

Steven Durlauf: Welcome everyone to The Inequality Podcast. This is Steven Durlauf. It's a real pleasure today to have a conversation with Thomas Mulligan who's a visiting scholar at Georgetown University's Institute for the Study of Markets and Ethics. Tom is by any measure one of the world's leading scholars of meritocracy. Tom's book *Justice in the Meritocratic State* is one of the classic writings in the literature. His *Stanford Encyclopedia of Philosophy* survey on meritocracy is in the category of things I have every one of my doctoral students read. So Tom, it's really nice to have you here and thank you for joining us.

Thomas Mulligan: Well, I appreciate the invitation. It's nice to be here.

Durlauf: So I thought we should start with basically the discussion of what is the meaning of meritocracy. Obviously the word is thrown about in public policy debates. And so I really want to start off with the way that you would define meritocracy.

Mulligan: I define a meritocracy as a society realizing two principles. So the first principle is equal opportunity. The idea that a person's prospects, the positions she might obtain, the rewards that she might receive should not be determined by her family history, whether she's born into a rich family or poor family, for example. So that's one principle. The second principle is that when we distribute the scarce things in life, the good things in life, things like jobs and income, it should be done strictly on the basis of merit. So in a meritocracy, we don't judge people based on their race, based on their gender, based on their appearance, based on their personal connections. We judge them solely based on their merits, and the classic metaphor for the idea of meritocracy is that of a foot race.

So we want to give the medal in a race to the runner that crosses the finish line first. We want to have a meritocratic form of distribution. We don't give the medal to the person who is a certain race or has certain personal connections that would seem ridiculous. It has to be done meritocratically, but that's unnecessary. It's not a sufficient condition for the race being fair or the race being just. We want everyone also to begin from the same starting line, and when you have that starting line—equal starting line, equal opportunity—and then merit based distribution, you have a just society according to the meritocrat.

Durlauf: Could I ask you to communicate the difference between merit and desert?

Mulligan: Well, these are two concepts, philosophical concepts, which seem closely related, although it's still unsettled within the philosophical literature, what that connection is and how they are exactly distinct. The way I look at it is that merit is the basis upon which people deserve things. So it's pretty clear that the idea of desert—workers deserve a higher wage, Joe deserves the job—that has real moral force. And for someone like me who is a desertist, that's just what justice is. It's a matter of giving people what they

deserve. And we do know the from the concept of desert, conceptual analysis of desert that there has to be a basis upon which a person is deserving. This is true in the positive case when someone deserves a job. Well, on what grounds do they deserve it? We would ask, what is the, the desert base? But it's also true in the case of say criminal punishment where you might think a criminal deserves some sentence. Well, what's the basis for the fact that he deserves a punishment, some criminal sentence? And so in the case of distributive justice, when we think about things like jobs and income, I argue that the proper desert base is merit. And when you recognize people's merits, when you distribute on the basis of merit, you thereby give people what they deserve and you have a just society.

Durlauf: So returning to the role of equal opportunity in a meritocracy, my sense is that that's uh—well, I'd say more than sense—that that's contested among philosophers. What is my sense is that the critics of meritocracy actually do not include equality of opportunity in the definition. Do you think that's a fair characterization?

Mulligan: I don't think it's a fair characterization. I mean, one thing I'd say is that while there are defenders of meritocracy among political philosophers, people working on distributive justice, there aren't many. I'm one of them, David Miller did a lot of important early work on this as well. The serious defenders of meritocracy all include this equal opportunity principle because the idea that we're just going to give people rewards brutally on the basis of merit, without any ideas or sensitivity to how those merits were developed seems plainly wrong. So if you consider the case, for example, where you want to reward people when it comes to income on the basis of their contributions, people who contribute more to the economy receive more. They deserve more. You might think, you imagine someone born into a wealthy family. He receives a big inheritance, \$10 million. He invests it, gets half a million dollars of income a year from the bonds he invested in or whatever. That's a contribution to the economy, but it's not his contribution. That's the contribution that he just happened to receive this windfall and it's producing an income. And similarly, a person might be meritorious, but in terms of personal capabilities,—IQ, effort, whatever it might be—but it's solely as a result of his or her family history. And there are many people who aren't given the opportunities to develop their merits because they were born into disadvantaged circumstances.

So the true meritocrat does believe in robust equal opportunity, thinks solely that merit-based distributive rule is insufficient for realizing a just society. And that's the way the term has been used since it was introduced in 1958 or actually a little bit earlier into these contemporary discussions. I do think it's rhetorically useful for critics of meritocracy to ignore that equal opportunity component. Because that's one of the things that makes the

theory compelling. As I say, just the merit-based distributive principle without any sensitivity to how merits might arise and the influence that say family wealth plays in a person's ability to develop his or her merits, solely that principle is not a persuasive theory of justice or approach to justice broadly. But when you think about meritocracy in the classical sense, the traditional sense, as I say, in the latter part of the 20th century and still today among political philosophers equal opportunity and merit-based distribution, it's more intuitive and much more compelling.

Durlauf: What I meant to say was critics of meritocracy, typically at least in my observation, are not including equality of opportunity and therefore make that the critique of meritocracy. And so there's a sense, at least to an outsider, that some of the conversations are across purposes.

Mulligan: Well, I think that's right, and you can have a theory of justice that is purely focused on giving people social goods on the basis of merit alone, no equal opportunity. You can allow massive transfers of wealth and influence to go from generation to generation and you could call that meritocracy, but I would be as big a critic of that kind of meritocracy as anyone else. The interesting form of meritocracy, the form I defend, is the one that contains both equal opportunity and merit-based distribution, and I think that idea of merit-based distribution really comes alive and becomes compelling when coupled with an equal opportunity principle.

Durlauf: How might you augment that with discussions of magnitudes in terms of rewards? So it's one thing to say that something about worlds of productivities is determining the rank order of wages, but that doesn't pin down the actual levels of wages. And so where in your vision of meritocracy does compensation come in?

Mulligan: So I think it depends a bit on the social good under consideration. So if we consider something discrete like a job, then you are looking solely at who is the most meritorious applicant and on the meritocratic account, that is the person who deserves the job. That's the person whom you ought morally to distribute it to. When it comes to something more continuous like income, the classic view, and this goes back to the concept of desert really back to Aristotle and his notion of proportional equality, is that you ought to distribute in proportion to—for the meritocrat when it comes to income—one's contributions to economic life. So if you imagine a toy example in which you have a community garden, a whole bunch of people tend to the garden, maybe Anne contributes twice as much to the garden, to its ability to produce an output as Beth, Anne deserves, given that she's contributed twice as much as Beth, she deserves twice as much of the output as Beth. And so it's linked to contribution. This is the most popular basis among

desertists for distributing income, this idea of contribution, and then there are debates, in large part economic debates about how exactly do we define contribution.

Durlauf: Where would progressive taxes come into play?

Mulligan: Well, this is a matter of debate. It's a matter of how well you think contemporary distribution apes distribution based on contribution. What I argue is that very high earners in the United States are receiving wages and other forms of income, which are not proportional to their contribution. They're deserving generally speaking and there are individual exceptions, but generally high income people are receiving more than they deserve. Their incomes are much greater than their contributions to the economy, generally speaking, and again, there are exceptions. Low-income people are receiving less than they deserve. I think very high income people, for example, receive a lot of wealth, a lot of income, which then becomes wealth in the form of economic rents—say income that doesn't reflect an economic contribution, doesn't reflect effort or output, but one's ability to say, network or gain control over one's own pay setting process. We see this in corporate executive salaries and then there's been some research on the extent to which economic rents are present in executive salaries.

But this is an empirical matter and you might disagree how well—and some people do disagree—about how well contemporary distribution reflects people's contributions and therefore their deserts. I don't think it reflects it very well at all.

Durlauf: Well, I think that that's certainly the consensus among social scientists. Might we turn to Confucian notions of meritocracy? Could you give an outline of basic ideas?

Mulligan: The first thing I'll say is that Confucian, both classical Chinese, including Confucian, but not only Confucian analysis and meritocracy and contemporary work, focuses on governance. So the way we've been talking about meritocracy to this point is as a theory of justice, as who should get jobs, who should get income, how much? Why? But the Confucian tradition is concerned about governance. Who do we want in power, bureaucrats, leaders, and others, and why? Confucius has a meritocratic view of this. Other Confucians, Mencius, talks about it. As I said, non-Confucians, classical Chinese like the Mohists similarly have a view and all of them are related. And they're all consequentialists.

So they say there are reasons we want to get meritorious people into government. It's not about giving people what they deserve. It's that if we do that, we will get good consequences. One consequence is that people will be well cared for. Another consequence is that meritorious people—not the children of rich and influential families and not just anybody off the street, but meritorious people—will best cultivate the virtue of

the citizens. So it's the Confucian view, both classically and the new Confucian work, which is happening now, and this is a really vibrant and interesting area of research, is one concerned about governance and not about the distribution of social goods broadly, unlike the popular debate about meritocracy in the United States. Two, it's consequential history. It's utilitarian. So it's looking at the good results that you'll get by putting meritorious people in power.

Generally, the argument is very simple. We want—and Plato has a similar argument in the Western literature in the *Republic*, but it's aristocrats, the children of aristocrats, they may not have the skills, the temperament, the competence required to make good decisions and to serve as role models for the people. We need to have those positions, those public positions occupied by people with the relevant merits. So that means we need to get rid of nepotistic influence, aristocratic influence, and try to select people for government on the basis of their merits.

Durlauf: Well, that's actually a perfect segue into what I was hoping to talk about next, which is the uh, the justifications for meritocracy. And so I think it's appropriate to start by asking you to give an outline of the ethical defense of meritocracy.

Mulligan: Sure. So different thinkers who have defended meritocracy either entirely as I do as a full approach to justice or as part of a pluralistic theory of justice appeal to different grounds. So for me, the most important ground is its intuitive appeal. So in my book, I survey empirical literature from fields like experimental economics, neuroeconomics, evolutionary psychology, other fields of empirical study, social psychology, which suggests that people across demographic lines, people across cultures are attracted to the idea of merit-based distribution and equal opportunity, a meritocratic approach to justice. I think there are other justifications which for me are not as important, but still worth keeping in mind. So one: meritocracy tends to be efficient, investments in equal opportunity tend to grow the size of the economic pie, and you will tend to get the best results in terms of output, in terms of economic surplus by awarding jobs, say, on the basis of merit. That's not categorically true. And for my approach, which is a deontological approach, it doesn't have to be categorically true, but it's a nice side effect of having a meritocratic system. Having meritocratic distribution, you get an efficient economy, a prosperous economy, roughly speaking.

I think meritocracy also minimizes resentment within a society and it leads to social cohesion. Imagine you're up for some job or some prize and you don't get it. And so you're disappointed, you're sad that's part of living in a world of scarcity. And you find out the reason you didn't get it is because the person it was awarded to was truly better than you, truly more meritorious than you are. Maybe the sadness doesn't go away, but you're not

going to be resentful on the basis of that distribution, the fact that you lost out on this social good. But if you're told, well, you didn't get it because you have the wrong father or this guy was, he's part of an influential circle or you're the wrong race. Well, that does create resentment in people. So I think meritocracy minimizes resentment, at the same time improves social cohesion. And the third thing I'll mention is meritocracy provides second chances to people. So in that moment of distribution, we care only about how meritorious a person is, and it allows people to make mistakes earlier in their life. Or pursue different paths—paths outside of the typical route that a person might take to get to say applying to be a professor or applying to be a business executive—and assesses them only on the basis of their merit.

So for example, under meritocratic distribution, we would ignore the fact that a person earlier in his life went to jail, committed some crime. We view it as, well, he committed a crime that was bad, he served his time, but that part of his life is done. And so we're going to assess him now. And if and only if he is the most qualified, the most meritorious, are we going to award him the job. So we really are skeptical and cautious about letting these auras surrounding people to affect the way we treat them now, the way we distribute to them now. So it really maximizes to my mind the ability for people to get a second chance at life when they err earlier in their lives, as of course we all do.

Durlauf: Yeah, that's a very humane set of observations. One thing I simply wanted to reiterate was the intimate relationship between meritocracy and anti-discrimination principles. And so something like the Civil Rights Act of 1964 is interpretable of fundamentally meritocratic policy requirement. I raise that because I think that a lot of the contemporary debates, treat meritocracy as in opposition to egalitarianism, and it doesn't mean that they're coincident, but in many cases, they fundamentally work in the same direction.

Mulligan: I think that's right. Let me say a couple of things about that. So first, the connection between say the Civil Rights Movement in the United States and meritocracy is clear. And there's literature on this. People have pointed this out. I mean, think about Martin Luther King Jr.'s famous desire to see his little children be judged not by the color of their skin, but by the content of their character. That's plainly a meritocratic principle, at least in spirit. Of course, racial discrimination is a terrible thing. It's anti-meritocratic, sex-based discrimination is a terrible thing. Those forms of discrimination get a lot of the philosophical attention. A meritocrats mean to point out that other kinds of non-merit based discrimination happen all the time and they're problematic. All these things are just special cases of a general rule that we should not discriminate on grounds other than merit.

One example is appearance-based discrimination. So there's a well-known phenomenon when it comes to the distribution of jobs and income known as the beauty premium. Two people equal productivity. The attractive person gets paid more. The ugly person gets paid less. And that's unjust. Why? Well, because it's a difference in distribution due not to merit, but to a feature irrelevant from the point of view of merit, mainly personal appearance or beauty. So the meritocrat, of course, endorses a strong stand against gender, against racial discrimination. Those are horrible things. They're anti-meritocratic. We would also encourage people to think more broadly about the other ways in which non-merit based discrimination infect our economic life.

Durlauf: I wonder if we might pursue a bit the efficiency dimensions of meritocracy. So let me preface that by saying I think that economists typically, not universally, have a default support for meritocrat allocation rules on efficiency grounds. And so you distinguished deserved from consequentialist considerations. And so I want to acknowledge that. And I wanted to give an example, which might be worth pursuing. And that is, suppose that I have a set of employees at a firm that are racists and the question is whether I hire an African-American for a job opening. If we purely have an efficiency justification in isolation, it may be the case that the white workers act badly towards the black employee and so the productivity of the firm goes down. And a consequentialist may end up saying that therefore the person's failure to be hired is justified because it's maximizing the efficiency of the firm. On the other hand, if I'm understanding your arguments, you would absolutely reject that and say there's an intrinsic desert associated with the capacity of the person to be productive—the African-American candidate to be productive—with appropriately acting others. And therefore they have a claim to the job. Is that fair?

Mulligan: I think that's right. If I'm understanding the example, the black employee or, excuse me the black applicant, is the most meritorious candidate. Hiring him will induce say a productivity loss in the racist white employees. That doesn't matter. You hire the most qualified person. And if that leads to a society that is not as efficient as one in which you cater to people's racist tastes, that's not relevant. That's not what justice is about. Justice is about recognizing people's merits, giving them the things that they deserve. And so on an intuitive level, there's something morally wrong with those racist employees. And there's a sense in which you are catering to them when you turn away the most qualified, in this case, black applicant, even though in isolation, he is the one who has developed the virtues, the skills, whatever the case may be, to the greater extent than the other employees.

And so as I say, as I said earlier, it's nice that meritocracy tends to be efficiency enhancing, tends to lead to a lot of output, tends to lead to a large social surplus. But those are

contingent facts. And ultimately as a desert-based theorist, a desert-based merit-acquired, we don't care about those. We give people the things that they deserve. When it comes to consequences, we let the chips fall where they may.

There are good reasons why consequentialism has been such a popular normative approach within economics. For one thing, it's quite mathematically tractable. It lends itself very well to mathematical optimization. But if you look at the empirical literature, most people aren't utilitarians. Most people aren't consequentialists. There's a variety of views, but this is a minority one among people. And if you look at the surveys of professional philosophers, consequentialism is the least popular of the three normative approaches—consequentialism, deontology, and virtue ethics. So the fact that meritocracy will not produce a maximally efficient society or a society in which the general welfare is maximized is of no real concern to me or to meritocrats generally.

Durlauf: So I was hoping we could turn to some comparisons between your views on meritocracy and, I'll say alternative approaches. In particular, I was hoping you could draw distinctions from meritocratic thinking versus let's say, luck egalitarianism.

Mulligan: Sure. So lucky egalitarianism as the name suggests, a variant of egalitarian approaches to justice. That is, equality-based approaches to justice. The idea that justice is ultimately deep down, a matter of treating people equally, rather than giving people what they deserve, deserved-based approaches. And the idea is that lucky egalitarians want to allow some inequalities when they reflect people's choices or people's control over their economic life. But they want to eliminate inequalities that result from what's sometimes called brute bad luck. I think that luck egalitarian approaches—and some luck egalitarians have gestured at this—are trying to accommodate some of our meritocratic or deserved-based intuitions while not straying from that fundamentally egalitarian point of view. So I've written about this a little bit. I have a couple papers with Huub Brouwer, a Dutch philosopher, talking about the difference between luck egalitarianism and desert-based justice and meritocratic justice.

So one example is you can imagine you have an employee, the best qualified employee, she does a great job. At the same time, she has some extracurricular tastes, maybe sexual tastes, that the owners of the company find distasteful. And she knew coming into this job that her extracurricular activities might affect her professionally. It might affect the reward she receives, the income, or whatever. So she doesn't get the reward or she doesn't get the promotion or whatever it is. For the luck egalitarian, no injustice has been done there because there was no brute bad luck involved. This woman made a conscious choice. Yes, she happens to be the most meritorious when it comes to the reward, the promotion. But for whatever reason, the owners of the firm don't want to give it to her. And she was familiar

with that. And so they deny her the reward, they deny her the promotion. So luck egalitarian says no injustice there. The meritocrat views this as a playing instance of injustice. So it's not relevant what this woman does in her extracurricular life. It's not relevant, whatever the case may be, her sexual conduct or her political conduct or religious conduct. If she is the best qualified, the most meritorious candidate for this promotion, then she ought morally to get it. So the fact that a brute bad luck doesn't impinge on the circumstance isn't enough for the meritocrat to say that there's no injustice involved.

Durlauf: It seems to me that this type of argument goes down a route that argues that society ought not to respect all preferences. So let me—what I mean by that is that if it is the case that employers have a preference for white co-workers or have preferences of the sexual orientations of their employees, et cetera, acting on them simply is wrong. And the utility benefits them ought not to be calculated. And the reason I say it that way is I think that that begins to go down some routes where this idea of efficiency is going to run into limitations. Because the, again, the default in economics is that people have preferences. You know, you, you [inaudible] them with, with some measures of well-being or utility. And, and then you ask what maximizes the average or maximizes some function of those values. But I'll presupposes that all the preferences ought to be, I'll use the word deliberately respect it. And so in a society in which people have hostility towards others based on, as you said, sexual orientation or race, et cetera, those do not have claims in your view on having them operationalized because they violate people receiving things on the basis of merit. Do you think that's that's reasonable? I guess a characterization.

Mulligan: Yes, I think that's reasonable. And I think one thing meritocracy and merit-based distribution can do is help diagnose the sorts of preferences that are legitimate from those which you point out as illegitimate. And again, it goes back to this idea that the salient things that we worry about, racial discrimination, gender-based discrimination are salient for historical reasons, contingent reasons. But there are all other forms of the way we treat people which are not due to their merits, in Kim's on our lives and our jobs and other forms of economic activity all the time. And so we're trying to figure out how we ought to treat things, the sorts of things we ought to care about, meritocracy can help us diagnose that. I mean, I give the example of extra-curricular conduct. I mean, you mentioned sexual orientation, but it could just be sexual behavior. People, some person has unusual sexual taste is quite public about this. It doesn't affect her job. But that I think would give a lot of employers pause, but it ought not give employers pause. They really should look solely at her performance and her ability, solely at her merits. And we want to cultivate, as meritocrats, a culture in which we don't make bad inferences about people, or irrelevant inferences about people based on things they do outside of the particular context we're

concerned about. And so I think that meritocracy also has this diagnostic characteristic to it.

Durlauf: I'm thinking about decisions such as who to hire. They're essentially prospective. And it seems to me there is a component that's functional, and that is the person who deserves the job, their merit is defined by the fact they would perform best at the job. So putting that on the table, it seems to me that the important extension of that is it's best on the job under certain circumstances. And so saying that the African-American employee who would not be best at the job because the racist co-workers would be unproductive is not acceptable. And so there's an idealized environment, so to speak, in which you might functionally define who deserves the job in terms of who would be the most productive, but it's not necessarily the one that exists. Is that consistent with your thinking?

Mulligan: Well, the way I think about this is we can, in the case of hiring, we think conceptually about the job. So for example, got a hired as a professor. So we think what are the merits? Thinking about the concept of being a professor. What are the merits in the case of being a professor? Well, being a good researcher, that's clearly a merit. Being a good teacher, that's clearly a merit. Being able to bring in grant money, that's a merit. Being personable with one's colleagues, that's a merit. Okay, what about being black or being white? Well, no. Okay, now we've hit something that seems intuitively different. So race is not a merit when it comes to the context of being a professor. Again, you might give an argument for why there would be good consequences to hiring on the basis of race, but if you're a meritocrat, those consequences are controlling. And so you think about the various qualities, features of a person which are relevant to merit within some particular context, and then you hire strictly on those grounds.

I mean, one thing I'll mention is you, you could set up a department. You could just hire professors who are great at bringing in grant money. Bad researchers, bad teachers, they're all miserable to each other, but they bring in a lot of grant money. You have hired meritocratically. You've hired on the basis of merit because that is a merit in a professor. Now, you've hired stupidly. It's a terrible way to create a department. You're going to have all sorts of problems. And so I'd recommend not doing that, but you have attended to merit in the way that if you had hired on the basis of race or gender, you would have walked over the meritocratic criterion. What is much more sensible is to try to build a department that is balanced, that is attentive to the needs of the student body, the research needs of the community, that incorporates the wide variety of merits that exist within any particular context. If you're hiring a professor, you have a lot of leeway of how you're going to hire that doesn't run afoul of the meritocratic criterion, but you don't have total leeway. And once you start bringing in features of a person like, oh, we like this person because she's

beautiful or we like this person because she's a woman and not we like this person because she's a great researcher or a great teacher. Once you start bringing those things like race and gender, which are plainly not merits within this context, that's when you behave unjustly. That's when you run afoul of the meritocratic criterion.

Durlauf: You brought up, you know, this controversial dimension of meritocracy, which is this relationship to affirmative action. I think that a standard response to what you said would be that the diversity of a faculty, for example, has consequences for the way that questions are adjudicated, the way that students are mentored, et cetera. How would those fit into your vision?

Mulligan: Well, I think there's a difference between saying, for example, okay, we're teaching students and we need professors who can appeal to many different kinds of students. Many—the students out there, they have different sensibilities and we need to make sure we have professors who can attend to all of them in the same way that we need professors who can teach political philosophy and logic and metaphysics and all the other fields of philosophy. But that hiring in good faith in that way, a search committee gets together and says, we're looking to be able to attend to all these different sensibilities in our student body is not the same as saying we are going to hire on the basis of race. Even if race is connected with that ability to teach to different student groups, it is the case that there are explicit drives within academia and elsewhere to hire on the basis of race, hire on the basis of gender and other features, maybe increasingly political ideology, which have this idea of, which are linked to merit, maybe correlated with the meritocratic criterion, but are not the same. And so if a hiring committee is interested in pursuing that sort of argument or doing what you suggest, it ought to really strictly focus on we need to be able to attend to the sensibilities of these various groups.

It may turn out by strictly focusing on that that they hire racially diverse people or people who are diverse in terms of their sex or the political ideology, but they're not hiring on those grounds. That's just a statistical regularity that gets surfaced. They are acting meritocratically by considering genuine merits within the context and then they're letting things like race and gender or whatever fall where they may.

Durlauf: Okay, I think that's actually very interesting and it shows that the idea that there's some inexorable opposition between hiring that is concerned about diversity and meritocracy, though that's a elusory. But of course, you articulated principled ways to distinguish between the two. And so I appreciate you doing that. Let me throw out just one example which I would be curious about your reactions. And that is in composition of juries. And that is that there's I think very good evidence from mock trials, for example, that racial diversity in juries improves deliberations. And so the easy example would be that the

way that I would listen or attempt or read testimony of a white police officers who stopped a black motorist is going to be different than an African American. And so would it be reasonable to say that if I were meritocratically choosing jurors, then I would value diversity?

Mulligan: Boy, I don't know. That's a great question. I've not thought about the criminal context very much and never about this particular case. Certainly a part of being a good meritocrat and having a meritocratic sensibility is being attentive to the many biases that people have, that we all have, in thinking about the ways we might mitigate them and the effect they may have on judgments we make about an individual. So, you know, for example, I'm not going to directly answer your question because I don't know off him. But maybe this is analogous. It's sometimes claimed that people have implicit bias. So for example, we're evaluating two resumes, one from a white applicant, one from a black applicant, and people, evaluators may have an implicit bias. They're not aware of against the black applicant. And so they don't regard them as well as they ought to be given their merits. That bias creeps in. And in that case, the meritocrat has no objection to say adding extra points to applications of black people. Why? Well, because there, you're not distracting from merit-based distribution. You're not imputing merit-based distribution. You're realizing merit-based distribution. There's this bias that exists. As a result, people aren't getting the things that they deserve. We aren't choosing the most meritorious applicant. And we can nullify the bias through some like affirmative action-style points. That's perfectly compatible with meritocracy. Indeed, I think it's called for by meritocracy. I think generally affirmative action in the real world doesn't work that way. But there may be particular contexts where it's the case. And in those contexts, which maybe is analogous to the one you suggest, there would be no deep incompatibility with meritocracy.

Durlauf: So as you mentioned earlier on, meritocracy in public policy and philosophy literature I think to some extent is often written about critically. And certainly there's been some very visible books that have been quite critical of meritocracy by Daniel Markovitz and Michael Sandel. I was hoping that we could talk a bit about the critiques and your assessment of them. And so in my reading of the literature, and you should correct me, of course, there's really three major large critiques that have come into play. The first is that meritocracy becomes a justification, a rationalization for unjust inequalities. Do you see this as actually a critique of meritocracy or a critique of false meritocracy? It's a little bit of a leading question I know.

Mulligan: Well, there's something there's something question-begging about it because meritocracy is a theory about which inequalities are just and which inequalities are unjust. And so if people are being are I mean, it isn't any egalitarian theory in the sense that

meritocracy thinks if you contribute more to our collective economic life, you ought to receive more in return indeed proportional to your contributions. So the real question is what is the extent to which real world inequalities are or are not meritocratic? As I've said, my view is that the inequalities largely that exists in the United States, there's far more inequality than is justified on meritocratic grounds. And so one thing that would be useful to do is implement public policies to bring real world distribution into accord with meritocratic distribution. It would still be inegalitarian, there would be inequalities, they'd be much less acute than they are now. And then we could all evaluate whether we think their fair or not what the potentially bad effects of those inequalities might be. But I think most people don't have a deep concern about the fact of inequality per se. We want a world of some inequality. What people have a concern about is the fact that contemporary inequalities do not reflect real differences in merit between people or what people deserve.

And so, you know, Daniel Markovitz, his view as I understand it is that look, we live in a meritocracy. The meritorious people who run our country, run the economy are in positions of power, have these great rewards and it's led to this kind of nasty society. And I do agree it's led in many ways to a nasty society. What I deny is that the people in power, the people of influence, the people who have these great incomes are that meritorious. I don't think they are. I don't think we are distributing on the basis of merit. I think people have enormous advantages because of family influence, inheritance, past generation to generation, the ability to shmooze and be cronyistic to extract economic rents from our society. And so to my mind, meritocracy is great. We don't live in one. We should try to get there. Yeah, there'll be inequality. That's a good thing.

Durlauf: I think that that points very well taken. With respect to Daniel Markovitz, I took a very powerful argument of his that meritocracy may be unstable in the following sense. And that is that a system is meritocratic could end up non-meritocratic simply because those that succeed in the meritocratic period are going to then bake in, lock in opportunities for their children. And so I put that on the table as not an argument against meritocracy, but a recognition that the institutional structures necessary for meritocracy may have—in economist jargon—instability in them. In other words, that they can unravel. And of course, that's something policy can address. In other words, how do you allow the consequences of meritocracy not to undermine its foundations?

Mulligan: Well, I think what that really illuminates is the critical importance of equal opportunity within a meritocratic regime. It's not that we have meritocracy and we also ought to have equal opportunity. Equal opportunity is an essential and constitutive part of meritocracy. And well, how do we prevent parents from passing influence along to children and people protecting their own ability to gain income, whether or not they're meritorious?

Well, we confiscate inheritances. The classic public policy advanced by meritocrats is high inheritance or state taxes. And we are vigilant to ensure that the economic rewards people receive, like income, reflect their merits. We do things like have very broad anti-discrimination laws so that people can't get ahead by virtue of the people they know or the family they come from, as well as other non-meritocratic features. They can only get ahead, they can only achieve social goods on the basis of merit. So it does call for, again, these are ways in which the contemporary economy is not meritocratic and it illuminates the importance of equal opportunity to a just society.

Durlauf: The second critique that is often made is that meritocracy is uniquely degrading to the less successful because it's ascribing blame for lack of success. How do you think about that argument?

Mulligan: Yeah, I think it's wrong completely, but it's interesting. This argument is sometimes lodged by people on the left now, but I think it really goes back to Hayek, who made a similar point—and Hayek, of course, an exemplar of the libertarian tradition. I don't think there is anything degrading or problematic about people finding positions in our economy participating in our collective economic life for which they are well suited. And that's what meritocracy is about. It recognizes we live in a diverse world. People are very different. We all have strengths. We all have weaknesses. We pursue different things. We have different interests. But what we ought to have, the kind of world we ought to live in, is one in which the things we can achieve are based not on the family we're born into, but in, to my mind, our natural talents, our interests, and the choices we make. And when we find a position for which we are well suited, which is appropriate, given our merits and given our interests, and we can perform in that position, even if it isn't the highest position in some sense, that's not degrading at all. That's really what being part of a community and having a sense of peace in contribution is all about.

And without naming names, I can think of many examples of people at the highest levels of government and our economy who don't have that sense of peace and that sense of satisfaction. And I know many people of much more, let's say, modest achievements who do. And I have much more admiration and much more respect for people who are in some sense more modest with what they've been able to achieve, but do a good job in that job, whatever it might be, go home, take care of their family or go home, engage in their personal interests, and then go back to work and do what they can to keep our collective life going. So I just, I don't think this is correct at all. I don't think meritocracy would produce such a result among the so-called losers. I would never describe them that way. Critics of meritocracy do. I think, in fact, a meritocratic society is one of good social cohesion and a great sense of we're in this together. Let's all do our part.

Durlauf: A third critique of meritocracy, I think, is the effects on the successful. And so an argument has been made that winners under meritocracy lose sympathy for others, become baser human beings. What do you make of that?

Mulligan: I think it's wrong for similar reasons. Going back, you can summon your favorite example of prominent people now. Many of them do seem to have contempt for the less successful and they're deeply unmeritocratic. They've simply got into the positions they've got into through a variety of features totally unconnected to their merits. One of which is—a very common one is family influence and the intergenerational passage of wealth and influence. When I think of truly meritorious people who achieved, I never get the sense from them that they have contempt for others on the less successful. They have the kind of sensibility, I believe, which I just expressed. I mean, my personal hero is George Marshall, perhaps the most important military man of the 20th century served as Secretary of State and elsewhere in government, President of the Red Cross. A man of extraordinary character, intelligence, effort, loyalty, sense of duty. And there are many wonderful stories about the way in which he was and—highly meritorious man—the way in which he was down to earth. And he would take time for the most boot private in the army if that person wanted to have a word or wanted to talk to him or the care he had for the people who, in this moment in time, are so called lesser than he. So when I think about truly meritorious people, I never get the sense that they have the contempt for the less successful, which some people claim would be the case, I think just the opposite.

Durlauf: Yeah, I've always found this critique bizarre in the sense that I think non-meritocratic societies in which bloodlines matter, for example, produce much greater contempt for others than one in which merits a determining success. And so the argument struck me as a curiosity in that I don't know what the counterfactual is. I think it's extremely difficult to think about the history, certainly of aristocracy and Monarchy in Europe and conclude that meritocracy was some unique problem in this regard.

Mulligan: Yeah, makes a lot of sense.

Durlauf: So I wanted to talk a bit simply about policy. You've advocated, of course, in your writings, equal opportunity is a fundamental policy goal. And you've written about it in opposition to reparations. So I thought we could start with that. In other words, how you've done the contrast and how you're thinking about the questions.

Mulligan: Well, that's right. I oppose reparations. In my basic argument is that everything good that reparations will get you, equal opportunity gets you. Reparations has bad effects too, which equal opportunity avoids. And so I mean, the basic idea is that reparations is trying to correct for the legacy of slavery and the ways in which that horrible event has

affected contemporary possession of wealth, inequality, and so on. And that's absolutely true and that's an absolutely sensible thing to do, but the past interacts in many ways. There have been many injustices in the past, but there are many complicated interactions in our past that produce unjust inequalities and unjust forms of social and economic treatment today. And so for the proponent of equal opportunity, we want to get rid of them all.

So, you know, for example, reparations doesn't help that poor white kid born in Appalachia into a poor family. Maybe he had care for his family from an early age had to go to work while the rest of society got to enjoy human capital development and got a lot of goodies. The kid's white, so reparations isn't going to help him, isn't going to bring him to that equal starting line, which meritocracy requires. So that's an example of an injustice, which reparations fails to address.

At the same time, reparations gives further advantage to people who are already advantage. So there are plenty of black children who are born into advantageous circumstances born into family wealth, born into advantage. Sure, maybe not as many as white children born into those circumstances, but they certainly exist. And not only have those—do those black children and young black men and women have an unjust advantage over their peers, black and white, a reparations payments going to exacerbate that advantage and exacerbate the unjust inequality associated with them. And so reparations is a very blunt instrument towards addressing what I think is the common goal, which is to not allow the injustices of the past to affect people's prospects now, and to give every person, regardless of race, gender, family circumstances, whatever, an equal shot to compete for the scarce things in life on their own merits.

Durlauf: So I concur with you with respect to reparations. It's not a policy that I support. It is utterly admirable for a society to try to rectify the, you know, it's greatest injustices. And so the combination of slavery and Jim Crow is, you know, in the context of American history, it's fundamental and to not regard contemporary consequences as essential in a theory of how to operationalize notions of justice, you know, I can't even understand how one can make the argument. However, it seems to me that one wants to distinguish between addressing the terrible consequences of these policies in terms of creating equal opportunity, which includes every, you know, many policies, which would be explicitly focused on addressing racial inequality, versus interpreting the history as having created a financial debt that needs to be paid to individuals because of ancestry.

And maybe the analogy I would give is, let's suppose for the sake of argument that there was a group in society that came entirely as refugees. And because of the conditions that had occurred in the society of origin, they were doing very badly in 2025, there's still an

overwhelming argument that they're now part of the United States. They're Americans and our social contract, our common identity requires rectifying those harms to them. And I don't think that the fact of what happened to ancestors confers debts. I think what matters is the equality of opportunity ideas that you've articulated. So, so well, we have the citizens' obligations.

Mulligan: To my mind, the most important question is what do we do with their children? That's the key, is that we don't want those people's children to suffer any disadvantage, nor enjoy any advantage on the basis of what happened to their parents or what happened to their grandparents or whomever. We want to give people an opportunity to achieve on the basis of their own merits. So certainly there may be humane reasons to treat new refugees in certain ways. But the real key from the meritocratic standpoint is how do we ensure that the injustices of the past or what people achieved in the past don't shape people's prospects today.

Durlauf: Might you say a bit about your views on concrete policies, the you would endorse to address wealth and education inequalities?

Mulligan: I mentioned the classic idea, which I am a proponent of, is very high confiscatorious state or inheritance taxes. Obviously, the passage of a state's, an intergenerational transmission of wealth, and influence more generally totally violates equal opportunity. I'd also argue that they're not good for their recipients. And I can think of people I know who they're examples of this, but I think there is something in which if a person has great advantages that then enable him or her to get social goods, those people can never truly take satisfaction in what they've achieved, because the achievement is not entirely theirs. The achievement is in at least some measure that of the advantage that was translated or another way of putting it is the achievement is in part that of their parents or their grandparents.

Andrew Carnegie has, he said something about this once. He said something like inheritance does seem to deaden the talents of the son and lead him to lead a less worthy life than he otherwise would. And I think that's true. And so I think it's very important just from the point of view of a person's really mental health, but ability to be satisfied with his or her achievements that year she'd be self-made. So I think inheritance isn't good ultimately, all things considered, for those who received it. And of course it has this terrible effect on equal opportunity. I also think it's a bad way to distribute capital for investment. People get all this capital who have no particular merit, no particular ability to think about how to invest it. And that's bad from an economic point of view.

You know, I think a strict prohibition on non-merit based discrimination is good. We should have public policies that don't just prohibit race-based or gender-based discrimination like our Civil Rights Act here in the United States does at the federal level. But also things like appearance-based discrimination in most states. It's perfectly legitimate. Let me put it this way. It's perfectly legal. It's not legitimate morally, but it's perfectly legal to discriminate against a person because he or she is ugly. That's wrong. That's morally wrong. That's anti-meritocratic. And that should be legally prescribed.

You know, I mentioned also earlier, I think very high incomes do not reflect people's contributions. They don't reflect their merits. So I argue for high, very high, top marginal income tax rates to tax away those economic rents. They're not deserved by, not all but many high income people. And so a change to the tax schedule would also be called for in my judgment on meritocratic grounds.

Durlauf: Well, Tom, I can't thank you enough. This has been just a wonderful conversation.

Mulligan: Well, thank you, Steven. It's great to join you.

Steven: So this has been Thomas Mulligan. I hope that it became apparent from the conversation, both the powerful normative foundations of meritocracy, the ways in which it speaks to egalitarian objectives, and the ways in which there are important conceptual and operational distinctions.

The Inequality Podcast is a production of the Stone Center for Research on Wealth Inequality and Mobility at the University of Chicago. I want to end the podcast with thanks to the people who really make it happen. First, I want to express deep appreciation to our producer and engineer Shane McKeon, who oversees every aspect of the process of creating these podcasts and really does just a splendid job. Second, I'd like to thank our Assistant Director Nina Gray for production oversight and the role she plays in bringing the podcast to fruition. And finally, I'd like to thank Grace Kolavo, who's the Executive Director of the Stone Center, who basically does everything in terms of making the center work. You may get in a touch with us at stonecenter@uchicago.edu. Thank you so much for listening.

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