Piketty and the justice of education

Dr Steinar Bøyum

University of Bergen, Norway
stboyum@gmail.com
Introduction
The question of social inequality has once again become a key topic of political debate. In philosophy, it has been important since A Theory of Justice (Rawls, 1971). Whereas the former debate is often quite vague on the normative plane, the philosophical debate has developed an advanced normative system of concepts, principles, and arguments, but that are not always closely in touch with the empirical world. The astonishing success of Thomas Piketty's Capital in the Twenty-First Century (2014) gives hope that these discussions can approach each other. Although Piketty is best known for his empirical documentation of large and increasing social disparities, it is also clear that he is motivated by a sense of injustice. In particular, he condemns the fact that inheritance is becoming more profitable than education.

In the following discussion, we shall look critically at Piketty's view on education and social justice. I shall mainly discuss Piketty's normative arguments, not his empirical work. That means that I shall be little concerned here with facts about or explanations of socio-economic inequality, but will rather focus on the normative assessment of this kind of inequality. It is then important to distinguish between two different normative questions. The first has to do with the justice or injustice of the magnitude or degree of social inequality, whether we are talking about differences in income, wealth, welfare, or anything else. A typical principle for determining this is Rawls' (1971) difference principle. The second question has to do with whether the ways that individuals achieve positions in the social hierarchy are just, given a certain distribution structure. Here, variants of equality of opportunity enter in, e.g. Rawls' principle of fair equality of opportunity or Cohen's (2009) principle of socialist equality of opportunity.

Piketty is concerned with both types of question and alternates between them. In an empirical context, that is understandable since it is reasonable to assume that the degree of social inequality is related to the degree of social mobility. In principle, however, it is important to keep these two questions apart, and my feeling is that Piketty does not always do that when he discusses normative questions: it is often unclear whether he primarily reacts to the magnitude of the inequality or to the way in which we gain access to different positions, or to both. Regardless, I shall focus here on the second question, but I shall return to the first one near the end. Thus, the question here will be: is education, as Piketty seems to think, a more just way to distribute goods and positions than (economic) inheritance?

Even if the subject of this article is Piketty's normative perspective, we must begin by taking a brief look at some of his main empirical claims, since they are a necessary backdrop for the discussion about justice. After that, I shall try to identify his normative framework. Piketty is far less clear on the normative level than on the empirical, but we can summarise his view of justice as meritocratic luck egalitarianism. The question I shall then discuss is whether this conception can justify that it is more just that education decides your social position than that inheritance does. My main thesis will be that Piketty ends up in a dilemma that he cannot resolve with the normative resources he has at his disposal. The horns of this dilemma are defined by whether or not we accept what Susan Hurley (2005) calls “the regression requirement", and in both cases the normative distinction between inheritance and education as ways to achieve social positions disappears. This does not imply that there is no such distinction, but it indicates that we must look in other places in order to find a basis for it. Toward the end, I shall then suggest the contours of one such possible solution, which makes use of one of Piketty's key empirical arguments.

Piketty’s main empirical claims
Based on a rich and unique set of data, which covers over twenty countries and over three hundred years, Piketty argues that economic inequality has greatly increased and that it will

1 In this paper, I shall refer to this book with the abbreviation “CTC”.
2 These are not independent of each other. The way in which we normatively assess social inequality will often depend on what we regard as the causes of the inequality.
probably continue to increase. He argues that we are well on the way back to the “patrimonial capitalism” of the 19th century (CTC, p. 154).

Piketty’s extensive database enables him to discern long-term historical patterns. The 1800s, and especially Europe around 1900, were characterised by concentration of wealth and extreme inequality. The two World Wars brought about a major decrease in private wealth. When this decrease was combined with the extraordinary economic growth of the post-war era, the period up to 1970 was characterised by relatively small economic disparities. However, this combination was highly unusual, and we are now on our way back to the normal. Since the 1970s, Europe, despite substantial public debt, has witnessed a rapid amassing of private wealth, which is approaching the same level as 100 years ago. This “comeback of private capital” (CTC, p. 173) is mainly due to lower growth, both economic and demographic, but also to political decisions, especially lower and less progressive taxes.

Since capital is always much more unequally divided than income from labour (CTC, p. 244), the growth of private wealth results in major social disparities. The top ten per cent owns well over half of the wealth, and the bottom half owns next to nothing. Piketty is cautious in his predictions for the future, but he thinks that this trend will continue, with even greater inequality as a result. Over a period of time, we cannot expect an annual economic growth of more than 1-2%, and “low” growth of this kind, which is only low when we compare it with the post-war period’s extraordinary 3-4%, will make amassed wealth even more important. The return on capital is usually greater than the economic growth; this is the famous formula \( \text{r} > \text{g} \), and the greater the disparity between \( \text{r} \) and \( \text{g} \), the greater the inequality.\(^3\) This trend will be amplified by the fact that greater wealth tends to have greater returns than smaller wealth.

The increase in disparities in wealth goes hand-in hand with the increase in disparities in income since 1970, primarily due to high executive pay. This is especially true in the USA, but there has been a similar trend in Europe, especially in Great Britain. The top decile now receives half of all of the income in the USA, which is higher than ever, and much of the increase has gone to the very top percentile. This is mainly due to political changes, especially with regard to taxation. Piketty is especially concerned with showing that the USA has not always been like this. One hundred years ago, the USA was more egalitarian than the Scandinavian countries, and during some periods the USA has even had nearly confiscatory top tax rates.

The great disparities in wealth and income mean that inheritance is becoming just as important as it was in the nineteenth century. “The comeback of private capital” is also “the comeback of inherited wealth” (CTC, s. 84). This is not limited to a small elite. Already now, we can note the increased importance of inheritance in daily life; e.g. in the disparity between those who can get help from their parents to purchase property and those who cannot (CTC, p. 381). As many as one sixth of those who were born in the 1970s will inherit more than the lower half earns throughout their whole lives (CTC, p. 421). Family connections will therefore become increasingly important in determining the socio-economic status that we end up with.

**Piketty’s normative framework**

Although Piketty’s book is primarily an empirical and scientific work, he also takes moral and political standpoints. He is in favour of a global, individual, highly progressive tax on wealth, which he thinks is the only measure that can diminish the inegalitarian effect of \( \text{r} > \text{g} \), but which he unfortunately also regards as unrealistic because it requires considerable international cooperation. In general, Piketty comes across as an egalitarian. He says, for example, that the

---

\(^3\) An important change compared to 1900 lies in the emergence of an affluent middle class. Whereas the top decile now owns about 60% of total wealth, compared with almost 90% in 1910, the difference is not that the lower half has gained more, but that a middle class of 40% has emerged, which has gained that which the top decile has lost (CTC, p. 346). The lower half still owns next to nothing. The problem for the middle class, however, is that the upper decile’s share of the wealth is rapidly increasing.

\(^4\) In the long run, the return on capital is 3-6%, whereas economic growth is 1-3%.
Scandinavian countries in the 1970s were the most egalitarian that we know of, and there is little doubt that he sees this, or something even more egalitarian, as the ideal (CTC, p. 246). At the same time, he does not regard all social inequality as unjust—it depends on how the inequality is justified (CTC, p. 19).

Where then does Piketty draw the line between acceptable and unacceptable inequality? Unfortunately, Piketty is not equally clear when it comes to normative questions about justice as he is with empirical questions about inequality, but some of his conclusions are evident. For instance, he regards it as unjust that such a large share of the profits goes to owners rather than to workers and that executive pay has been dissociated from actual performance. What is mainly emphasised in his book, however, is that he regards inheritance as morally suspect. The typical division with Piketty is capital, inheritance, family, and fat-cat stockholders on the one hand and labour, merit, studies, and effort on the other, and there is little doubt about where his normative sympathies lie (e.g. CTC, p. 224). He says that our democracy is based on a meritocratic hope that inequality shall be based on “merit and effort” (CTC, p. 422), but that such meritocratic values are undermined by increasing disparities, which to a steadily increasing extent are inherited.\(^5\)

Piketty is particularly unclear when it comes to overarching normative principles (CTC, p. 480). He likes to quote the French human rights declaration of 1789, which says that acceptable inequality must be based on “common utility”. He specifies that this should not be interpreted as a kind of utilitarianism, but rather as the view that inequalities must be in everyone’s interest, which he further specifies to mean that inequality should benefit the most disadvantaged. Not surprisingly, he relates this to Rawls’ difference principle, which he then, somewhat more surprisingly, lumps together with Amartya Sen’s capability approach. Piketty goes on to define the most disadvantaged as those who must come to grips with “the most unfavourable factors beyond their control” (CTC, p. 630); e.g. unequal family resources, and thereby also introduces a so-called luck-egalitarian element. In other words, just within this brief section he refers to three or four different theories, apparently without paying attention to the differences among them. Even though these theories of justice can be in agreement that the current inequalities are unjustified, it is disappointing that Piketty deals with such different theories as if they were the same.

I shall make no attempt to argue for it with a thorough text analysis, but in my opinion Piketty’s predominant normative perspective can be summarised as a kind of meritocratic luck egalitarianism: inequality should be based on merit and effort because this is what we have control over and can therefore be held responsible for (CTC, p. 422). Such an interpretation seems to agree well with many of the conceptual pairs that structure his normative argumentation; e.g. inheritance vs. education. Although Piketty refers explicitly to Rawls’ difference principle and Sen’s capability approach, he rarely makes active use of these theories in his argumentation.

**Rastignac's dilemma**

The essence of Piketty's book is expressed in what he calls Rastignac's dilemma, taken from Balzac's novel, *Père Goriot*, from 1835. The street-smart Vautrin advises the poor young Rastignac against studying law, and tells him he should win the heart of Mademoiselle Victorine instead, so as to get his hands on her father's extensive inheritance. The reasoning is that even after many years of hard labour with his studies and even more years of drudgery and intrigues as a lawyer, his chances of reaching the top will be slight. Even if Rastignac should be so skilful and diligent that he enjoyed great success as a lawyer, his annual pay would be much less than what he can gain from the return on the inheritance to Victorine. Not even the best paid percentile was anywhere near the standard of living of the richest percentile in Paris at that time. With such great inequality in capital, you have minimal chances of becoming part of the elite through education, talent and hard work. Inheritance is necessary.

---

\(^5\) Here we are using meritocracy as a genuinely normative term. As Piketty also points out (CTC, p. 85), meritocratic rhetoric is often used to justify great disparities and to persuade the winners that they deserve their success, without any particular basis in fact.
Piketty’s point is that this kind of situation, where inheritance is more rewarding than studies, has been the norm and is in the process of becoming so again (CTC, p. 408). There was a brief period in the post-war era when education was the surest way to the top, but now we are back to “the normal”, even though we still believe that we are living in a meritocracy. It is certainly true that the situation now is more complex than it was in the 19th century because of the emergence of an affluent middle class, but we are still much closer to Balzac’s world now than we were in the post-war period, and as mentioned above, there is reason to believe that we will come closer still. Briefly speaking, we are coming closer and closer to a world where it is better to spend your time in the gym working out than to get an education, so that you become more attractive and can catch a wealthy heir or heiress.

The interesting aspect for our normative purposes is that Rastignac’s dilemma is a morally loaded example for Piketty. He regards it as unjust that inheritance means more than education, and for many, especially academics, this is perfectly obvious. But is it so obvious? Is education a morally better way to distribute positions than family? As we have seen, Piketty operates with two moral principles that can be used to justify his position: The meritocratic, which roughly dictates that talent and effort shall determine position, and luck egalitarianism, which roughly dictates that acceptable inequality must be based on characteristics that we have control over, not on luck.6 As mentioned, it is reasonable to interpret Piketty in such a way that he also thinks these two factors are related; it is unjust that inheritance decides your social position since family relations are beyond our control, whereas it is just that education does so, since achievements in the educational system reflect talent and effort. The question is how well this argument holds up.

A slippery slope
The concept of meritocracy is notoriously ambiguous. It is often taken for granted that meritocracy implies an emphasis on education, but there is some tension here. Sometimes we (including Piketty) use “meritocracy” (in the normative sense) quite simply to mean that it is education that should count in the distribution of positions. At other times, we use it to mean that it is talent and effort that should count, and because we switch from the one meaning to the other, it is easy to overlook that there is a tension between these two meanings.

If meritocracy means that it is talent and effort that should count, then it is not obvious that it is achievements in the educational system that should count, since there will then be a contingent relationship between meritocracy and education. The obvious reason is that we can develop and display talent in other places beside the educational system. The deeper reason is that we can develop and display other talents beside those that the educational system values. When we talk about talent, we are always talking about relevant talent. The educational system selects certain talents that it rewards and others that it punishes, and it is an open question whether the talents that the educational system favours are those that should count in society. The implication is that we can support meritocracy in this sense, but still reject education as a way of designating the relevant talents. This is a possibility that Piketty never discusses, so it can seem as if he, like many other academics, merely takes it for granted that the ideal of meritocracy implies an important role for education.

If, on the other hand, meritocracy simply means that it is education that should count in the distribution of positions, then it is not obvious that meritocracy is in opposition to “birth and background”, which Piketty regards as unjust ways of distributing positions (CTC, p. 334). The reason is, obviously, that birth and background also determine how well we do in the education system. The latter is something that Piketty emphasises himself. Even if education is more important now than it was in the 1700s, society is still not meritocratic, according to Piketty, since there is “no evidence that education has really increased intergenerational mobility” (CTC, p. 420). However, there are differences among countries: social mobility is lowest in the USA and highest in

6 “Merit” is usually defined as a combination of talent and effort, and I will follow that usage here.
Scandinavia. The main reason for this difference, according to Piketty, is the price of university education. In the lower half of the income scale in the USA, 10-20% get a higher education, as opposed to nearly 80% in the upper fourth, and this makes parents' income a good predictor of educational attainment. Therefore, Piketty is strongly in favour of free higher education, which he thinks is one of the most important measures for increasing social mobility.

Nevertheless, this will not solve all problems with social mobility. Piketty refers here to Pierre Bourdieu and argues that "subtle mechanisms for social and cultural selection" mean that free higher education will often be a subsidisation of the already affluent, even in the Scandinavian countries (CTC, p. 486). This consideration may lead to a stronger conception of meritocracy, which coincides with what Brighouse and Swift (2008) call meritocratic equality of opportunity and what Rawls (1971) calls fair equality of opportunity. According to this conception, it is not actual or developed abilities that should be decisive, but innate or natural talent. This ideal will require that we eliminate or neutralise the importance of social background altogether; e.g. by giving more resources to children from less fortunate backgrounds. At first glance, this should be well-suited to the luck-egalitarian motive in Piketty's book; since we cannot choose our parents, it seems unjust if this should determine where we end up in society.

However, a luck-egalitarian justification makes meritocratic equality of opportunity an unstable ideal. We end up on a slippery slope, pursuing a more and more demanding form of equality of opportunity. If the effect of social background should be neutralised because we have no way of choosing the family into which we are born, it is difficult to see why we should allow natural talent to affect our chances. After all, natural talent is just as much a matter of luck as social background. Meritocratic equality of opportunity can therefore seem to advocate a genetic aristocracy where the social hierarchy is based on biological inheritance. This kind of reasoning can make it tempting to make the leap over to so-called radical equality of opportunity or what Cohen (2009) calls socialist equality of opportunity, where the ideal is to also neutralise the effect of differences in natural talent. According to this view, it is most just if effort alone determines where we end up, since this is the only thing that we really have any control over ourselves. However, it does not stop there. Since it is also reasonable to assume that effort, motivation, and aspiration are affected by social background and genetic inheritance, why should we allow social distinctions on the basis of effort? To quote Thomas Nagel, "The area of genuine agency, and therefore of legitimate moral judgement, seems to shrink under this scrutiny to an extensionless point" (2012, p. 35).

We can regard this slippery slope argument as a *reductio ad absurdum*. From an apparently acceptable point of departure, that inequality based on social background is unjust because that background is beyond our control, we have ended up in a position that many will regard as nearly absurd, that we cannot even be made responsible for our own effort. One possible response is to deny that the conclusion is absurd, stand by the luck-egalitarian point of departure, and go for strict equality. Prominent philosophers such as Cohen (2011, p. 60) and Arneson (1989, p. 86) allow for this. Acceptable inequality must be based on characteristics for which we are responsible, and if we are not responsible for anything at all, there is not any acceptable inequality. In my opinion, this is untenable, not primarily because strict equality is so terrible, but because it seems intolerable to deny individuals responsibility for how their lives turn out. It is untenable regardless for Piketty since he admits that a certain inequality based on genuinely meritocratic grounds can be acceptable.

**A dilemma about responsibility**

With a view to the normative distinction between inheritance and education, we have now ended up in a dilemma. The first horn of the dilemma is defined by our accepting what Susan Hurley (2003) calls the *regression requirement*: in order to be responsible for x, we must also be responsible for the causes of x. If actions or conditions, e.g. educational achievements or social positions, are explained by or are an effect of circumstances beyond our control, then we are not responsible for them, nor can we be *held* responsible for them. This may sound like a tautology, but it was precisely this condition that landed us on the deterministic slippery slope above, and that also makes it difficult to see the normative difference between attaining positions through
inheritance and through education. If we call the sum of genetic inheritance and socio-cultural formative environment (to the extent that it affects educational achievement) cognitive inheritance, we can say that the luck-egalitarian point of departure, together with acceptance of the regression requirement, does away with the normative difference between economic and cognitive inheritance as sources of inequality.

The other horn of the dilemma involves giving up the regression requirement. The fact that my achievements are explained or caused by external factors is not sufficient to absolve me of personal responsibility. You can be held responsible for educational achievements and the social position to which they may lead even if you do not have control over the causes of these achievements. Consequently, legitimate social inequality can be based on different educational achievements. The problem with this strategy is that it also erases the normative distinction between inheritance and education as sources of the distribution of goods and positions. For in that case you may be held responsible for your position even if the explanation for or the cause of that position is that your parents were rich and you inherited from them (or that your parents were poor and you did not inherit anything at all). Thus, the difference in principle between social position that is due to economic inheritance and social position that is due to education disappears with this strategy as well.

This conclusion is obviously difficult to accept for those of us, including Piketty, who have succeeded in the educational system. Academics' social identity is closely related to intellectual achievements, and like everyone else they have a tendency to explain their own achievements with hard work and good qualities, and those of others with luck. Thus, when academics regard education as a morally superior way to achieve positions, it is tempting to respond by paraphrasing Mandy Rice-Davies: “They would say that, wouldn’t they?”

Yet, compared with inheritance, isn’t education at least something that we to a greater extent have control over and therefore something that we to a greater extent can be held responsible for? The reasoning behind this argument is that since social background (or genetic inheritance) only partly explains educational achievement, that allows room for personal effort and responsibility. In that case, it appears that we can keep both the regression requirement and the luck-egalitarian assumption and still justify a normative distinction between education and inheritance. Since inheritance is completely a matter of luck and educational achievements are at least partly under our control, we can, it seems, be held at least partly responsible for the latter, but not for the former. According to this kind of argument, we can therefore stick to the idea that education is a more just mechanism of distribution than inheritance.

However, this argument is untenable. First of all, we can note that economic inheritance does not necessarily result in a high position. It requires certain abilities and a certain effort to manage the inheritance, and it is fully possible to squander it. You may also have to show that you deserve your inheritance at the outset. In some countries, you can be deprived of your inheritance if you are not a good son or a good daughter, and in other countries your parents can choose to give away their money to whomever they like before they pass away. Therefore, having rich parents does not automatically mean that you will inherit great wealth, nor does inheriting great wealth automatically mean that you will become rich. In both of these cases, a type of achievement enters in, albeit to a very limited extent. So even if inheritance is primarily a matter of luck, it is not completely a matter of luck. There is, therefore, at best a difference of degree between the probabilistic strength of the relationship between economic inheritance and high social position and the strength of the relationship between “cognitive inheritance” and high educational achievement.

The question is whether this kind of difference of degree can justify a normative distinction between inheritance and education. The thought that lies behind the argument appears to be that the “looser” relationship between cognitive inheritance (both social and genetic) and educational achievement allows greater room for personal responsibility. However, this thought does not stand up to scrutiny. As long as we are in a scientific mode and within what we may call, inspired by John McDowell (1996), “the space of causes”, a partial explanation is not an indicator of free will, but of temporary ignorance. It is possible that we do not know the full explanation for why someone
performs better at school than others, or more specifically why someone makes more effort than others, but that does not mean that there is a metaphysical spark of free will that takes up the slack here. It simply means that we have not found the complete explanation yet. As Hurley (2003) has shown, as long as we stick to the regression requirement, it is extremely difficult to avoid the conclusion that we cannot be held responsible for anything at all. And as the dilemma above was meant to show, it is not a solution to give up the regression requirement either, since then we may be held responsible even for a social position that is partly due to inheritance (or a social position that is partly due to a lack of inheritance).

**An alternative justification**

Naturally, these are complicated issues. However, I hope to have raised questions about how well we can justify that education is more just than inheritance given the normative resources with which Piketty operates. Obviously, that does not mean that it cannot be defended in other ways. For instance, like Susan Hurley, we can try to develop a concept of personal responsibility that can justify why someone is responsible for a social position that is due to education, but not for a social position that is due to inheritance. However, this is not something that Piketty tries to do, and it would perhaps be unreasonable to expect him to do so, since he is an economist, not a philosopher. In this essay, I have tried to stay within Piketty’s framework, and in conclusion I shall briefly indicate how there may be a way to defend his view of education and inheritance within that framework. Then we have to consider not only his normative views, but also make use of a key empirical argument in his work.

According to Piketty (CTC, p. 20), education, training, and the sharing of knowledge in general are the most important sources not only of increased productivity, but also of increased equality, both within each individual society and globally among different societies. The best way to reduce social disparities is, therefore, to invest in education (CTC, p. 306). Hence, Piketty regards the funding of higher education as one of the key questions of the 21st century. Free higher education is a necessary condition in order for education to have this kind of equalising function, and this is the reason why the Scandinavian countries are relatively egalitarian (CTC, p. 307).7

This empirical argument that education has an egalitarian effect can then provide an indirect defence for the view that education is a more just distribution mechanism than inheritance. Even if education per se is not more just than inheritance as a way to social positions, a society that utilises education as its central distribution mechanism, will empirically be more egalitarian (in addition to other positive effects that investment in quality education for everyone will have). That social equality in general is morally desirable can then be justified for instance on the basis of a Rawlsian difference principle, or in other ways. The point is that the normative value of education will then be indirect and instrumental. The advantage of this kind of view is that we can set aside ideas about meritocracy and luck egalitarianism and thus avoid the difficult questions about what responsibility we have for our educational achievements, questions that ultimately lead us into metaphysical quandaries about free will. The disadvantage, if it is one, is that it becomes an empirical question whether education really has this egalitarian function and hence a question that economists and sociologists must answer, not philosophers.

**Conclusion**

Thomas Piketty deserves all the praise he has been given for documenting social disparity, for having provided bold explanations for the trend toward greater inequality, and not least for having generated a public debate on these questions. However, his scientific, empirical achievements are accompanied by a normative uncertainty. We should probably not judge him too harshly for this,

---

7 Here, we can object that education primarily seems to have this kind of equalising effect on income disparities and that it is disparities of wealth that Piketty has shown to be the most problematic. We can probably assume, however, that these will be so closely linked in the long run that investing in education will also have an equalising effect on the latter disparities. After all, high pay has a tendency to end up as great wealth.
given that he is primarily an economist and given that all of the different theories about distributive justice to which he refers will most likely agree that current social inequalities are too great. At the same time, it is undeniably a problem that the normative perspective that is most prominent in Piketty, an ideal about meritocracy based on luck egalitarianism, has trouble explaining one of his key assumptions: that it is unjust if inheritance is more important than education for where you end up in the social hierarchy. This has implications that go beyond Thomas Piketty. A set of ideas that are closely associated with what I have called meritocratic luck egalitarianism is often employed in both the public debate and in the academic literature, e.g. by prominent philosophers such as Brighouse and Swift (2008). As I have tried to show here, ideas of this type are poorly suited to defend the argument that education is a more just distributive mechanism than inheritance. Such a defence should rather be based on a consequentialist thesis that education has a general, egalitarian effect.

References