

The Tyranny of Merit, Michael Sandel

Michael Sandel has written a book about the deep causes of the inequality that is a key driving force behind the populist backlash of recent years. His analysis serves as a basis for justification of the introduction of a universal basic income.

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The two main culprits behind populism: a technocratic market approach and meritocracy

Two specific aspects of globalisation have created conditions that are fuelling the populist backlash: the technocratic belief in the free market as a force for the general good and the resulting inequalities, and the meritocratic way in which advocates for globalisation define winners and losers.

From the 1980s and 1990s onwards, major international trade agreements and financial deregulation have brought windfalls for those at the top in particular, while at the same time creating large-scale social inequality. As parties on the left side of the political spectrum also wholeheartedly endorsed these developments, they lost much of their public support. The populist uprising of the past few years is a furious backlash against the inequality.

There is not only an economic component to growing inequality, it also has an ethical and cultural component. Sandel refers to it as the meritocratic ethos that, over the past decades, has led to what he calls 'meritocratic hubris'. This hubris is reflected in the winners' tendency to let their success go to their heads, forgetting about all the luck and good fortune that helped them along the way. Those who make it to the top believe with self-satisfied conviction that they deserve their fate and that those who end up at the bottom do too. This leaves little room for the kind of solidarity that could arise if we were to realise just how haphazardly talent is distributed and how randomly fate can either be kind or cruel. Merit-based pay is, according to Sandel, thus a form of tyranny - an oppressive regime. Denigration is the primary logical result of the meritocratic belief system. The idea that everyone is the master of their own destiny, as in Obama's famous line of 'you can make it if you try', is a double-edged sword that can be both inspiring and insulting. It congratulates the winners but denigrates the losers, even in their own eyes. Denigration is the driving force behind the populist backlash.

In itself, the discussion around the role of merit is not new. Even so, Sandel points out that belief systems ranging from Confucianism and Platonism to Republicanism all link merit to moral and civic virtues. However, this link is broken in our technocratic

version of meritocracy. In Chapter 2, Sandel goes into great detail when he describes the religious background to the role of merit. Ultimately, many of the debates of yesteryear revolved around the importance of reaching salvation, either through merit or otherwise. Today, merit is about success and worldly riches. Success is then not a matter of luck or mercy, but rather something to which we are entitled on account of the effort we put into our pursuits. And those who are successful are rarely content with the fact that fate was kind to them. They also want to know that they are entitled to the success and 'deserve' it, and most of all that they deserve it more than others. This is, in Sandel's view, the core of the meritocratic ethos.

The rhetoric of rising and 'credentialism'

There is also a flip side to this meritocratic way of thinking: Sandel: *The more we view ourselves as self-made and self-sufficient, the less likely we are to care for the fate of those less fortunate than ourselves. If my success is my own doing, their failure must be their fault.* Obviously, this mindset undermines the sense of solidarity. One of the domains where it has manifested itself is the political domain, where the emphasis is increasingly on individual responsibility in reining in the welfare state. Social security benefits are a prime example of that. This meritocratic ethos also led to a 'rhetoric of rising': *If barriers to achievement could be dismantled, then everyone would have an equal chance to succeed; regardless of race or class or gender, people could rise as far as their talent and effort would take them. And if opportunities were truly equal, those who rose the highest could be said to deserve their success and the rewards it brings.* The word 'merit' also started to dominate our language. In the US, the idea of 'you've earned it' became a fixture in presidential discourse, especially Obama's. Trump put an end to this meritocratic project. Like politicians in many other countries, he rode the wave of the populist revolt against the meritocratic elites. Sandel argues that it was not meritocracy as such that was rejected, but rather the fact that it represented the dominant social order. The meritocratic elites had subjected to the discipline of this social order and accepted the strict judgement of their merit, and they wanted others to do the same. When inequality has spiralled out of control and social mobility has stalled, incessantly repeating the mantra that we are responsible for our own fate and that we get what we deserve not only erodes people's sense of solidarity, it is also plain demoralising for those who have been unable to keep up with globalisation.

Sandel subsequently devotes an entire chapter to a concept that he calls 'credentialism', i.e. discrimination based on educational attainment, the widely peddled belief that earning a university degree is the surest route to a respectable job and a dignified life. This idea devalues labour and downgrades those who do not have a diploma. Over the past few decades, getting more people into education was policy goal number one in many countries. Increasing globalisation was accepted as a given and education was seen as the best way to push back inequality. The question is whether it is. The focus on education deflected attention away from what was actually happening in our real-life economy, the major power shift on the back of the

financialisation of the economy and the emergence of huge powerful companies. It widened the inequality gap between people, which, combined with the strong focus on education, led to the steady erosion of the social status of those who never went to university. The 'privileged' class's repeated stressing of the importance of education negates this fact, which is basically a systemic failure, and tells those with lower levels of educational attainment that they have no one but themselves to blame for the inequality. This is what Sandel calls 'meritocratic hubris'. Over the past decades, the elites have developed a habit of looking down on those who did not rise.

Success ethics

Not only does real life not live up to the ideal of meritocracy, the whole ideal itself is no good. Sandel formulates two key objections. The first objection questions whether a fully-fledged meritocracy, where jobs and pay are a pure reflection of people's effort and talent, would actually lead to a just society. According to Sandel, most contemporary philosophers reject the idea that society should assign jobs and pay based on merit, on what people deserve. After all, much of it depends on chance and luck, on our God-given talent, on whatever value society assigns to a specific talent at any point in time, on our family background, etc. The moral worth of effort and hard work is blown up out of all proportion.

Sandel's second objection claims that even if a meritocracy were to be fair, it would still not create a just society. It would generate a society marked by hubris and anxiety among the winners and resentment among the losers.

What, then, could be a just society? Over the past half century, two competing views emerged. On the one hand, there is the free market liberalism / neoliberalism pushed primarily by Friedrich A. Hayek, and on the other we have the liberalism of the welfare state defended by John Rawls. It would go too far to go into the details of these two views, but the main conclusion to draw is that both Hayek and Rawls reject merit as a basis for fairness. They also reject the idea that economic reward should be a reflection of what people deserve.

A subsequent point that Sandel raises is that the market value that is created when market demand is met is not necessarily the same as actually contributing to society. This becomes clear when you compare the salaries of healthcare workers and teachers to those of bank executives and casino managers. Besides that, the market's needs are the product of the workings of the economic system itself. The kind of demand and the needs are largely invented and determined by the system itself.

The role of education

In Sandel's view, overcoming the tyranny of merit means first and foremost that we need to rethink how we see success and question the meritocratic misconception that those at the top of the ladder got there on their own strength. This rethink is required in particular in the worlds of education and work. Sandel devotes a complete chapter of his book to the role universities can play here. Especially in the US, but also elsewhere, universities have so far failed to foster social mobility. In fact, they protect existing privileges. University admission tests to select students based on academic suitability and innate intelligence mainly measure who is the richest. It gave rise to the phenomenon of 'helicopter parenting'. Parents increasingly believed it was their duty to support their children in achieving their meritocratic success, helping them with their homework, giving them extra chores, enrolling them in extracurricular courses, getting them extra tutoring, etc.

Meanwhile, countless reports have been published about how parents' tendency to intensively manage their children's lives in the name of meritocratic success has taken a heavy toll, especially among university-bound teenagers. The regime of merit thus made the tyranny branch off in 2 directions. In Sandel's words: *Among those who land on top, it induces anxiety, a debilitating perfectionism, and a meritocratic hubris that struggles to conceal a fragile self-esteem. Among those it leaves behind, it imposes a demoralizing, even humiliating sense of failure.....* And all of this caused by *the abiding meritocratic faith that we are, as individuals, wholly responsible for our fate: If we succeed, it is thanks to our own doing, and if we fail, we have no one to blame but ourselves.*

While Sandel does come up with suggestions on how to mollify the meritocratic machine by easing the selection mechanisms in education, what he believes to be even more important is to lower the stakes. For many to be successful in life, all forms of education and work would have to be taken equally seriously.

Esteem for work

Globalisation and meritocratisation have over the past decades caused wages to stagnate and jobs to be lost for the average man. And what was the worst in all of this was that, in the eyes of society and largely also in workers' own eyes, the work no longer constituted a valuable contribution to the general well-being. This misconception got Donald Trump a lot of votes in the US, even though he did little to nothing for them economically, not even delivering fairer distribution of income. A serious response to these frustrations will, according to Sandel, have to address the patronising attitude of the elites and prejudices with respect to the value of diplomas. Aside from that, it would have to put the dignity of work at the top of the political agenda. Sandel argues that we need to have a debate on what really constitutes a valuable contribution to the general well-being and where the market gets it wrong in this respect. While such a debate will undoubtedly not lead to agreement, it would put an end to our entrenched party positions and add a new moral impetus to the public

debate. The financialisation of the economy over the past decades would have to be a key focus point in this debate, seeing as it could turn out to be much more harmful to the dignity of work, and also much more demoralising. This is because our modern economy is perhaps the clearest example of the gap between market-assigned reward and that which truly contributes to the general well-being.

Although Sandel does also argue for specific policy measures to improve wages at the bottom of the labour market, such as through wage supplementation schemes and by shifting the tax burden away from labour and onto consumption, speculation, and capital, his main plea is that we need a public debate. He claims that we cannot decide what counts as a contribution that merits recognition if we do not first have a debate about the meaning and goals of the life we share with each other. And we cannot talk about these shared goals if we do not feel that we belong somewhere, if we cannot see ourselves as members of a community to which we are indebted. Social well-being depends on cohesion and solidarity. Over the past four decades, market-driven globalisation and the meritocratic approach to success have torn these moral bonds apart. We rely less on our fellow citizens, are less grateful for the work they do, and we are less open to solidarity. The meritocratic idea that people deserve all the wealth that the market bestows on them because of their talent makes solidarity a nigh-on impossible pursuit. That we live in a society that attaches value to our talent is luck, and not something that we are entitled to. Taking such a modest view is the first step on the road back from the cruel ethics of success that divide us. It is a road that takes us beyond the tyranny of merit to a less spiteful and more generous public life.

Public Debate and Basic Income

Sandel's analysis is razor sharp. What he brings to the fore more than anything is how present-day populism is only indirectly fuelled by the unequal distribution of income and essentially dominated by an ethical and cultural component. A growing section of the population feels underrated. This has everything to do with the tyranny of merit driven by the meritocratic ethos that, over the past decades, has led to meritocratic hubris. This hubris is reflected in the winners' tendency to let their success go to their heads, forgetting about all the luck and good fortune that helped them along the way. Those who make it to the top believe with self-satisfied conviction that they deserve their fate and that those who end up at the bottom do too. This leaves little room for the kind of solidarity that could arise if we were to realise just how haphazardly talent is distributed and how randomly fate can either be kind or cruel. Merit-based pay is, according to Sandel, thus a form of tyranny - an oppressive regime.

And so, Sandel launches into a plea for a sweeping public debate on how to move from today's individualisation to a greater sense of solidarity and more self-determination for all. What is essential in this respect is his conclusion that for many to be successful in life, all forms of education and work would have to be taken equally seriously. Without explicitly mentioning it, he points to the core of what the implementation of a universal basic income is all about: more equal recognition of current paid and unpaid

work, a stimulus to go to school. In an interview with Dutch newspaper *De Volkskrant* (20 September 2020), Sandel describes this as follows when he speaks about ‘that which contributes to the community’ as a key alternative criterion to purely performance/merit-based recognition: *‘It is, in any case, a more democratic method that allows us to recognise contributions that are currently ignored or undervalued. I mean contributions such as the unpaid work that is done within households, for example, such as raising children and caring for relatives. Or all the work that, due to the COVID-19 crisis, has turned out to be much more important than society gave it credit for: nursing care, cleaning work, waste collection, and logistics. Setting aside the matter of usefulness, the fact that there is equal dignity in every human being should also reverberate in the dignity of everyone’s work.’*

Regrettably, Sandel hardly gets round to formulating specific solutions in his book. Nevertheless, his most concrete suggestion with respect to the revaluation of work is to improve wages at the bottom of the labour market, such as through wage supplementation schemes and by shifting the tax burden away from labour and onto consumption, speculation, and capital. While the latter suggestion is an excellent one, it would be even better if it were substantiated further to ensure that those who do unpaid work also benefit. This further substantiation also takes us to a second key argument for downgrading the role of merit-based pay, which is that the link between current wages on the one hand and individual work performance on the other is loosening. Pay is increasingly less personal. Our current level of prosperity, as initially reflected in people’s primary income, is the result of many years of productivity growth to which many generations of people have contributed. Our high income levels can, therefore, not be put down only to the labour performed and capital invested in companies at this point in time. In this context, distributing primary income only to those directly involved in the production process seems to be increasingly less of a given and implementing a universal basic income for all is an obvious alternative, i.e. regardless of someone’s position in the productivity-driven labour process. The state collecting taxes directly at the source, i.e. at the level of companies’ production, would then be the obvious choice. This would also automatically shift the tax burden to sources other than labour, which is merely one production factor.

The figures show that there is growing support among the general public for the idea of a universal basic income. Even so, there is a hard core of people who are against it and keep using counter-arguments that they cannot back up with facts, such as a universal basic income having adverse effects on the labour market and being too costly. Their rejection might very well have little to do with those counter-arguments and rather be driven by a strong meritocratic bias. There is a clear relation between implementation of a universal basic income and the public debate that Sandel wants to get going.

Finally, the results of the most recent parliamentary elections in the Netherlands can be explained based on Sandel’s *The Tyranny of Merit*. On the one hand, right-wing populist parties are on the rise. 1 in 5 Dutch people voted for populist right-wing parties that have become increasingly extreme since the days of Pim Fortuyn’s first populist revolt in the early 2000s: full of mistrust and bitterness directed at everything and everyone and not shy about avowing discrimination. Even in the knowledge that

these parties will not be part of a coalition government and play no role in the actual governance of the country, people vote for them. And people vote for these parties even though their election programmes are, at least in a socioeconomic sense, more likely to prejudice than to favour them. On the other hand, the two winners of the elections are supreme exponents of meritocracy, namely the People's Party for Freedom and Democracy (VVD, the party for the successful) and Democrats 66 (D66, the party for the highly educated). What we need to do over the coming years, therefore, is to assemble a left-wing populist programme that addresses 3 pressing issues:

- How to achieve a sustainable world as soon as possible
- How to reach a post-capitalist state by shifting the balance of power
- How to accomplish lasting labour market change in line with the foregoing through a national debate as proposed by Sandel, which will at least have to lead to:
 - a large-scale shift from taxation of labour to direct taxation of companies' production
 - implementation of a universal basic income.