runciman, '100 Years after Keynes: the Future of Capitalism'

*Friday 22 November*

9.30-15.00, 'Discover Economics' (Suitable for Year 11 and 12 Students)

15.30-16.30, Alvin Birdi and Christian Spielmann, 'Ask an Economist: Economics – What Is It Good For?'

17.00-18.00, Ask an Economist: Office for National Statistics

18.30-19.30, David Brindle, Joan Costa-Font, Polly Simpson, Charles Tallack, 'The Economics of Social Care'

20.00-21.30, Tom Forth, Ron Martin, Bridget Rosewell, Helen Simpson, 'Why Are So Many Places Becoming "Left Behind"?'

Details of the Festival's organisation, its venues, supporters (including the RES) and how to book can be found at:

<https://www.ideasfestival.co.uk/themes/festival-economics/>