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Education, meritocracy and redistribution

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Abstract: This paper analyses the relationship between education, meritocracy and redistribution. It first questions the meritocratic ideal highlighting how it relates to normative expectations that do not hold fully neither in their logic nor in practice. It then complements the literature on persistent inequalities by focusing on the opportunities for change created by current trends in the economy and in social aspirations. As the meritocratic argument that education is strongly linked to certain rewards in the labour market comes under pressure, increasing social dissatisfaction with education and skills wastage could be expected, as already noted in part of the political economy literature. This literature, however, has tended to conclude from such observations that educational expansion cannot deliver equality. The paper contributes to the debate by focusing on the opportunities created by current trends for the reorganization of the relationship between education, the economy and society.

Keywords: education, meritocracy, redistribution, political economy.

Title Page Footnote:

Introduction

This paper explores the effects of the relationship between the economy, educational and social mobility on the formation of incentives for inter-class alliances for wealth redistribution. It then looks at the dilemmas such relationship can produce for the prevailing moral discourse, based on meritocratic ideas, on redistribution. The paper questions the meritocratic ideal highlighting how it relates to expectations that do not hold neither in their logic nor in practice. It emphasises a crucial element of the meritocratic argument that is often overlooked. Meritocratic arguments hold that both IQ and effort determine levels of educational attainment. However, only effort is emphasised in current meritocratic debates to explain and justify differences in educational achievement and positions in the income distribution. Regarding practice, most research shows that educational attainment depends on other factors than IQ and effort exclusively and that the link established by the meritocratic discourse between educational attainment and occupational destination is at best imperfect and certainly cannot be taken for granted in the future. This raises questions as to the way the relationship between education, merit and labour market positions is conceived. The paper thus also focuses on the opportunities and constraints for change in the way this relationship is conceived that current trends in the economy and in social aspirations create. Hasenfeld and Rafferty (1989) suggest that perceptions of redistribution are caught between two ideologies: a strong belief in economic individualism and the ‘work ethic’ and the emergence of the belief on social rights and collective responsibility. I present education as a policy that could provide a way out of this trade-off, but on different grounds to those given by policy-makers and much of the academic literature.

The article is a political economy study, which is mainly based on micro-economic analysis and broadly assumes that individuals behave rationally to achieve their goals. Yet individuals are not expected to operate within an institutional vacuum, and economic and political institutions play a central role in the argument. The paper links with studies that addresses the central question of whether and under what conditions

parliamentary democracy can undo the social inequalities created by capitalism. In doing so it focuses on the political nature of change and the interplay between ideologies and interests (cf. Polanyi 1944, Heimann 1929). The paper is structured as follows: section two argues that support for redistribution is not only shaped by self-interest in the economic sense, but also by moral arguments and that education has been used instrumentally in preserving a moral justification for non-redistribution, through the meritocratic discourse. Section three examines some of the limitations of meritocratic conceptions of society. Section four outlines the consequences of those limitations and look at increasing income inequalities before three future scenarios for the relationship between education and the economy are sketched in section five. Larger consequences for the way in which these relate to changes in the organisation of redistribution in society are explored in section six. Section seven concludes.

Moral and economic arguments: the link between education and desert

There is a well-established moral link in welfare assistance that differentiates between those who are deserving and those who are not. Thus early poor laws in the 19th Century, the genesis of the Welfare State, often implicitly distinguished between those poor people who were seen as deserving (those not capable of work, such as the elderly, the sick and children) and those regarded as undeserving (those capable of work) (van Oorschot 2006, 2000; Katz 1989; Golding and Middleton 1982; Coughlin 1980) according to which different levels of protection were allocated. This view was maintained during the 20th Century and persists today, as reflected in public opinion surveys. The majority of the population in advanced economies support social rights and social equality but a large proportion also believe that some or most of the recipients of welfare assistance are in support for ‘dishonest reasons’ (Schiltz 1970; Kluegel and Smith 1986). Around 30% of the population in the USA and 60% in the Europe believe that the poor are trapped in poverty; 60% of Americans and 30% of European hold the opposite view: that ‘the poor are lazy’ (Alesina et al. 2001). Public support for social assistance to those who ‘try to improve their lot in life but still fall short’ is much higher than for those who do not try (Will 1993).

Using the World Values Survey, Alesina and Angeletos (2005) found that countries or individuals who believe that wealth and success are mostly the outcome of ‘luck and connections’ rather than of hard work and effort tend to prefer leftist policies (see also Piketty 1996). Rutsrom and Williams (2000) also found that merit and entitlement arguments substantially reduce the support for egalitarianism: when participants in their experiments bargained over money that was earned in a preceding experimental production phase, instead of endowed by the researcher, they were willing to accept more unequal distributions. Procedures for obtaining one’s wealth are thus important. It would then seem that social justice does not require the elimination of all inequalities; on the contrary, it requires that the differentially deserving be differentially rewarded (Swift and Marshall 1997).

The advent of the meritocratic discourse, prevalent in current political debates, provided a normative justification for desert for positions in the income distribution, through what is seen as an unproblematic link between education and desert. In a perfectly meritocratic society IQ and effort determine individuals’ achievement in school, regardless of their class of origin. The meritocratic argument went beyond normative concerns to praxis in the works of Bell (1972, 1973) amongst others: first it was expected that in industrial societies the association between individuals’ social origins and education attainment should, once level of ability is controlled for, decrease over time; second, the association between individual educational attainment and the level of employment should increase, as employers were expected to recruit exclusively on the bases of merit. Hence the relationship between class of origin and class of destination should diminish over time. Since effort is expected to play a greater part in individuals’ achievement than in previous models of society,

the corollary is that education can create a fair society where every individual is allocated to the place he or she deserves. The consequence of this is that those at the lower end of the income scale are thus deprived of a moral argument for redistribution (Goldthorpe 1996). If on the contrary wage inequality cannot be justified on efficiency nor social justice terms, then that provides grounds for income inequality to be addressed through redistribution.

The shaky foundations of meritocracy

Meritocracy has been used to establish a link between individual effort and desert, mediated through education. This section shows that this link is at best dubious, as academic performance does not depend only on effort. Educational attainment is still class biased, as is occupational destination even after controlling for educational attainment. Advances towards the meritocratic ideal, moreover, have not been the result of education alone but have depended upon the expansion in the number of highly paid jobs. The problems with meritocracy, from its logical formulation to its empirical testing are thus various. Most notably, authors such as Bell (1972, 1973) put the emphasis on the ‘effort’ part of the meritocratic equation only, forgetting the influence of other crucial aspects, including family background (cf. Cohen 1989). The link between class of origin and educational attainment has been subject to substantial sociological analysis and it is clear by now that educational attainment does not reflect ability alone. First, ability is not a class neutral concept (Bourdieu and Passeron 1977). But even if the hegemonic concept of ability is accepted, a long and established, although not undisputed (Jaeger 2007; Swift 2004a), strand of sociological research shows that class has a significant effect on educational attainment (Whelan and Layte 2002; Shavit and Muller 1998; Shavit and Blossfeld 1993; Erikson and Goldthorpe 1992), ‘presumably through a complex interplay of socio-cultural and genetic factors’ (Goldthorpe and Jackson 2008:99). These include the deployment of a wide range of strategies by middle and upper class parents, to fight for privileged positions for their children in the educational ladder (Lucas 2001; Ball 2003; Power et al. 2003).

The social background effects observed are not only related to the marks obtained by children. There are also ‘secondary effects’ related to educational choices following the processes described by Boudon (1974): parents and students from lower socio-economic backgrounds tend to overestimate the costs and underestimate the benefits of education and training and thus attach a low value to education. This can be rationally explained because they lack the social connections to transform educational qualifications into high occupational status. This hypothesis was tested by Jackson et al. (2007), who show that indeed secondary effects play against children from lower socio-economic backgrounds at the intermediate level of academic achievement (average marks). At this level of achievement children from low socio-economic backgrounds are less likely than children from high socio-economic backgrounds to continue in education. At the highest and lowest levels of achievement differences are much smaller. Risk aversion mechanisms accentuate these tendencies (Breen and Goldthorpe 1997). Thus, even when social class is substituted for human capital indicators aimed at capturing wider notions of ‘life chances’ as the dependent variable, social mobility rates continue to be low (Gershuny 2002) as educational expansion has so far disproportionately favoured the upper and middle class (Mare 1980). If for certain classes in society, and not others, it is the costs and risks that the educational investment entail that make them withdraw from education, rather than IQ and effort, the meritocratic discourse does not hold. Even if these patterns were the result of a purposeful societal strategy to concentrate resources in its most productive individuals (under the assumption that upper and middle classes have a stronger than average preference for ‘hard work’ or are simply more productive) in order to then redistribute wealth there are other benefits to education, such as health related benefits and benefits related to subjective well being, which would make such a strategy morally hazardous.

There are some recent indications that the relationship between social class and education may have loosened in some countries. While some recent analyses point towards, limited, reductions in the effects of class of origin and educational attainment in some countries such as Britain, Italy, Germany, Hungary, Netherlands, Poland and Sweden (Breen and Luijkx 2004; Ballarino et al. 2009) these are not sufficient to fundamentally alter the above assessment. Class effects remain generally strong. Moreover, even if the reduction of these effects were more substantial and widespread than it is, there is still the substantive issue of the link between educational achievement and labour market destination, which is again at best imperfect. Family background and social capital (Bourdieu and Passeron 1977) are important for firms in their recruitment strategies, as companies must operate in an environment where social skills and networks play critical roles in transactions and exchanges. This is especially true of the most desirable positions. Top-level executives are expected to possess rich social capital, as they need to deal with and manage people, both within and outside the firm. Positions that deal with people, in new professions such as public relations, rather than machines or technologies also tend to be filled by occupants with better social capital (Lin 1999; Boxman et al. 1991), the 'netocrats' -highly connected and highly rewarded. Hansen (2001) using data from Norway thus finds, consistently with this argument, that the upper classes tend to obtain the highest levels of economic reward even after controlling for the educational level and fields. Significantly, their advantage tends to be larger in 'soft' rather than in 'hard' (engineering, natural sciences, agriculture transport etc, health) educational fields. This he argues is due to job performance being easier to measure in technical fields, such as engineering.

Social inequalities in occupational destination are reinforced by individuals from working class backgrounds having job preferences characterised by risk aversion. Halaby (2003) finds that individuals from working class backgrounds prefer jobs based on pension rights and job security in contrast to entrepreneurial (high pay, high esteem) professions. Advantaged social origins may exhibit lower risk aversion because of the existence of a family financial insurance against adverse outcomes. Put differently, children from better off backgrounds can succeed because they can fail. The result of these dynamics is that after controlling for educational qualifications significant relationships between origins and destination exist (Breen 1998). Even if some research suggests that in some countries there was an increase in the proportion of people from all class origins into higher-level class occupations in the 1990s this did not reflect strong increases in social mobility but was rather explained by changes in the occupational structure, with the creation of more 'room at the top' (Costrell 1990; Murphy and Welch 1993; Ilg 1996; Whelan 1999; Ilg and Haugen 2000; Wright and Dwyer 2003). In that respect, Goldthorpe and Jackson (2007) conclude that under present structural conditions (e.g. without the creation of even greater room at the top) there can be no increased rates of upward mobility in advanced economies, unless the possibility of increasing downwards mobility is accepted, something that is, they argue, politically unlikely. Brown and Lauder (2006) and Brown and Hesketh (2004) discussions of the offshoring of high skilled work to low income countries by international companies suggests that the expansion of room at the top may be more difficult in the near future in advanced economies (cf. also Lafer 2002).

A closer look at income inequalities

The above discussion has outlined two interrelated phenomena: the expansion of educational opportunities and likely capped upwards mobility. This section shows that, in addition to this, the differences in rewards between those who achieve the most desirable positions in the labour market and those who do not are widening. It then shows that this cannot be justified by productivity differences between workers and sectors. There are, therefore, two increasing arbitrary elements: first, in relation to the occupational position achieved in the labour market for a given level of education; second in relation to the economic rewards yielded by those different positions.

The last three decades have seen increased inter (Seshanna and Decornez 2003) and also intra-country income inequality (Pontusson and Rueda 2008; OECD 2008). This has occurred between and within occupations (Makepeace and Johnson 1997; Goos and Manning 2007). Income inequality has been defended on efficiency (productivity needs to be incentivised through economic rewards) and justice (it is fair for more productive individuals to earn more) terms, which have found a cornerstone in human capital arguments (Souto-Otero 2007). Human capital arguments (Becker 1962; Schultz 1963) relate education to increased productivity, and increased productivity to higher salaries. Under the conception of human capital there is thus a perfect match between the rewards one reaps in the labour market, and individual productivity, provided that there are no distorting mechanisms such as collective wage bargaining. The affinity with the meritocratic discourse is clear. Following the meritocracy discourse it can also be considered fair that an individual who is productive obtains a better wage than another individual who is not. This, however, ignores the point that salary is only loosely related to productivity and that the rewards obtained in the labour market are to do with the labour market value of a profession rather than productivity (cf. also Hayek 1960), as research and more painfully the recent 2008 financial crisis has reminded us (Medoff and Abraham 1981; Toynbee and Walker 2008). Philippon and Reshef (2009) report that from the early 1990s until 2006 rents rather than productivity accounted for 30% to 50% of the wage differential between the financial sector and the rest of the private sector. Leslie and Oyer (2009) analyse private equity firms and Hall and Liebman (1999) chief executive officers' compensations to also report strong rent effects. Hayek (1960, 1976) had already pointed to the incompatibility of meritocracy and a free market economy. For him, and contrary to meritocratic accounts, no objective definition of merit can be provided (cf. Breen and Goldthorpe 2001; Bukodi and Goldthorpe 2008). Market value, rather than merit, should guide economic activity. Meritocracy would require that recruitment be based on educational qualifications, whereas employers may well look for other traits in their employees (cf. Jackson 2006, 2001; Farkas 2003; Bowles and Gintis 1976). 'Talent' may not be rewarded in the market whereas opportunism may be. As Marshall et al. (1997) validly point out, social justice is not only about equal access to unequally rewarded positions. It also requires that unequal rewards are appropriately justified. Second, the individual human capital approach downplays the fact that individual productivity occurs within a context that enables it; individuals and firms can be more efficient in a collaborative, participatory decision-making and wage compressed setting (Levine 1991) than in a setting where wage inequality is favoured to stimulate productivity (Lazear 1989). If these kinds of workplaces are not more frequent this is due to market imperfections, in particular poaching behaviour, rather than their lack of performance productivity (Douglas and Locking 2000). A similar analysis could be applied to the role of different professions within a given society.

Rewards, it has been argued, can to an important extent be the result of an arbitrary decision based to a significant extent on market imperfections rather than desert. On the other hand, whilst there is some evidence of a rise in skill requirements in the economy (Machin 2001), this is only a partial explanation of current labour market trends. Rather, what can be observed is an increase in those high paid and low paid jobs that require non-routine tasks (that currently cannot be substituted by machines), and a decline in routine jobs, which fall in the middle such as clerical and skilled manual jobs (Autor et al. 2003; Gallie 1991). This takes out part of the middle ground where individuals with high educational levels could shelter in the past: those who fail to secure highly paid jobs, will fall without a parachute. The result is an increase in the qualifications needed even for low skills jobs as well as increasing proportions of highly skilled people taking those jobs (Felstead et al. 2002; Green and McIntosh 2002; Brynin 2002; Dolton and Vignoles 2000; Chevalier 2000). In that respect, the educational 'human capital' calculation more than a rational calculation becomes a gamble in which winners will take it all, a kind of 'noo-kleptocracy' (from 'noo' (knowledge), 'klepto' (thief) and kratos (rule)), where educated and fortunate winner/rulers can make large 'treasuries' their own, relatively

independently of their productivity for society) or noo-tychocracy' (ruling of the lucky) rather than meritocracy. Given the arguments presented above, the emphasis has been on the impossibility of educational expansion bringing about social change and on its incapacity to support both economic growth and social cohesion, without exploring avenues where this may be possible (cf. Jonsson and Erikson 2007). In the next sections I offer a more positive view, based on the possibility of coalitions amongst stakeholders with currently divergent interests, enabled by some of the structural economic changes reviewed, but which would require political articulation. Such articulation is contingent. My contention is that it will be more likely to occur under one set of conditions than others and I provide some preliminary views on the feasibility of these different possibilities.

Future scenarios

Scenario building is a technique to analyse alternative future events and their outcomes. It is particularly useful to challenge assumptions made about current trends. It involves constructing narrative descriptions of a consistent set of factors that describe plausible future options (Huss 1988; OECD 2006). These constructs can then be used as 'ideal types', as standards for comparison and to enable us to see aspects of the real world in a more ordered way (Weber 1947). The emphasis in this section is to explore a set of plausible options that can open up new debates. In this section I outline in turn three alternative scenarios, which I shall call, stretching the terms somehow, noocratic (from 'noos' intellect and 'kratos' rule; understood generically as rule by the wise, as expected by meritocratic arguments), noo-plutocratic (from 'noos', 'ploutos' wealth and 'kratos'; rule by the wise *and* wealthy) and noo-tychocratic (from 'noos', 'tyche' luck and 'kratos'; rule by the wise and lucky).

The noocratic panacea

In the 'noocratic' panacea scenario the availability of educated people is all that is required to continuously expand the available 'room at the top', which is thus able to accommodate the totality of highly educated people. This is the 'win-win' scenario policy-makers in most advanced industrialised countries espouse. In spite of the strong rhetorical political preference for the noocratic scenario, the empirical analyses provided above do not suggest that a structural change to create greater room at the top can be expected in advanced economies, even if the unpredictability of further technological advances does not allow us to rule out this option in full. The plausibility of this assumption rests on the outlined human capital arguments, which suggest that employers continuously recognise the productive capabilities of highly educated people and introduce appropriate technologies to maximise their productivity potential, hence endlessly opening up more positions at the top. Theories of endogenous economic growth more generally argue that education can be an important factor in generating growth (Romer 1986, 1990; Barro 1990).

Creating growth and creating unlimited high-paid occupations across the board are, however, two different things. Iversen and Wren (1998) convincingly argue that current service economies face a 'trilemma' between budgetary restraint, income equality and employment growth, where only two of these objectives can be achieved at the same time unless drastic productivity increases in the service sector, to bring its productivity levels more in line with those in manufacturing, are accomplished. The choice of which two of these elements to achieve, moreover, is in their view a political decision: each pair has different costs for society: from the 1970s to the 1990s low earnings equality (e.g. in the UK), to spur growth in private service employment, or low growth in overall employment (e.g. Netherlands) have been accepted by governments that emphasised budgetary restraint, which precluded rapid expansion of relatively well paid public sector employment. Other

governments adopted strategies based on equality and high employment (e.g. Denmark), but this was at the expense of budgetary restraint (Iversen and Wren 1998:512). Even the most supportive and uncritical accounts of the increase in the need for ‘knowledge workers’ and ‘symbolic analysts’ such as those of Drucker (1996) and Reich (2001) acknowledge, albeit timidly, that there are limits to the proportions of people that can obtain these occupations. It is at best uncertain that demographic changes and the retirement of baby boomers will cause strong shortages in advanced industrialised countries at the high skills end, in the presence of an increasingly educated global workforce now also fed with masses of graduates from China, the former Soviet Union and India and other factors such as changes in retirement patterns (Freeman 2006; Brown et al. 2010).

Noo-plutocracy: opting out from school

If there is no increase in professional and managerial jobs commensurate with increases in educational achievement, to allow for upwards mobility downwards mobility should also be allowed. In the absence of that possibility more educated people in economically advanced countries will be underemployed. Evidence suggests that the underemployed would come from working and aspiring middle classes –cf. above in this paper. Average returns to education may still be high but they will hide strong differences and polarisation processes, as children from professional middle class backgrounds become the ‘winners that take it all’. This is the start for both the noo-plutocratic and the noo-tychocratic scenarios described in this and the following subsection respectively. In the noo-plutocratic scenario the aspiring working and middle classes realising the existing but limited opportunities to achieve top positions in the labour market even after higher schooling ‘opt out’ of education because of the costs and uncertainties involved it. In the words of Brown and Lauder (2006) ‘within the foreseeable future the children from middle-class backgrounds that fail to gain access to these [elite] universities will be left to fight over the scraps’ in the labour market. The frustration generated by this would naturally be compounded by the current trend in the conceptualisation of education as a commodity. Students increasingly enter education, in particular higher education, with high labour market aspirations accentuated by government messages over the economic value of schooling (Souto-Otero and Whitworth 2006).

Educational expansion would have initially occurred under this scenario but restricted labour market opportunities would have created, at a saturation point, a ‘dissatisfied lumpenintelligentsia’. This dissatisfied lumpenintelligentsia would thus comprise a mass of people from working and aspiring middle classes who have gone into higher education largely based on expected high labour market returns (Bloom 2007; Knight et al. 2003; Tierney 2002), that they never reaped. Whereas high aspirations are necessary to succeed in education (Morgan 2005), when these are not fulfilled psychological downwards adjustment to conform to more informed and realistic expectations are lengthy and hence (because individuals compare outcomes with their initial aspirations for a long time) ‘utility’ or ‘well-being’ costly (Mattey and Dwenger 2007; Nauta et al. 1998; Stutzer 2004; Bandura 2001). The lumpenintelligentsia will increasingly perceive the education system as a reproductive organ of society, rather than a vending machine of opportunity tickets in the form of qualifications. Under this scenario, then, realising the increasing costs and increasingly uncertain returns from schooling withdrawal (or ‘de-schooling’, albeit understood in a different way to Illich 1971) is the preferred strategy in future generations. Children from lower socio-economic backgrounds (working class and non professional middle classes) decide not to go on to achieve higher education credentials.

What would be the likely social consequences under the de-schooling scenario? Since withdrawal would come from children from lower socio-economic backgrounds, little social change would occur. Yet, as the

limits of the meritocratic discourse become more and more apparent through time, the legitimacy of the system would become under increasing pressure, which might eventually lead to system changes. Developments in the fall of communism resonate with such a reaction. Marshall et al. (1997) describe an intense gap between propaganda on meritocracy and reality in the former Eastern European communist societies. As the propaganda promises were not delivered, they exacerbated the already considerable problems of regime legitimization, which is likely to have had an important role in contributing to effect social change (Marshall et al. 1999; see also Wesolowski and Mach 1986). Alternatively, a social devaluation of degrees so that lower expectations are attached to them (Heath et al. 2008) and an accentuation of the stratification of educational institutions could occur, to justify the status quo –trends that can also occur under the noo-tychocratic scenario outlined below. Under these conditions the upper classes and professional middle classes, who will continue to send their offspring to the best universities and to select more ‘profitable’ subjects (Ayalon and Yogev 2005; Walker and Zhu 2002) through the social reproduction mechanisms described above in this paper, would continue to assert the moral meritocratic argument against redistribution and would reap the economic rewards of schooling. The devaluation of degrees could also act as a ‘buffer’ for governments to escape from the political fallout that would occur under de-schooling, in particular in the context of the discourse on the knowledge economy. We observe today, indeed, a certain movement towards these trends with high variability in the skills of graduates (Chevalier 2000), narrow vocational trends and the importance of international rankings of educational institutions (Wolf 2002; Lucas 2001). Moreover, economic analysis shows that the return to the quality of the higher education institution attended is large and higher for younger cohorts (Chevalier and Colon 2003), which is consistent with an increased stratification accompanying higher education expansion.

Noo-tychocracy: gambling for social mobility

The difference between scenarios two and three relates to the existence of a saturation point or a turning point for educational expansion. Unlike in the previous scenario, in the noo-tychocratic scenario, people from working and aspiring middle classes do not withdraw from education at a saturation point. Instead they continue to undergo long periods of schooling in the prospect of the uncertain rewards that education could still offer to them in the labour market. They would thus enter a ‘lottery’, or rather ‘poker game’ situation, where both skill and luck are necessary. In the noo-tychocratic scenario, thus, the system continues expanding and students from lower socio-economic backgrounds are ready to take an educational gamble instead of withdrawing from education. Processes of labour market polarisation, we have already observed, have been reducing the availability of intermediate jobs such as those in skilled trades, reducing the opportunities outside college education but provide attractive benefits for those who achieve top occupations.

How could this work, if social mobility is low, to avoid de-schooling? This scenario would require, besides some willingness to gamble, that at least a certain degree of upwards and downwards mobility is possible. Levitt and Venkatesh (2000) show how premium mechanisms are used by gangs to attract new recruits into the most dangerous endeavours –certainly more than enrolling into a higher education course- such as drug selling, even though the average salary for a member of a drug selling gang is relatively low compared to the legitimate labour market alternative, once risk is accounted for. Compensation in gangs is highly skewed and the prospect of future riches only available to a few, but this is the primary economic motivation for entrance in their game. The degree of social mobility under this scenario however would most likely be limited and fall short from the meritocratic principle, given existing economic and social structures.

The last three sections have problematised the relationship between merit, class, labour market uncertainty and income distribution. Whilst today's societies may be more meritocratic in relation to access to education than in the past, employment is a more difficult matter, as it has been argued above. In the next section I argue that in spite of current concerns with increasing the links between education, employability and upwards mobility, opportunities lie in a looser link between education and employability. This could create the conditions to move towards a new framework for the organisation of the relationship between education and production, consumption and redistribution processes, provided that the importance of positional goods is greater than a basic standard of welfare (see also Layard 2005; Swift 2004b) and other conditions, such as low levels of stratification of the education system, are met. Indeed, social fluidity as measured by sociologists may be low and yet people from the working classes may have greater possibilities for consumption now than in 1900s (Swift 2004a). This may, in fact, help to explain to a large extent the survival of the capitalist mode of production: moderated by expenses on State legitimisation activities capitalism has afforded in the last two hundred years a better standard of living for increasing proportions of the population, at least in advanced industrialised societies. To the extent that this is more important than the existence of unjustified inequalities (between classes, between generations within a family or even between world regions), movement for change can be slow or not occur.

A new relationship between education and inequality: further scenario specifications and associated moral, economic and political arguments

This section outlines how increasing levels of education could result, under certain conditions, in a more equal society as a product of moral pressures and could also be seen as a good social investment. As income inequalities grow, if social mobility remains limited regardless of academic merit and the relationship between education and its expected returns becomes looser, educational expansion could recede, as in the neo-plutocratic scenario. If there are signs of this happening, this situation would create a crisis of legitimacy as well as detrimental social and economic consequences associated with the reduction of education levels. This could lead to pressures towards the provision of greater 'real labour market mobility' or, alternatively, an 'insurance' from society towards the increasingly uncertain labour market returns of education, in the form of greater economic redistribution. Such insurance would be required for people to take-up education. Under these conditions social policy would become both emancipatory and a precondition for economic efficiency. These pressures, however, would be mediated in different ways at the national level by complex national institutional settings including electoral, class coalitional, economic and social factors.

Brown and Lauder (2006) argue that there is an increasing likelihood of something similar to what I have described as the neo-tychocratic scenario and warn in relation to this development. I argue that such a development may also hide new opportunities. I focus on a scenario of educational expansion in a relatively lowly stratified higher education system where people from lower socio-economic backgrounds gamble by embarking on high educational investments to achieve relatively fixed numbers of rewarding positions in the labour market. If only low levels of mobility are allowed under that situation there would be a return to the neo-plutocratic scenario with a trend towards de-schooling as working classes and people from lower middle classes grow increasingly frustrated with the 'opportunity trap' (Brown 2006) in which they are absorbed. Alternatively, the neo-plutocracy may be accepted but de-schooling not occur; the upper classes would then become dispossessed from their *moral* argument for inequality based on the workings of a meritocratic society. If, on the contrary, a significant degree of upwards mobility is allowed to avoid opting out of education and to moderate pressures from the working classes, downwards mobility would also need to increase. I argue that there is potential for the outcome of both options to produce a more redistributive society, in the first case as already said driven mainly by demands from the working classes, as the moral

argument for inequality is increasingly questioned, and in the second case by the demand of the middle classes. This second option deserves greater explanation. Currently, individuals in the working classes are those with a greater economic interest in redistribution as they are its main beneficiaries. Yet, the *prospects* of future positions in the income ladder affect individuals' current preferences for redistributive policies (Alesina and la Ferrara 2005). The developments outlined in the above options could as such transform the political landscape and the incentives of different stakeholders regarding redistribution and thereby the possibilities for *cross-class alliances* in particular if, as argued in the previous section, *comparative* standards of living are prevalent in class calculations. As Cusak et al. (2006) report, preferences on redistribution vary according to the degree of risk in the labour market, particularly the risk of unemployment. A situation with greater downwards mobility will leave the offspring of the non professional middle classes in a vulnerable position. Under these conditions part of the middle classes will be more willing to ally with working classes to adopt generous and universal (instead of targeted, which, albeit cheaper, would only benefit those worse off –Korpi and Palme 1998; see also van Oorschot 2000) redistributive strategies in an attempt to insure their offspring against downwards income mobility. The increasing randomness of rewards by profession and within professions already described in this paper as well as in the chances of entering a given profession would transform the landscape closer to a 'veil of ignorance' (Vickrey 1945; Rawls 1971) about the future, although, and as in any real world situations (Heckman 2001), from a certain distance. This could transform existing redistributive preferences. Carlsson et al. (2003) reported using economic experiments that Indian students are strongly inequality averse when choosing from behind a veil of ignorance, with around one fifth choosing income distributions closest to Rawlsian notion of equality, which is in line with previous results from Sweden by Johansson-Stenman et al. (2002) (cf. also Becker and Miller 2009). Although there is much discussion on the external validity of economic experiments like these (List and Shogren 2006), in particular those that deal with moral and public issues, their shortcomings seem to be more related to magnitudes (size of the effects detected) than qualitative insights (nature of the relationships observed) (Levitt and List 2007), and their results, on the whole present reasonably solid degree of validity (Chang et al. 2009). Public opinion surveys, moreover, provide consistent results to those from experiments in relation to the effects of uncertainty: Van Oorschot (2000) thus reports that young people are in greater favour of social assistance, which can be justified as they are less certain about their future place in the distribution of income than adults. Working classes could thus capitalise on the increasing insecurity and uncertainty of the middle classes to progress their demands for greater wealth redistribution, through changes in taxation rules.

Conclusions

I have argued that the available evidence suggests that the moral arguments about desert derived from the meritocratic discourse are logically and empirically flawed, and I have outlined three possible scenarios - admittedly in a tentative way, in an area that will require additional research. In the first scenario there is a movement towards a better match between educational achievement and occupational destination (the 'panacea' noocratic scenario) whereas in the second and third scenarios there is not. In the second scenario (noo-plutocratic), if there is no increase in the matching between educational achievement and occupation, and no increase in the 'room at the top' in the labour market either, some abandonment of the schooled society due to an increasing dissatisfaction with the mismatch between the meritocratic rhetoric and reality would occur. Alternatively, in the third scenario (noo-tychocratic) working and middle classes would be willing to take an educational gamble in the pursuit of potentially high but with increasingly uncertain labour market returns. Two main implications are of note. First, and against much of the literature that has emphasised sustained trends in educational and labour market inequality, mass education can still deliver, I argued, a more egalitarian society under certain conditions. This would require a further opening up of education systems to increasing proportions of the population as well as, in particular under the noo-

tychocratic scenario, investment in quality education across the board to fight against the stratification of the educational system. Second, a re-conceptualisation of education towards citizenship values and away from exclusive concerns with employability would also be an important element for the changes required for greater levels of redistribution to materialise.

These are challenging requirements in contemporary industrialised societies. These changes within the education system, moreover, will not be sufficient to arrive at a more equal society. Under all of these scenarios political mobilisation would be required to that end. The outlined changes would not generate more equality per se, but would rather be a condition to cement political mobilisation that may enable further redistribution. The working and in some scenarios the middle classes, in the end, would need to be mobilised electorally for greater equality. A good part of the importance of education in this context lies in its capacity to generate a justification and incentives for interclass alliances, in particular between working and middle classes. This, as it has been argued, will require commitment towards high educational achievement from all social groups, to 'force' greater labour market uncertainty for the middle classes through increasing competition for jobs, so that negative views of the desert of redistributive allocations to the worse off are avoided. If such commitment does not materialise, the moral justification for inequality will continue to be present.

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