Chapter 2

MERITOCRACY AND ITS DISCONTENTS

The existence of an upper class is not injurious, as long as it is dependent on merit.
— Ralph Waldo Emerson

Whether we think about it much or not, we all believe in meritocracy. It is embedded in our very language: to call an organization, a business, or an institution “meritocratic” is to pay it a high compliment; to call it bureaucratic is to insult it. On the portion of its website devoted to recruiting talent, Goldman Sachs tells potential recruits that “Goldman Sachs is a meritocracy.” It’s the first sentence.

While faith in America’s meritocratic promise is shared up and down the social hierarchy and across the political spectrum, it is particularly strong among those who have scaled its highest heights. Naturally the winners are tempted to conclude that the system that conferred outsize benefits on them knew what it was doing. So even as the meritocracy produces failing, distrusted institutions, massive inequality, and an increasingly detached elite, it also produces a set of very powerful and influential leaders who hold it in high regard.

It’s for this reason that I find the story of Justin Hudson so
remarkable. In 2010, the eighteen-year-old Hudson delivered a commencement address to his fellow graduating seniors at Hunter College High School in Manhattan. The school embodies the meritocratic ideal as much as any institution in the country. It is public and open to students from all five boroughs of New York City, but highly selective. Each year, between 3,000 and 4,000 students citywide score high enough on their fifth-grade standardized tests to even qualify to take Hunter’s entrance exam in the sixth grade; only 185 are offered admission. (About forty-five students, all from Manhattan, test into Hunter Elementary School in kindergarten and automatically gain entrance to the high school.)

Hunter is routinely ranked one of the best high schools in the nation. In 2003, Worth named it the highest-ranking public feeder school, and Newsweek, in a 2008 evaluation of high schools, named it one of eighteen “public elites.” In 2007, the Wall Street Journal identified Hunter as sending a higher percentage of its graduates to the nation’s top colleges than all but one of its public peers. That year, nearly 15 percent of the graduating class received admission to one of eight elite universities that the Journal used for its analysis. The school boasts an illustrious group of alumni, from famed Civil Rights activist and actress Ruby Dee, to writers Cynthia Ozick and Audre Lorde, to Tony Award winners Robert Lopez (composer and lyricist, The Book of Mormon and Avenue Q) and Lin-Manuel Miranda (composer and lyricist, In the Heights), to West Wing writer and producer Eli Attie, to Supreme Court justice Elena Kagan.

Because its students certainly don’t need an extra incentive to be manically obsessive about achievement, Hunter does not rank them. There is no valedictorian. Instead, a faculty committee selects a commencement speaker based on drafts submitted by aspirants. In 2010, the faculty chose Hudson, a black student from

Brooklyn headed to Columbia University in the fall, to give the address. He started out with standard expressions of gratitude and nostalgia. And then he pivoted.

“More than happiness, relief, fear, or sadness,” he told the crowd, “I feel guilty.”

He continued:

I feel guilty because I don’t deserve any of this. And neither do any of you. We received an outstanding education at no charge based solely on our performance on a test we took when we were eleven-year-olds, or four-year-olds. We received superior teachers and additional resources based on our status as “gifted,” while kids who naturally needed those resources much more than us wallowed in the mire of a broken system. And now, we stand on the precipice of our lives, in control of our lives, based purely and simply on luck and circumstance. If you truly believe that the demographics of Hunter represent the distribution of intelligence in this city, then you must believe that the Upper West Side, Bayside, and Flushing are intrinsically more intelligent than the South Bronx, Bedford-Stuyvesant, and Washington Heights, and I refuse to accept that.

... We are talking about eleven-year-olds... We are deciding children’s fates before they even had a chance. We are playing God, and we are losing. Kids are losing the opportunity to go to college or obtain a career, because no one taught them long division or colors. Hunter is perpetuating a system in which children, who contain unbridled and untapped intellect and creativity, are discarded like refuse. And we have the audacity to say they deserved it, because we’re smarter than them.
The parents in the crowd were, not surprisingly, a bit taken aback. The teachers offered a standing ovation. Jennifer J. Raab, the president of Hunter College and herself a graduate of Hunter High School, stayed seated.

The critique Hudson offered was not a glancing attack at a deficiency of Hunter, but rather an assault on its very core. What animates the school is a collective delight in the talent and energy of its students and a general feeling of earned superiority. In 1982, a Hunter alumna profiled the school in a New York magazine article called "The Joyful Elite" and identified its "most singular trait" as the "exuberantly smug loyalty of its students."

That loyalty emanates from the deeply held conviction that Hunter is one of the most genuinely meritocratic institutions in existence. Unlike elite colleges, which use all kinds of subjective measures—recommendations, résumés, writing samples, parental legacies, and interviews—in deciding who gains admittance, entrance to Hunter rests on a single "objective" measure: one three-hour test. If you clear the bar, you're in; if not, you're out. There are no legacy admissions, and there are no strings to pull for the well connected. If Michael Bloomberg's daughter took the test and didn't pass, she wouldn't get in. There are only a handful of institutions left in the country about which this can be said.

Because it is public and free, the school pulls kids from all over the city, many of whom are first-generation Americans, the children of immigrant strivers from Korea and Russia and Pakistan. Half the students have at least one parent born outside the United States. For all these reasons Hunter is, in its own imagination, a place where anyone with drive and brains can be catapulted from the anonymity of working-class outer-borough neighborhoods to the inner sanctum of the American elite. "I came from a family where nobody went to college. We lived up in Washington Heights. We had no money," says Raab. "It was incredibly empow-
premises. First, kids are not created equal: Some are much smarter than others. And second, the hierarchy of brains is entirely distinct from the social hierarchies of race, wealth, and privilege. That was the idea, anyway. But over the last decade, as inequality in New York has skyrocketed and competition for elite education has reached a fever pitch, Hunter's single entrance exam has proven to be a flimsy barrier to protect the school's meritocratic garden from the incursions of the world outside its walls.

Thanks to the socioeconomic makeup of New York City's children, and the vastly unequal quality of the schools across lines of neighborhood, class, and race, Hunter has never had a student body that matched the demographic composition of the city in which it resides. White and Asian students have always been overrepresented, and they certainly were when I entered the school in 1991. But the phenomenon has intensified in recent years, leaving teachers and admissions officials worried that on its current path, the school could, before long, have its first entering class without a single black or Latino student.

According to the New York Times, the entering seventh-grade class was 12 percent black and 6 percent Hispanic in 1995, but just 3 percent black and 1 percent Hispanic by 2009. The rest of the students were split about evenly between Asian and white. Many teachers and even administrators at the school have grown increasingly worried about the lack of black and Latino students, particularly in a city that is 25 percent black and 27.5 percent Latino, so much so that in 2010 the debate landed on the front page of the New York Times with the headline DIVERSITY DEBATE CONVULSES ELITE HIGH SCHOOL. "The teachers are disconcerted," says social studies teacher Irving Kagan (who also happens to be Elena's brother). But both the administration and (perhaps not surprisingly) the current student body are wary of reform as well. "When you look at what happens in the classrooms," Raab tells me, rattling off examples of remarkable Hunter student achievements, "I do think you have to say the test is effective in selecting for a certain kind of intelligence." "Honestly, [admissions] is based, and should be based, entirely on merit," one junior told the school newspaper, What's What, in a 2010 article titled "Graduation Speech Ignites Heated Debate." "People work their butts off to get in."

Kyla Kuperstein Torres also graduated from Hunter, but she sees the question of merit as a bit more complicated. Before being hired by her former school and becoming director of admissions, Kuperstein Torres worked for a variety of New York City private schools and prep programs that sought out and nurtured high-achieving black and Latino students from underserved areas of the city. She dismisses the idea that Hunter's entrance exam provides for a "perfect meritocracy." "What does meritocracy mean?" she asks. "There is no such thing as a level playing field. . . . There's always going to be some kind of advantage."

Kuperstein Torres then runs through the origins of standardized testing and its original promise. Her account closely tracks that laid out in Nicholas Lemann's The Big Test, the definitive history of the Educational Testing Service (ETS) and its signature Scholastic Aptitude Test. Before the SAT, America's elite colleges were closed off to immigrants, Catholics, and Jews. Rather than evaluate candidates "on the merits," admissions boards at Harvard, Yale, Princeton, and the rest used an amorphous set of subjective judgments about "character" and other intangibles to tell if someone really was a "Harvard man." The result was that WASP boys with C averages from prominent families were admitted to Harvard while overachieving Jewish boys from Brooklyn were kept out. Enter the SAT: with an objective measure of the "merit" of the applicant in hand, the nebulous subjectivity of the admissions procedure would be eliminated in favor of an equal, accessible, and objective metric.
Christopher Hayes

Testing, then, in its early incarnation, struck a democratic blow against the barricaded and entrenched elite. But only up to a point. “The rhetoric that accompanied the birth of the ETS was one of mass opportunity and classlessness,” Lemann writes, “yet the main purpose of the organization was to select the few not to improve the lives of the many.” It worked. At first Jews, then other non-WASPS began to flow into the Ivy League, and the newcomers permanently transformed the makeup of the American elite.

Hunter, which admits students solely based on their performance on a single test, preserves in amber the aspirations of the earliest SAT proponents. “We’re still using this method of identifying children of so-called merit,” says Kuperstein Torres. And it has yielded predictable results. “The overwhelming majority of students offered admission through our test process are Asian and white,” she says.

I asked Kuperstein Torres to explain why Hunter was admitting fewer and fewer black and Latino students. “There are certain things that emerge immediately,” she says, pointing to the dismantling of affirmative action at Hunter (about which more in a moment) and the persistent and growing inequality of opportunity in New York City. On top of that, she notes, “There was no test prep culture thirty years ago. Stanley Kaplan—the founder of Kaplan Test Prep—was probably tutoring one person.”

The test prep industry for national standardized tests like the SAT is now a booming, multimillion-dollar business, and it is at least part of the reason (along with wide variety in school quality and parental educational attainment) that one of the best ways to predict a student’s SAT score is to look at his parents’ income: the more money they make, the higher the score is likely to be.

When I was eleven there was no test prep industry for the Hunter entrance exam, but that’s no longer the case. Elite Academy is just one of several so-called cram schools in Queens, where sixth graders go after school, on weekends, and during winter break to memorize vocabulary words and learn advanced math in preparation for the Hunter admissions test. According to the New York Times, Elite and others like it have “imported the year-round enrichment programs of the Far East, giving students the chance to forfeit evenings, weekends, summer break and winter vacation for test preparation.” Parents pay $2,550 for the fourteen-weekend Hunter test prep package, and $540 for a special five-day crash course. The school’s motto is “Where the smart get smarter,” and in 2010 its website boasted that all eight students who’d been enrolled in the Hunter test prep courses had gained admission to the school. (Keep in mind only about 6.5 percent of students who take the test gain admission.) Meanwhile, the wealthier precincts of Manhattan are home to a flourishing tutoring industry, where parents who can afford the $90-an-hour price hire private tutors for one-on-one sessions with their children.

According to numerous people I spoke with at Hunter, the majority of students who make it into the school these days are the product of some kind of test prep regimen. Kuperstein Torres doesn’t blame them. “They’re doing the right thing to get the prize that we promised at the end of the process,” she says. “That’s what we told them to do: do well on tests.”

Justin Hudson’s condemnation of the Hunter model helped push out into the open a conflict among the school’s teachers, administrators, and alumni. For some, The Test is what makes Hunter, and any alternative will corrupt and sully this very special place. For others (and I place myself in this latter group) it is simply unacceptable, in New York City of all places, to be running an elite, public educational institution that admits hardly any black or Latino students.

Ironically, it’s those who favor altering the admissions procedures that have tradition and history on their side. In 1965, the
Christopher Hayes

school’s administrators at the City University of New York directed it to “identify and develop gifted students who come from economically and socially disadvantaged groups in our society.” While there is essentially no written record of the school’s admissions procedures over the years, a 1982 New York magazine feature describes an admissions procedure in which a certain number of slots were set aside for students of color who’d scored near, but below, the threshold for entrance. They, along with the elementary school students who had failed to score above the threshold, were then enrolled in a special intensive summer training course to get them up to speed.

Such procedures no longer exist. Hunter, like both the educational system at large and society more broadly, has moved backward, away from a concern with diversity and more equitable outcomes and toward a pristine and simple model of equal opportunity: everyone takes the same test. No “preferences.”

This seems, at first, a strange contradiction. In the 1980s, when there was less inequality, more was done to mitigate it, and yet now, at a time when the playing field is as uneven as it’s ever been, Hunter clings to a far more austere vision of meritocracy than it did in the past. In this way, Hunter is a near perfect parable for how meritocracies tend to evolve. While it rejects, with a kind of bracing austerity, any subjective aspects of admission, its hard-line dependence on a single test is not strong enough to defend against the larger social mechanisms of inequality that churn outside its walls. The result is that just 10 percent of Hunter High School’s students are poor enough to qualify for free or reduced-price lunch in a city where more than 75 percent of all public school students do. The playing field may be level, but certain kids get to spend nights and weekends practicing on it in advance of the competition.

TWILIGHT OF THE ELITES

THE CONCEPT of meritocracy is so essential to our ideas about American exceptionalism that it’s surprising to learn the word itself is an import. It was coined by Michael Young, Labour member of parliament and social critic, in his 1958 book, The Rise of the Meritocracy.

Written as a history of British political, social, and economic development from the perspective of an academic writing in 1934, the book details the development of a new social system in Britain that upended the old British caste system. In its place, the British Labour government creates the meritocracy, which swaps out the aristocratic elite for a ruling class composed of bright and industrious members of all classes. “Today,” the author of the monograph from the future tells us, “we frankly recognize that democracy can be no more than aspiration, and have rule not so much by the people as by the cleverest people; not an aristocracy of birth, not a plutocracy of wealth, but a true meritocracy of talent.”

The education system begins testing all children, and the score becomes their defining identity, faithfully reproduced on their national identity card. So as to make sure that smart kids having an off day aren’t overlooked, the government eventually allows for people to petition for retesting. The bright children are segregated early on and put in special schools that are lavished with resources. Meanwhile, in order to mirror the meritocracy constructed by the government around public education, businesses adopt a similar ethos internally, doing away with seniority as a criterion of evaluation and replacing it solely with merit.

As Young imagined it, these twin trends are powered by increasingly “scientific” measures of merit, whether in intelligence testing for children or productivity measurements for employees.
The new order takes a while to consolidate, but once it does it con-fers huge advantages to the society. It no longer wastes the talent of exceptional members of the working class who were formerly left to languish in menial factory jobs that did not adequately utilize their abilities, and it does not squander precious educational dollars and teacher resources on the dull or lazy members of the aristocracy.

While the term he invented is now the name of our shared social ideal, the grand irony is that Young intended to conjure a grim dystopia. In 2001, he wrote that he was "sadly disappointed" with how *The Rise of the Meritocracy* had been received. "The book," he noted, "was a satire meant to be a warning (which needless to say has not been heeded) against what might happen" if "those who are judged to have merit of a particular kind harden into a new social class without room in it for others."

Here in the United States, "meritocracy" was adopted as the perfect name for the American system of testing, schooling, and social differentiation that, in the wake of the social upheaval of the 1960s, would produce a new, more diverse elite to replace the inbred Eastern WASP establishment.

But of course, long before Young coined the phrase and Americans adopted it, something like "meritocracy" had always been near the core of the American ideal. Alexis de Tocqueville painted a picture of a place in which the old barriers to entry of birth, land, and title had been washed away, a society where each man could achieve as much as his talent and determination would yield him: "The Americans never use the word peasant," he noted, "because they have no idea of the peculiar class which that term denotes."

But while our founders were skeptical of the British Crown they overthrew, they were not particularly egalitarian. Many longed to simply replace one hierarchy with another. In 1813, Thomas Jefferson wrote the following in a letter to his friend John Adams:

I agree with you that there is a natural aristocracy among men. The grounds of this are virtue and talents... May we not even say that that form of government is best which provides most effectually for a pure selection of these natural aristoi into the offices of government?

This letter would, a century later, serve as inspiration for Harvard president James Bryant Conant as he set up the system of modern-day college admissions that is the mechanism by which today's "natural aristocracy" is identified and nurtured.

This desire for rule by the "natural aristocracy" is the other half of our peculiar ideological inheritance as Americans. For all we associate the revolution with a battle for democracy, of the four governing institutions the founders created—the Supreme Court, the Presidency, the Senate, and the House of Representatives—only one, the House, was directly elected. Senators were chosen by state legislatures, the President by the electoral college, and justices of the Supreme Court by the President (with the consent of the Senate). In *Federalist* 10, James Madison famously drew a distinction between a democracy and a republic, placing the entity created by the new constitution squarely in the latter camp.

But Tocqueville presciently noted that once America began extending the franchise it would be impossible to stop short of universal suffrage—"The gradual development of the principle of equality is, therefore, a providential fact"—and indeed the arc of American history has bent toward broader democracy: the electoral college never became the independent deliberative body the framers envisioned, senators came to be directly elected, and suffrage was eventually extended to every nonconvicted citizen eighteen years of age and older.

At different crucial points, in the midst of unrest often brought about by social movements, the terms of the social contract that
binds elites to ordinary citizens have been renegotiated. Andrew Jackson's insurgent campaign and founding of the Democratic Party was the first conquest of the rabble over the elites, but it would be a recurring theme: Reconstruction, the progressive/ populist revolts at the turn of the twentieth century, the labor battles of the New Deal, and the upheavals of the 1960s are but a few examples.

But there is a countervailing trend to this process of democratization. As American history has moved toward wider and wider circles of legal enfranchisement, it has also moved (unavoidably) in the direction of bigness and complexity. Thomas Jefferson conceived of the nation as rooted in relative administrative simplicity, pastoral landscapes, and a threadbare state. If the cornerstone of the republic was to be the yeoman farmer, independent and self-sufficient, there would be little need for bureaucracy and layers of administration. But growth, technology, or, in short, progress, has massively expanded the complexity of the state, society, and institutions. The more complex a society, the more specialization develops: doctors, lawyers, auto mechanics, portfolio managers, water quality experts, and on and on.

In this context, elites emerge as a set of specialized experts to whom key decisions are outsourced.

As the administrative reach of the federal government exploded in the post-New Deal era, sociologist C. Wright Mills identified what he called the "Power Elite" as the overlords of the Cold War industrial order. "As the circle of those who decide is narrowed," he wrote, in reference to the increasingly interlocked worlds of politics, business, and defense that emerged out of World War II, "as the means of decision are centralized and the consequences of decision become enormous, then the course of great events often rests upon the decisions of determinable circles."

So while the history of enfranchisement moves steadily—if slowly—in the direction of inclusion, the social contract must also accommodate the fact that management of affairs of state and market grow evermore complex and specialized. The result is a cycle of populism, anti-elite revolt, and oligarchic retrenchment, with each new ruling elite displacing its predecessor. "History," as the Italian political economist Vilfredo Pareto once said, "is the graveyard of aristocracies." And so it was for the Eastern Establishment that Mills chronicled. Its hold on power was thoroughly (and forever) disrupted by a number of social upheavals that culminated in the 1960s. As famously chronicled in David Halberstam's The Best and the Brightest, Vietnam permanently destroyed the credibility of the "Wise Men" who straddled the upper echelons of both private business and public service. It was these most visible members of the American Establishment who had staffed both Kennedy's and Johnson's administrations, who had overseen the disastrous course of events in Southeast Asia, and who continued to defend their actions and their own rightful place at the decision-making table as the country increasingly rebelled.

That rebellion was driven by the demographics of the baby boom and the unprecedented mass prosperity of the postwar era that flooded America's institutions of higher education with the largest cohort in history. It wasn't so much that the old institutions of elite formation were discarded—Harvard is still Harvard—but that they were increasingly populated by young, bright overachievers who came from outside the narrow Northeastern Protestant aristocracy that had been the core of the former Establishment.

The meritocratic elite is more diverse than its predecessor, as racial minorities and women have been allowed into its institutions. And it places a greater value on high levels of educational attainment, advanced degrees, and professional schools. Where the Establishment emphasized humility, prudence, and lineage, the meritocracy celebrates ambition, achievement, brains, and self-
betterment. Barack Obama, a multiracial child of a single mother, graduate of an elite prep school, Columbia University, and Harvard Law, is the ultimate product and symbol of this system. He is its crowning glory.

Meritocracy represents a rare point of consensus in our increasingly polarized politics. It undergirds our debates, but it is never itself the subject of them, because belief in it is so widely shared. In a February 2007 speech, Federal Reserve chairman Ben Bernanke sketched it out this way: "A bedrock American principle," he said, "is the idea that all individuals should have the opportunity to succeed on the basis of their own effort, skill, and ingenuity. . . . Although we Americans strive to provide equality of economic opportunity, we do not guarantee equality of economic outcomes, nor should we."

The more succinct articulation of this vision is the mythical "level playing field" metaphor, which has become a staple of the political rhetoric of both parties. When an Indian tycoon casually suggested to Thomas Friedman that the explosion of the Internet, cheap computing, and fiber-optic cables meant that "the playing field is being flattened," Friedman had happened upon the unifying conceit for his bestseller *The World Is Flat*. What Friedman is actually describing and effusively praising is a kind of neoliberal globalized version of meritocracy where Indian and Chinese software engineers play the role that hard-studying Jews from Brooklyn once did when they crashed the gates of Harvard.

Michael Young paints the meritocracy as an idea that originated on the left but came to devour it. In *The Rise of the Meritocracy* he wryly notes in a footnote that the origin of the "unpleasant term, like that of 'equality of opportunity' is still obscure. It seems to have been first generally used in the sixties of the last century in small circulation journals attached to the Labour Party." In his 2001 *Guardian* op-ed, Young noted that the mechanisms of meritocracy robbed the working class of potential leaders. The working classes, he wrote "have been deprived by educational selection of many of those who would have been their natural leaders, the able spokesmen and spokeswomen from the working class who continued to identify with the class from which they came."

Traditional left politics, the kind that powered the Labour Party in Britain and the labor movement in the United States, depend on class-consciousness, a kind of solidarity that the meritocracy subverts. The select group of young bright stars of the working class and the poor is taught an allegiance to their fellow meritocrats. They come to see their natural resting place as atop a vastly unequal hierarchy. Those on the bottom who make it to the top rise from their class rather than with it. It is a fundamentally individualistic model of achievement.

Crucially, however, the appeal of such a system extends far beyond the relatively small number of the poor and the working class who are able to actually capture the brass ring at the top. Like the lottery, the meritocracy allows everyone to imagine the possibility of deliverance, to readily conjure the image of a lavish and wildly successful future. So that even if the number of kids from the South Bronx who end up at Goldman Sachs is trivial, even if the number of college grads from rural America who get into Harvard Law School is vanishingly small, the dream of accomplishment for our children is the one thing we all share.

Ultimately the meritocratic creed finds purchase on both the left and right because it draws from each. From the right it draws its embrace of inequality—Edmund Burke once noted acidly that "the levelers . . . only change and pervert the natural order of things"—and from the left it draws its cosmopolitan ethos, a disregard for inheritance and old established order, a commitment to diversity and openness and hostility to the faith, flag, family credo of traditional conservatism. It is "liberal" in the classical sense.
The areas in which the left has made the most significant progress—gay rights, inclusion of women in higher education, the end of de jure racial discrimination—are the battles it has fought or is fighting in favor of making the meritocracy more meritocratic. The areas in which it has suffered its worst defeats—collective action to provide universal public goods, mitigating rising income inequality—are those that fall outside the meritocracy’s purview. The same goes for conservatives. Those who rail against unions and for reduced taxes on hedge fund bonuses have the logic of meritocracy on their side, yet those who want to keep gay men and women from serving openly in the military do not.

Within the framework of a system that seeks equal opportunity rather than any semblance of equality in outcomes, it is inevitable that the education system will be asked to do the heavy lifting. Young predicted as much in his book. And as inequality steadily increases, we ask more and more of the educational system, looking for it to expiate the society’s other sins.

This is why, if there is a single consensus in our contentious politics, it is about the importance of education: “Think about every problem, every challenge, we face,” George H. W. Bush said in a 1991 speech. “The solution to each starts with education.” Bill Clinton explicitly argued that education was the solution to stagnating wages and flat-lining incomes: “We are living in a world where what we earn is a function of what we learn.” And Barack Obama has made this particular theme something of an obsession: “In a global economy where the most valuable skill you can sell is your knowledge, a good education is no longer just a pathway to opportunity—it is a prerequisite.”

Even George W. Bush, arguably the most conservative president since the Great Depression, centered his 2000 campaign on his brand as someone who could deliver to America the fulfillment of its meritocratic promise. Remember that the central plank of the supposedly new compassionate conservatism was his education record in Texas and his plans to implement something similar at the national level. Upon taking office, Bush worked with Massachusetts senator Ted Kennedy on crafting and passing No Child Left Behind, which increased federal funding of education in exchange for a set of national standards. It was the legislative embodiment of the grand left/right consensus on education and merit. “There’s no greater challenge,” the President said at the bill signing event in a middle school in Hamilton, Ohio, “than to make sure that every child . . . every single child, regardless of where they live, how they’re raised, the income level of their family, every child receive a first-class education in America.” Like the two presidents who preceded him, and the one who followed, Bush paid into the myth that education will level the playing field.

Because education is so central to the meritocracy in both theory and practice, we tend to associate it most closely with those highly selective institutions of higher learning—Harvard, Yale, Princeton—that most reliably produce our presidents, senators, and cabinet members. But there are two distinct but related pathways of meritocratic achievement in American society. The other ladder into the upper echelons, the one that allows certain people to bypass the credentialing of elite institutions, is the world of business. If you make enough money, people care a lot less where you went to school.

There has always been something of a populist streak in those who achieved their elite status through entrepreneurial moxie rather than through establishment channels. In an address to college students in 1885, Andrew Carnegie, a Scottish immigrant who worked his way up from the factory floor, lamented the fact that businesses now hired janitors, because it meant that entry-level
businessmen would unfortunately miss “that salutary branch of a business education” that involved sweeping the floors as part of one’s initial duties.

The original idea behind the meritocracy (before it even had the name), as crafted by its Harvard proponents in the earliest days, was to select a fit, bright governing elite. But it also now plays a large role in selecting the titans of industry. Today, the big financial firms are staffed almost exclusively by graduates of elite universities. In Liquidated, her exquisite ethnography of Wall Street, Karen Ho documents the degree to which elite educational institutions and Wall Street have fused into a sort of educational industrial complex: “I found not only that most bankers came from a few elite institutions, but also that most undergraduates assumed that the only ‘suitable’ destination for life after Princeton was first investment banking and second management consulting.” Between 2000 and 2005 about 40 percent of Princeton students who chose full-time employment upon graduation went to Wall Street. Harvard featured similar numbers.

And it’s not just Wall Street. The most notably successful tycoons of our own era, Microsoft’s Bill Gates, Google founders Sergey Brin and Larry Page, and Facebook’s Mark Zuckerberg, are all products of the most elite educational institutions in existence. Gates and Zuckerberg both ditched Harvard to pursue their business dreams, but their pre-Harvard educations took place at some of the most elite, expensive prep schools in the nation.

Thanks in large part to the private equity revolution of the 1980s and 1990s, American business around the country has been remade in Wall Street’s image. Writing in New York magazine, Benjamin Wallace-Wells noted that by 1999 “American CEOs looked very different from [their] predecessors . . . genial paternalists, spending their careers at a single company.” More and more, the new breed of CEOs “were pure meritocrats—well-educated, well-
success, seem to emanate from some alchemical mix of genetics, parental modeling, class status, cultural legacies, socioeconomic peers, and early educational opportunities. As one Hunter student told one of the school papers about the Hunter test: "It's the easiest way to see who was lucky enough to get a good elementary school education and who wasn't."

So just what is the precise relationship between merit and just apportionment of rewards and resources? How do we separate the contingent from the essential? It's not so easy. Distinguishing between the two rests on all kinds of normative assumptions and highly inconclusive empirical work about nature and nurture. "The idea of meritocracy may have many virtues," philosopher Amartya Sen writes, "but clarity is not one of them."

At their most extreme, defenders of the status quo invoke a kind of neo-Calvinist logic by saying that those at the top, by virtue of their placement there, must be the most deserving. Karen Ho describes this "meritocratic feedback loop" as common on Wall Street, where the finance industry's "growing influence itself becomes further evidence that they are, in fact, 'the smartest.'"

Likewise, those who most strenuously defend our uniquely non-redistributive form of American capitalism attack redistribution as representing, fundamentally, a moral transgression. In the eyes of conservatives: The government does not deserve the money it takes through taxes, the person who "earned it" does. Speaking on National Public Radio's show Fresh Air with Terry Gross, conservative anti-tax activist Grover Norquist likened progressive taxation, in which the rich pay a higher percentage of their income than others, to Hitler's treatment of the Jews. In both cases, he said, you had a society singling out a group of people.

The second argument in favor of meritocracy, and to my mind the more compelling, is not that it is necessarily fair, but rather that it is efficient. By identifying the best and brightest and put-

ing them through resource-intensive schooling and training, we produce a set of elites well equipped to dispatch their duties with aplomb. By conferring the most power on those best equipped to wield it, the meritocracy produces a better society for us all. In rewarding effort and smarts, we incentivize both.

At the level of theory, this is a fairly noncontroversial proposition. People should get jobs and positions based on their ability to do the jobs. The ranks of airline pilots should be staffed with those who are best at flying, the ranks of surgeons with those best at performing surgery. And so on. Such a social order obviously benefits us all by keeping us clear of plane crashes and mangled operations. The broader social theory of meritocracy simply extends this logic: We have lots of complicated and difficult tasks in our society—managing the Federal Reserve, designing financial derivatives, overseeing corporate mergers and acquisitions—and those functions should be done by those best able to do them well.

But if that's the most compelling theoretical argument for meritocracy, it is also just that—an argument in theory. The reality is that meritocracy in practice is something different. The most fundamental problem with meritocracy is how difficult it is to maintain in its pure and noble form. In this, Michael Young's prophecy got it wrong. The meritocracy of his imagination fails because it works too well: It is able to measure merit with such precision and hews to the rules so well that the dullard scions of the wealthy find themselves thrown down into the drone class along with the others who test poorly. Ultimately, they are able to foment an uprising, based partly on the umbrage they feel from their unjust dispossession.

In reality our meritocracy has failed not because it's too meritocratic, but because in practice, it isn't very meritocratic at all.
THE IRON LAW OF MERITOCRACY

Let’s return to Hunter as a case study. The problem with my alma mater is that over time the mechanisms of meritocracy have broken down. With the rise of a sophisticated and expensive test preparation industry, the means of selecting entrants to Hunter has grown less independent of the social and economic hierarchies in New York at large. The pyramid of merit has come to mirror the pyramid of wealth and cultural capital.

How and why does this happen? I think the best answer comes from the work of a social theorist named Robert Michels, who was occupied with a somewhat parallel problem in the early years of the last century. Born to a wealthy German family, fluent in French and Italian, Michels studied under Max Weber and achieved academic renown as the master’s star pupil. During his time in the academy he came to adopt the radical socialist politics then sweeping through much of Europe.

At first, he joined the Social Democratic Party of Germany, but he ultimately came to view it as too bureaucratic to achieve its stated aims. “Our workers’ organization has become an end in itself,” Michels declared, “a machine which is perfected for its own sake and not for the tasks which it could have performed.” Michels then drifted toward the syndicalists, who eschewed parliamentary elections in favor of mass labor solidarity, general strikes, and resistance to the dictatorship of the Kaiser. But even among the more militant factions of the German left, Michels encountered the same bureaucratic pathologies that had soured him on the SDP, and he came to believe the problem was deeper than the nature of one individual party. Despite their democratic principles and their commitment to egalitarianism, the parties of the left were never able to embody those principles in the actual practice of party governance. For parties of the right, which were committed to inequality, concentrated power, and rule by few, it was not surprising to find hierarchical party structures dominated from on high. But why, Michels wondered in his classic book Political Parties, were parties of the left, those most ideologically committed to democracy and participation, as oligarchic in their actual functioning as the self-consciously elitist and aristocratic parties of the right?

Michels’s grim conclusion was that it was impossible for any party, no matter its belief system, to actually bring about democracy in practice. Oligarchy was inevitable. “The most formidable argument against the sovereignty of the masses,” Michels came to believe, “is … derived from the mechanical and technical impossibility of its realization.” For any kind of political party, or, indeed, for any institution with a democratic base, to consolidate the legitimacy it needs to exist, it must have an organization that delegates tasks. The rank and file will not have the time, energy, wherewithal, or inclination to participate in the many, often minute, decisions necessary to keep the institution functioning. In fact, effectiveness, Michels argues convincingly, requires these tasks be delegated to some kind of permanent, full-time cadre of leadership: “In the great industrial centers, where the labor party sometimes numbers its adherents by tens of thousands, it is impossible to carry on the affairs of this gigantic body without a system of representation.”

As this system of representation develops its bureaucratic structure, it imbues a small group of people with enough power to delegate tasks and make decisions of consequence for the entire membership. “Without wishing it,” Michels says, there grows up a great “gulf which divides the leaders from the masses.” The leaders now control the tools with which to manipulate the opinion of the masses and subvert the organization’s democratic process. “Thus
the leaders, who were at first no more than the executive organs of the collective, will soon emancipate themselves from the mass and become independent of its control."

All this flows inexorably from the nature of organization itself, Michels concludes, and he calls it "The Iron Law of Oligarchy": "It is organization which gives birth to the dominion of the elected over the electors, of the mandarins over the mandarins, of the delegates over the delegates. Who says organization says oligarchy."

For those committed to democracy, trade unionism, and all other sundry forms of left/wage organizations, Michels's account is dispiriting to say the least. But it is also prescient and profound. Though Michels would later turn to the right, becoming a devoted supporter of Benito Mussolini, whom he saw as a vessel for a genuine working-class sensibility, the Michels who wrote Political Parties was still proudly a man of the left. He recognized the challenge his work presented to his comrades and viewed the task of democratic socialists as a kind of noble, Sisyphean endeavor, which he described by invoking a fable. In it, a dying peasant tells his sons that he has buried a treasure in their fields. "After the old man's death the sons dig everywhere in order to discover the treasure. They do not find it. But their indefatigable labor improves the soil and secures for them a comparative well-being."

"The treasure in the fable may well symbolize democracy," Michels wrote. "Democracy is a treasure which no one will ever discover by deliberate search. But in continuing our search in laboring indefatigably to discover the undiscoverable, we shall perform a work which will have fertile results in the democratic sense."

In order for it to live up to its ideals, a meritocracy must comply with two principles. The first is the Principle of Difference, which holds that there is vast differentiation among people in their ability, and that we should embrace this natural hierarchy and set our-
Christopher Hayes

Hunter is a good example. Its foundational premise—one shared by several other New York high schools designed for the intellectually gifted—is an acceptance, even a glorification, of inequality. As an institution, it has been set aside to nurture and educate the brightest minds in the city. Hunter also takes great institutional pride in pulling in these bright minds from all five boroughs and not simply cultivating the children of Manhattan's ruling class as its private-school rivals do. The problem is that, over time, the inequality in the city at large has produced mechanisms—most significantly the growing test prep industry—that largely subvert the single method whereby mobility is achieved.

We’ve seen the same thing happen in elite colleges, though there it takes a very different shape. American universities are the central institution of the modern meritocracy, and yet, as Daniel Golden documents in his devastating and meticulous book *The Price of Admission*, atop the ostensibly meritocratic architecture of SATs and high school grades is built an entire tower of preference and subsidy for the privileged:

At least one third of the students at elite universities, and at least half at liberal arts colleges, are flagged for preferential treatment in the admissions process. While minorities make up 10 to 15 percent of a typical student body, affluent whites dominate other preferred groups: recruited athletes (10 to 25 percent of students); alumni children, also known as legacies (10 to 25 percent); development cases (2 to 5 percent); children of celebrities and politicians (1 to 2 percent); and children of faculty members (1 to 3 percent).

This doesn’t even count the advantages that wealthy children have in terms of private tutors, test prep, and access to expensive private high schools and college counselors adept at navigating the politics of admissions. All together this layered system of preferences for the children of the privileged amounts to, in Golden’s words, “affirmative action for rich white people.” It is not so much the meritocracy as idealized and celebrated but rather the ancient practice of “elites mastering the art of perpetuating themselves.”

A pure functioning meritocracy, like that conjured by Michael Young, would produce a society with growing inequality, but that inequality would come along with a correlated increase in social mobility. As the educational system and business world got better and better at finding inherent merit wherever it lay, you would see the bright kids of the poor boosted to the upper echelons of society, with the untalented progeny of the best and brightest relegated to the bottom of the social pyramid where they belong.

But the Iron Law of Meritocracy makes a different prediction, that societies ordered around the meritocratic ideal will produce inequality without the attendant mobility. Indeed, over time, a society will grow both more unequal and less mobile as those who ascend its heights create means of preserving and defending their privilege and find ways to pass it on across generations. And this, as it turns out, is a pretty spot-on description of the trajectory of the American economy since the mid-1970s.

The sharp, continuous rise in inequality is one of the most studied and acknowledged features of the American political economy in the post-Carter age. Paul Krugman calls it “The Great Divergence,” and the economist Emmanuel Saez, who has done the most pioneering work on measuring the phenomenon and recently received the prestigious John Bates Clark Medal, has written, “The top 1% income share has increased dramatically in recent decades and reached levels which had not been seen...since before the Great Depression.”

In 1928, the top 10 percent of earners captured 46 percent of national income. That was the highest share that the top tenth
captured for nearly eighty years, until 2007, when we returned to the wealth distribution of the country on the eve of the Great Depression. The top 1 percent did even better. Between 1979 and 2007, nearly 88 percent of the entire economy’s income gains went to the top 1 percent.

One of the most distinctive aspects of the rise in American inequality over the past three decades is just how concentrated the gains are at the very top. The farther up the income scale you go, the better people are doing; the top 10 percent have done well, but have been outpaced by the top 1 percent, who in turn have seen slower gains than the top 0.1 percent, all of whom have been beaten by the top 0.01 percent. As Jacob Hacker and Paul Pierson put it in their book Winner-Take-All Politics, even the top 1 percent, “while seemingly an exclusive group, is much too broad a category to pinpoint the most fortunate beneficiaries of the post 1970s income explosion at the top.” Adjusted for inflation, the top 0.1 percent saw their average annual income rise from just over $1 million in 1974 to $7.1 million in 2007. And things were even better for the top 0.01 percent, who saw their average annual income explode from less than $4 million to $35 million, nearly a ninefold increase.

It is not simply that the rich are getting richer, though that’s certainly true. It is that a smaller and smaller group of über-rich are able to capture a larger and larger share of the fruits of the American economy. America now features more inequality than any other industrialized democracy. In its peer group are countries like Argentina and other Latin American nations that once stood as iconic examples of the ways in which the absence of a large middle class presented a roadblock to development and good governance.

So: income inequality has been growing. What about mobility? While it’s much harder to measure than inequality, there’s a growing body of evidence that at the same time inequality has been growing at an unprecedented rate, social mobility has been declining. In a 2012 speech, Alan Krueger, the chairman of President Obama’s Council of Economic Advisers, coined the term “The Gatsby Curve” to refer to a chart showing that, over the past three decades, “as inequality has increased . . . year-to-year or generation-to-generation economic mobility has decreased.”

The most comprehensive attempt at divining the long-term trends of social mobility over several generations is “Intergenerational Economic Mobility in the U.S., 1940 to 2000,” a complex paper by economists Daniel Aaronson and Bhaskar Mazumder of the Federal Reserve Bank of Chicago. After a series of maneuvers that qualify as statistical pyrotechnics, they conclude that “mobility increased from 1950 to 1980 but has declined sharply since 1980. The recent decline in mobility is only partially explained by education.”

Another pair of economists, from the Boston Federal Reserve, analyzed household income data to measure mobility over three decades, rather than intergenerational mobility. They found that in the 1970s, 36 percent of families stayed in the same income decile. In the 1980s, that figure was 37 percent, and in the 1990s it was 40 percent. In other words, over time, a larger share of the families were staying within their class through the duration of their lives.

A study carried out by economist Tom Hertz of more than six thousand American families over two generations found that of those born into the bottom income quintile, 42 percent remained in it, while only 6 percent made it to the top bracket. Someone born into the top bracket of American society is seven times as likely to end up there as someone born into the bottom. Hertz notes that race is a crucial factor in mobility, particularly for those in the lowest income bracket. “The gap between median black family income and median white family income hasn’t changed in twenty
Christopher Hayes

years," he told me. "That is not a society moving toward equality. It's a society that's reproducing inequality by race."

Part of this is likely due to the rise of the war on drugs and mass incarceration, which disproportionately impacts African Americans. A report based on the research of Bruce Western and Becky Pettit, published by Pew, looked at the effect that our criminal justice policies have on social mobility. It found that incarceration dramatically reduces earnings after release, as well as the prospects for children of those incarcerated. The report notes that "1 in every 28 children in the United States—more than 3.6 percent—now has a parent in jail or prison. Just 25 years ago, the figure was only 1 in 125. For black children, incarceration is an especially common family circumstance. More than 1 in 9 black children have a parent in prison or jail, a rate that has more than quadrupled in the past 25 years."

Not only is America less mobile than it used to be, it is less mobile than nearly every other industrialized democracy in the world. "Compared to the same peer group," Pew's Economic Mobility Project reports, "Germany is 1.5 times more mobile than the United States, Canada nearly 2.5 times more mobile, and Denmark 3 times more mobile." They find that the only other country with similarly low levels of mobility is our sibling in meritocracy, the birthplace of the word itself, the United Kingdom.

And yet, in one of the grand ironies of American public opinion, the United States is still the place where the meritocratic faith burns brightest. "In Europe," the Economist noted, "majorities of people in every country except Britain, the Czech Republic, and Slovakia believe that forces beyond their personal control determine their success. In America only 32% take such a fatalistic view." Since 1983 an occasional CBS News/New York Times poll has asked people: "Do you think it is still possible to start out poor in this country, work hard, and become rich?" In 1983, 57 percent answered yes, and by 2007 the number had risen to 81 percent. Even in 2009, after the worst financial crisis in recent memory, and epidemic levels of unemployment, the overwhelming majority of those surveyed (72 percent) still held on to this singular faith.

It is remarkable that as faith in so much about the American project disintegrates, this one belief endures, even as the facts do more and more to undermine it. But I think this is more than mere coincidence. A deep recognition of the slow death of the meritocratic dream underlies the decline of trust in public institutions and the crisis of authority in which we are now mired. Since people cannot bring themselves to disbelieve in the central premise of the American dream, they focus their ire and skepticism instead on the broken institutions it has formed.

Much of the enduring value of Michels's analysis of political parties comes from his prophetic understanding of the end point toward which certain socialist parties were heading. His theory predicted that a true dictatorship of the proletariat would keep the dictatorship and lose the proletariat, as happened in Russia just a few years after his book was published. "The socialists might conquer," he prophesied, "but not socialism, which would perish in the moment of its adherents' triumph."

In our own case, the end point is nowhere near as violent or dire. But if The Iron Law of Meritocracy has corrupted a society founded upon the twin principles of difference and mobility, we might ask what kind of social order would result.

It would be a society with extremely high and rising inequality yet little circulation of elites. A society in which the pillar institutions were populated by and presided over by a group of hypereducated, ambitious overachievers who enjoyed tremendous monetary rewards as well as unparalleled political power and
prestige and yet who managed to insulate themselves from sanction, competition, and accountability, a group of people who could more or less rest assured that now that they have achieved their status, now that they have scaled to the top of the pyramid, they, their peers, and their progeny will stay there.

Such a ruling class would have all the competitive ferocity inculcated by the ceaseless jockeying within the institutions that produce meritocratic elites, but face no actual sanctions for failing at their duties or succumbing to the temptations of corruption. It would reflexively protect its worst members, it would operate with a wide gulf between performance and reward, and would be shot through with corruption, rule-breaking, and self-dealing as those on top pursued the outsized rewards promised for superstars. In the way the bailouts combined the worst aspects of capitalism and socialism, such a social order would fuse the worst aspects of meritocracy and bureaucracy.

It would, in other words, look a lot like the American elite circa 2012.