

Book Review / Kitap İncelemesi

DYNAMICS OF THE MERITOCRACY TRAP AND ARTIFICIAL INTELLIGENCE

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ABSTRACT

In this study, Daniel Markovitz's book titled "The Meritocracy Trap: How America's Foundational Myth Feeds Inequality, Dismantles the Middle Class, and Devours the Elite," published by Penguin Press, is thoroughly evaluated in the context of the dynamics of the meritocracy trap and the two distinct phases it contains. The first phase corresponds to a period when the education system and the labor market were open to everyone. During this phase, human capital could be equally invested in through education. However, from the 1970s onwards, the spread of automation due to technological transformations eliminated this advantage for the middle class, either displacing middle and low-skilled workers from the labor market or condemning them to lower wages. While the middle class was replaced by automation, the elite class began to own the high-skilled and consequently high-yielding jobs created by automation. In this transformation, the education systems once again revealed their elitist structure, creating a new elite educational option that was only accessible to wealthy families, strongly linked to elite jobs in the labor market. The study also discusses the potential of artificial intelligence technologies to move these dynamics into a third phase. The proliferation of artificial intelligence technologies has dynamics similar to those that moved the meritocratic system into the second phase, greatly strengthening automation. Therefore, this study discusses how artificial intelligence technologies can be used not merely to strengthen automation but to focus on employment and enhance the skills of particularly middle and low-skilled workers in workplaces, complementing human labor and increasing overall productivity.

Keywords: Meritocracy, Equality, Artificial intelligence, Education, Labor market

JEL Classification Codes: E24, I24, I25, J24

MERİTOKRASİ TUZAĞININ DİNAMİKLERİ VE YAPAY ZEKÂ

ÖZET

Bu çalışmada Daniel Markovitz'in Penguin Press tarafından yayınlanan "The Meritocracy Trap: How America's Foundational Myth Feeds Inequality, Dismantles the Middle Class, and Devours the Elite" başlıklı kitabın meritokrasi tuzağının dinamikleri ve içerdiği iki farklı evre bağlamında derinlemesine değerlendirmesi yapılmaktadır. Birinci evre, eğitim sisteminin ve işgücü piyasasının herkese açıldığı bir döneme karşılık gelmektedir. Bu evrede beşeri sermayeye eğitim üzerinden eşit bir şekilde yatırım yapılabilir. Ancak, 1970'li yıllardan itibaren teknolojik dönüşümlerin otomasyonu yaygınlaştırması, orta sınıfın bu avantajını ortadan kaldırmış, orta ve düşük becerili çalışanları işgücü piyasasından ya uzaklaştırmış ya da daha düşük ücretlere mahkûm etmiştir. Orta sınıf otomasyonla yerlerinde edilirken elit sınıf otomasyonun ortaya çıkardığı üst becerili ve dolayısıyla yüksek getirili

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işlerin sahibi olmaya başlamıştır. Bu dönüşümde eğitim sistemleri tekrar elitist yapısını ortaya çıkartarak sadece varlıklı ailelerin güç yetirebildiği, işgücü piyasasında elit işlerle güçlü bağlara sahip yeni bir elit bir eğitim seçeneği oluşturmuştur. Çalışmada ayrıca, yapay zekâ teknolojilerinin bu dinamikleri üçüncü bir evreye taşıma potansiyeli tartışılmaktadır. Yapay zekâ teknolojilerinin yaygınlaşması, meritokratik sistemi ikinci evreye geçiren dinamiklerin aynısına sahip olup otomasyonu çok daha güçlendirmektedir. Bu nedenle bu çalışmada, yapay zekâ teknolojilerini sadece otomasyonu güçlendirme yerine istihdam merkeze alan ve işyerlerinde özellikle orta ve düşük becerili çalışanların becerilerini iyileştirerek insanı tamamlayan ve toplam verimliliği yükselten bir yolda nasıl kullanılabileceği tartışılmaktadır.

Anahtar Kelimeler: Meritokrasi, Eşitlik, Yapay zekâ, Eğitim, İşgücü piyasası

JEL Sınıflandırması: E24, I24, I25, J24

1. Introduction

The focus of discussions on the relationships between education and the labor market has long been on human capital (Becker, 1962, 1964). Human capital promises an open labor market accessible to everyone through education. In other words, all individuals who acquire the necessary skills through education have the opportunity to transition into employment by contributing to human capital. Therefore, countries strive to ensure access to education for all social groups and to continuously improve the quality of the education provided (Özer, 2022a, 2022b, 2022c). This effort has brought the inclusiveness of education systems and the equality of opportunities they offer to the forefront of educational discussions.

Meritocracy promises a system in which rewards in the labor market are distributed based on the quality of human resources, emphasizing the importance of human capital. This promise is significantly different from the approaches and promises of other governance systems, such as aristocracy. In aristocracy, advantages based on innate race or lineage are extended to all segments of society in meritocracy and associated with human capital, representing a major revolution. With this approach, education has moved beyond being a privilege owned by certain social classes by providing access at all levels. Especially after World War II, education underwent phases of massification and universalization, becoming the most important social mechanism in the redevelopment of countries.

Moreover, this process has not been limited to access to education; equality of opportunity in education has become one of the main focuses of the new era (Özer & Perc, 2022; Suna et al., 2020a, 2020b; Suna et al., 2021; Suna & Özer, 2022, 2024). In this process, the importance of not only the great benefits of access to education but also the ability of every individual to equally benefit from the opportunities provided has been recognized. This period also marked the realization that it is not sufficient for educational opportunities to be open to all social segments; there is a need for policies that actively support disadvantaged groups and compensate for their limitations. Thus, it has been expected that all individuals with the same skill level, regardless of their socioeconomic background, will possess equal human capital when transitioning into the labor market. This approach has undoubtedly provided a significant gain towards creating more egalitarian societies.

While providing significant advantages, viewing the meritocratic system through a one-dimensional lens prevents seeing the underlying dynamics and the problems it causes. Despite the centrality of human capital in the meritocratic system, technological developments leading to automation, especially since the 1970s, have brought about fundamental changes in both education systems and labor markets, moving meritocracy to the next stage. Indeed, these developments have significantly altered the structure and level of skills required in the labor market. Recent studies indicate that technological advancements are not only reducing the employment area of low-skill routine jobs but also that of middle-skill jobs (Green, 2019; United Nations, 2020). Therefore, it is now necessary to reevaluate and redefine skill levels and general assumptions, considering the needs of the labor market. In evaluations of this new phase, the quality of human capital is increasingly associated with the capacity to acquire higher-level skills.

Understanding these profound transformations and the underlying dynamics will facilitate comprehending the directions in which countries and societies are evolving with globalization. Therefore, this study comprehensively examines the findings of Daniel Markovitz's (2019) book, *The Meritocracy Trap: How America's Foundational Myth Feeds Inequality, Dismantles the Middle Class, and Devours the Elite*. Although the book does not evaluate the meritocratic process in two different stages, this study divides the meritocratic process into two different stages based on the dynamics of transformation to provide a detailed assessment. The transformations in education and labor markets are evaluated within these two different stages. Additionally, projections are made on how artificial intelligence (AI) technologies will transform these dynamics. Specifically, the potential of generative AI technologies to move meritocracy to a third stage is discussed.

2. Transformations Brought About by Meritocracy

The meritocratic system, with its governance approach, claims to open access to education first and subsequently employment opportunities through the labor market for everyone, focusing on human capital. The first phase of the transition from aristocracy to meritocracy, which lasted until approximately the 1970s, corresponds to a period where human capital was valued for the middle (socioeconomic) classes, thus reflecting sincerity in the promises of meritocracy. During this period, the burden and consequently the benefits of the labor market were particularly clustered around the middle classes. Therefore, in its first phase until the 1970s, meritocracy produced extremely positive outcomes for the middle class, rapidly transforming society and cities (Markovitz, 2019: 20-21):

Middle-class prosperity even puts a physical stamp on the world. Cities transformed, as car ownership reduced distances and construction raced to keep up with the middle class's exploding demand to own houses. Villages and rural communities became suburbs, and suburban life assumed a previously unimaginable affluence. Over the 1950s, a previously sleepy resort town like St. Clair Shores, Michigan, transformed into a thriving suburb of prosperous Detroit. A local bowling alley owner remembers that in those days, his pinboys would leave their childhood jobs on their eighteenth birthdays and present themselves at one of the Big Three automakers, to be hired at \$100 per week, the equivalent of perhaps \$40,000 a year today. Their union jobs, moreover, effectively guaranteed lifelong employment, and if the young men proved good workers, they would be trained into tool- and diemakers or other skilled tradesmen and eventually paid the equivalent of nearly \$100,000 per year, with benefits. Midcentury workers could achieve all this, moreover, without any formal education beyond high school.

This “privileged working class,” as the business owner still calls it, made St. Clair Shores rich enough to sustain the twenty-seven story Shore Club Highrise Apartments and Marina, which was built starting in 1962 overlooking Lake St. Clair. Similar new developments blanketed the country, connected by new roads, and a new social as well as physical world was born. Midcentury American workers succeeded so profoundly that they remade the American class structure, rising up to give themselves a new name and building a broad middle class that could represent and dominate society writ large. John Kenneth Galbraith would make middle-class prosperity into the theme of his classic midcentury book *The Affluent Society*.

This transformation, where the middle class was privileged, occurred in all cities, and the differences between classes were relatively minimal, leading to the spread of mass/popular culture (Markovitz, 2019: 47):

Palo Alto and St. Clair Shores illustrated the age. Wages across regions converged between 1950 and 1970, and college graduates were “remarkably evenly distributed” across the country: between urban and rural locations, across geographic regions, and even within cities. The elite and the middle class married and parented in the same ways, ate the same foods, watched the same television and movies, and even owned the same things, right down to the brands that made them and the stores that sold them: Americans bought 90 percent of their cars from Ford, Chrysler, or General Motors (whose most expensive models cost perhaps twice the price of an average car), half of their appliances from Sears, and a third of their watches from Timex. Postwar capitalism created a society that was not just politically but also economically and socially democratic. Quite possibly, for the first time in recorded history, the rich and the rest lived the same lives and even had the same stuff.

However, it is observed that this system, as a dynamic one, does not remain in the same phase continuously and transitions to new phases with new transformations. Although meritocracy initially offered similar conditions to different social classes in line with the spirit of the time, by the end of the first phase, it was no longer possible for these conditions to remain unchanged. It is known that the advantages gained at the end of this cycle did not distribute equally, clustered in certain social positions, and increasingly led to new advantages only for individuals in these clustered positions. Therefore, the continuous concentration of advantages in certain social groups is explained by the famous sociologist Merton’s well-known saying, the Matthew Effect (Merton, 1968; Özer, 2023a, 2023b; Perc, 2014; Rigney, 2010). The accumulation of advantages in certain social groups leads to a cumulative increase in new advantages within these groups, while other groups move into disadvantaged positions (Zuckerman, 1989). The increasing polarization between groups begins to deepen the gap between the advantaged and the disadvantaged (Markovitz, 2019: xiii):

...Elites increasingly monopolize not just income, wealth, and power, but also industry, public honor, and private esteem. Meritocracy comprehensively excludes the middle class from social and economic advantage, and at the same time conscripts its elite into a ruinous contest to preserve caste. Meritocratic inequality—the growing gap between the rich and the rest—bends America to an ominous arc.

In the second phase following the first, meritocracy reintroduces the aristocracy dynamics it initially claimed to eliminate, replacing lineage, the main source in aristocracy, with wealth. As Markovits also states in the introduction of his book, despite being designed as an innocent attempt to promise equality by opening up a previously hereditarily determined elite class to outsiders equipped only with their own talents and desires, the process not only fails to achieve this goal but also leads to the emergence of a new aristocracy with different criteria. This has caused advantages to cluster within the elite class and deepened the gap between the elite and other groups (Markovitz, 2019: x):

Merit itself has become a counterfeit virtue, a false idol. And meritocracy—formerly benevolent and just—has become what it was invented to combat. A mechanism for the concentration and dynastic transmission of wealth and privilege across generations. A caste order that breeds rancor and division. A new aristocracy, even.

In other words, in its second phase, meritocracy functions in the labor market, as in education, in a way that reinforces educational inequalities. Markovitz (2019: xv) notes that this inequality also imposes heavy burdens on the elite, requiring them to exert far more effort than the aristocracy to maintain the advantages they gain in the second cycle and the disparities they create. Consequently, despite the appearance of a democratic and merit-based system in society, the continuous increase in inequalities is heightening tensions among people outside the elite class. As a natural result of this situation, the permeability and connections between social groups are decreasing, leading to permanent societal unrest. The political consequences of this large-scale change, which closely affects many social dynamics, are inevitable. Markovitz (2019: xvii) argues that Trump effectively captured a similar change in America and won the presidency by creating a narrative addressing it:

The resentments, moreover, have direct and powerful—even world-changing—consequences. They enabled Donald Trump to become president of a wealthy, powerful, and famously optimistic nation by relentlessly attacking the status quo, repudiating what he calls “the Establishment,” and blaming the state of the country on a corrupt alliance of meritocratic elites and cultural outsiders...

Once advantages accumulate in the new system, meritocracy begins to operate like a minority aristocracy. The only difference is that this new minority also has to work hard. The primary mechanism of these phase/transitional shifts is education. While the new system democratizes education to reach all sections of society, access to the highest-performing schools and universities is prioritized for the elite due to their prohibitive costs. In this context, the conditions offered by institutions, which are ostensibly open to everyone, covertly create new advantages for privileged groups. As in this example, existing income advantages are used to gain access to educational opportunities that will open doors to future income advantages.

The second mechanism is the labor market. In this area, meritocracy also transforms job descriptions and the skills demanded by the employment world, organizing high-paying jobs in favor of a narrow social segment. The increased focus of current educational policies on the expectations of the labor market also strengthens the reflection of the skills sought in the labor market in education systems. Labor market dynamics support the skills provided by elite education, match these skills with elite jobs, and open up a large portion of the vast reward pool in the employment field for privileged groups (Markovitz, 2019: 8):

Meritocratic work extends the patterns of meritocratic education through adult life. Elite jobs mirror the intensity and competitiveness of elite schools and fetishize the skills that these schools provide. At the same time, the income and status that the top jobs bestow on superordinate workers match the labor effort these jobs require. Both the demands and the rewards of elite work are greater today than they have ever been before.

In summary, the labor market dynamics, once based on middle-class skills, are redefining skills with each technological transformation, pushing the middle class into lower-skilled roles while prioritizing the skills acquired through elite education. In other words, the highly lucrative elite jobs in the labor market are now shifting from the middle class to the elite class, with the education system serving as the facilitator of this transition. Thus, the status of the middle class, which had improved in the first phase, has been undermined, and the meritocratic order has begun to reproduce its own aristocracy through education. Now, the demanding yet highly rewarding elite employment areas are predominantly filled by those with elite education (Markovitz, 2019: 11-12):

...The partnerships at these firms are overwhelmingly dominated by graduates of elite law schools. Over half of the partners at the five most profitable firms are graduates of law schools conventionally ranked in the “top ten,” and four-fifths of the partners at the \$5-million-per-partner firm graduated from law schools conventionally ranked in the “top five.” Specialist doctors, professional finance-sector workers, management consultants, and elite managers all also require elite degrees and again generally make several hundred thousand dollars a year. Incomes exceeding \$1 million are startlingly common in all these fields. And the really top earners—managing directors at investment banks, C-suite executives at large corporations, and the highest-paid hedge fund managers—take home tens or hundreds of millions of dollars a year. As in law, the top employers overwhelmingly hire graduates of the very top schools—sometimes literally just Harvard, Princeton, Stanford, Yale, and perhaps MIT and Williams. Often, they do not even recruit new workers anywhere else. The economic returns to schooling have consequently skyrocketed in recent decades, and—especially at elite schools and colleges—double or even triple the returns to investments in stocks or bonds. This produces an astonishing segmentation of income by education.

2.1. Transformation in the Labor Market

The development and establishment of meritocracy have also triggered significant transformations in workplaces. The rapid advancement of technology has led to the widespread adoption of automation in labor markets. While automation rewards higher skills, it directs middle skills towards lower-skilled jobs. As these transformations occur with traditional skill-level definitions, changes are also happening within all skill levels, highlighting the need for new skill level definitions (OECD, 2019). As a result of this transformation, most jobs in workplaces now require fewer skills and continuously reduce wages. However, in the very few high-skill jobs produced by this transformation, there is, conversely, an incredible rise in wages. Consequently, job positions in the labor market are increasingly clustering into a small number of high-skill elite jobs and a large number of low-skill jobs. In fact, a similar transformation is occurring across all sectors. Markovitz points out that even the entertainment sector has undergone a similar transformation to illustrate the dramatic nature of this change (Markovitz, 2019: 178):

No sector is immune. Even in the arts and entertainment, new technologies allow a few “superstar” entertainers to capture global audiences, displacing many only slightly less skilled performers who previously served local audiences by being the best entertainment within the traveling range. In 2017, Beyoncé, LeBron James, and J. K. Rowling each made nearly \$100 million. This is perhaps one hundred times more than their mid-century counterparts. It is roughly one thousand times more than backup singers, players in the NBA’s development league, and television scriptwriters—all skilled people, near but not at the tops of their professions—make today.

Another point to mention is the transformation in the management structure of businesses in today’s meritocracy. As automation technologies become more widespread and middle-class skills are devalued, management has become more centralized and less participatory (Markovitz, 2019: 173):

These innovations strip the management function from midskilled jobs and deprive middle-class workers of the status and income that their managerial responsibilities once sustained. Firms no longer require middle management to mediate between business strategies set by top leadership and the implementation of these strategies among production workers. And production processes that once required all workers to exercise some managerial discretion may now be broken into constituent parts that might be performed mechanically by disempowered workers and coordinated from on high.

The transformation of management in companies in this way has also increased the need for consulting firms. Since there are no longer enough middle-level managers to solve problems encountered in a business, this function is now provided by consulting firms (Markovitz, 2019: 176):

...And when top executives need managerial assistance today, they look not to middle managers but rather to management consultants: external advisers who enable firms to contract out management functions once performed internally. Consultants are again intensively educated and hyperelite: the leading firm, McKinsey & Company, brags of its “university-like capabilities” and illustrates this by observing that its proprietary research enables the firm “with the push of a button, [to] identify the top 50 cities in the world where diapers will likely be sold over the next ten years.”

Thirdly, low-skill jobs are increasingly filled by short-term or part-time workers instead of full-time employees. Consequently, the middle-class job model, which lasted until around the 1970s and provided lifetime employment, on-the-job training, and ample promotion opportunities, is gradually being abandoned (Markovitz, 2019: 174-175):

Often, the very same employees who have been downsized return as subcontractors, in a direct and literal displacement of management by contract as a coordinating method. After IBM’s massive layoffs in the 1990s, for example, as many as one in five laid-off employees returned to work for the firm as consultants. Other firms were built from scratch on the subcontractor model. Uber drivers are paid not for their effort or even their time but rather for each ride that they complete. The clothing retailer United Colors of Benetton has only fifteen hundred employees but uses subcontractors who employ twenty-five thousand. There exist wineries that contract for grapes with some firms, winemaking with others, bottling with others still, and distribution with yet others, and

so have literally no employees at all. And Volkswagen has recently built an automobile plant that is staffed almost exclusively not by its own employees but by workers of its subcontractors...Meanwhile, the Chinese firm JD.com (which has entered a strategic partnership with Google) has already built a warehouse outside Shanghai at which hundreds of robots pack and ship roughly two hundred thousand boxes per day, attended by only four human workers.

Fourthly, the transformations mentioned above have led companies to largely abandon on-the-job training programs aimed at skill development, which were previously provided by firms. This particularly means the gradual abandonment of “in-house talent development” models that focus on employees with managerial potential working in different roles within the organization and developing their skills. This development inevitably creates many limitations in areas such as corporate loyalty, in-house career path development, and talent management. As a result, while employers are relieved of the burden of workplace training, the education of elite employees has progressed from undergraduate to postgraduate levels (Markovitz, 2019: 142):

This transformation has important consequences for the distribution of training—of investments in human capital—across American society. Post-BA training has long represented a substantial additional investment in the human capital of workers and in particular of elite workers. The midcentury American employers who provided multiple years of formal training over the course of an elite career spent substantial sums in doing so. University-based graduate and professional schools make, if anything, larger investments in their students: expenditures per student per year at Harvard Business School have exceeded \$350,000.

The removal of workplace training in elite jobs and the transfer of this burden to individuals have directly linked access to postgraduate education with individuals’ socioeconomic levels. This process has excluded the middle class from this competition while entrenching the monopoly of the elite class. In other words, postgraduate education has reinforced the formation of a narrower elite class regarding education and skills by increasing investments and costs associated with human capital. The meritocratic legacy is no longer directly transmitted through goods and wealth but rather indirectly through elite education. Consequently, postgraduate education helps extend the meritocratic legacy deeper into adulthood. In this way, the elite class, which can access postgraduate education at high-performance educational institutions, has a significant advantage in accessing higher-paid and more prestigious jobs, thus deepening socioeconomic inequality through the transmission of meritocratic legacy.

Fifthly, the burden of intensive work now falls on the elite class. It can be argued that the increase in inequality at the high end of meritocracy is entirely related to merit and intense work. Since the conflict is between the middle class and the elite class, discussions about inequality are not as straightforward as those about low-end inequalities. In the current structure, it can even be argued that the elite class is exposed to greater work pressures due to the responsibilities they undertake. As Markovitz (2019) references sociologist Thorstein Veblen, who once associated wealth with leisure time and the diversity of hobbies during that time (see p. 79), the meritocratic system’s second phase has eliminated this privilege for the elite class, demanding more continuously both in education and work. Consequently, while working hours decrease and leisure time increases for those in low-paid jobs, leisure time for those in elite jobs decreases due to increasing working hours (Markovitz, 2019: 83):

... “The Harvard Business Review’s survey of extreme jobs validates the manager’s intuition. According to the survey, “62% of high-earning individuals work more than 50 hours a week, 35% work more than 60 hours a week, and 10% work more than 80 hours a week.” Nearly a quarter of the highest earners surveyed qualified for the Review’s most extreme job classification and worked “even more punishing” hours: “The majority of them (56%) work 70 hours or more a week, and 9% work 100 hours or more.”

Every day, meeting the rising demands of the elite education system, striving to fulfil the endless demands of human capital for elite jobs, battling fierce competition after starting an elite job, and being under the pressure of a system where only slightly higher-than-average performance receives the full reward, reduces human capital to an asset management function and alienates individuals. In this process, only the resilient are rewarded (Markovitz, 2019: 44).

2.2. Transformation in the Education System

The meritocratic system has made education the conduit for the profound transformation occurring in the labor market. While the massification and universalization of education began after World War II, the meritocratic system has simultaneously transformed the education system, facilitating the clustering of advantages within the elite class. The education system effectively functions as a mechanism that subtly creates the necessary conditions to connect elite groups with labor market rewards. In this way, education systems have become the main carriers of the process through which middle-class skills are distributed to lower and upper classes, ultimately leading to the displacement of the middle class from their jobs (Markovitz, 2019: 182):

Education has become the labor market’s preferred sorting mechanism, and the economic returns to schooling, especially at the best schools, have become astronomical. Education, that is, nearly perfectly maps the fault line that separates subordinate from superordinate workers in the newly polarized labor market, sorting workers into income classes that barely overlap. Intensive education and glossy jobs run quite generally together; meritocratic inequality makes elite students and superordinate workers one and the same.

At the beginning of the first phase of meritocracy, education exhibited an elitist appearance, serving to preserve the socioeconomic advantages of children from a few privileged families rather than the masses. However, once this field was opened to the masses and education became accessible to everyone, it appears that the situation did not change much. On the contrary, competition has extended to the very beginning of educational stages, starting with preschool education. Therefore, it is crucial for a student to be in an advantageous position throughout their educational life to have access to this advantage. However, this path is quite expensive, and even if the middle classes can successfully participate in this race, it is impossible for them to afford school expenses (Markovitz, 2019: 7-8):

...the admissions competition for places at Harvard, Yale, Princeton, and Stanford is three times as intense today as it was just twenty years ago. Moreover, students at these elite colleges disproportionately attended highly competitive high schools and, indeed, highly selective elementary schools and even preschools. In other words, to secure a really elite education, a student must rank among the top fraction of a percent in

a massive, multistage meritocratic tournament, one in which the competitors at every stage conspicuously agree about which schools constitute the biggest prize. Every one of these schools, all along the chain, offers intensive training commensurate to its elite status. Top schools, that is, all make immense investments in their students' educations: elite private schools spend as much as \$75,000 per student per year (more than six times the national public school average), and elite colleges and graduate schools spend over \$90,000 per student per year. The total excess investment that an elite education represents, over and above the investments made in middle-class schooling, amounts to millions of dollars.

Thus, while the wages of middle-class workers remain almost stagnant, dramatic increases are seen in the salaries of jobs requiring the highest level of skills, which are accessible to graduates of elite education. Consequently, a significant portion of income now begins to cluster within the elite class, marking the transition to a new phase (Markovitz, 2019: 23-24):

...Across all economic sectors, innovations cause middle-class jobs to give way to a few glossy and many gloomy ones, so dramatically that the immense incomes paid in the glossy jobs account for the bulk of the rebalancing of income in favor of the elite and against the middle class, and therefore also for the bulk of elite income growth and middle-class income stagnation. As the incomes of the top 1 percent have tripled, the median real income has increased by only about a tenth since 1975, and median incomes have effectively not increased at all since 2000.

As a result, the middle class now faces more of the limitations caused by meritocracy rather than its benefits, losing hope of reaching elite jobs through access to elite education. Economically, for this income group, the first mechanism of the meritocratic process, elite education, has become unaffordable. The only chance for social classes outside the top socioeconomic strata to gain elite access is through a very limited number of scholarship programs. Although these highly competitive scholarship programs are of great importance to other social classes, they represent only an exceptional case within the system as discussed. While the system appears to operate on a merit-based principle, it implicitly rewards initial advantages, leading to new advantages (Markovitz, 2019: 17):

...The intensive training that rich parents give their children produces massive achievement gaps, so that meritocratic admissions themselves skew student bodies dramatically toward wealth, and the meritocratic elite can produce dynasties even without nepotism. Indeed, this effect is so powerful that the students at the top schools can become wealthier even as the admissions process becomes more meritocratic and the size of the legacy preference declines...

In fact, disparities in success in this race begin with preschool education. Aware of the long-term benefits of preschool education, the elite effectively capitalize on this opportunity (Markovitz, 2019: 123):

Quantity and quality both matter for education: practice doesn't make perfect; perfect practice makes perfect. As every elite parent knows, early childhood training on the meritocratic model is immensely intensive and immersively personal. The upshot of the vastly unequal investments in the human capital of young children by the rich and the rest is equally clear: elite children enter school proper with tremendous emotional and

academic advantages already in place. By the time they are five, children from the top tenth of American households by socioeconomic status outstrip children from the bottom tenth by roughly thirty-seven, twenty-five, and thirty-nine months of schooling on the PISA tests of mathematics, reading, and science skills, and the most elite tenth outstrip the median by roughly twenty-one, nineteen, and twenty-three months. These are enormous differences. Moreover, the elite/middle-class gap exceeds the middle-class/bottom gap, a pattern that will persist and intensify deep into adulthood.

Therefore, a negative cycle begins to accumulate disadvantages for the middle class. The Matthew effect is again in play. Children of the middle class first drift away from elite schools and then from elite jobs. Meanwhile, the elite are aware of how critical this approach is for the sustainability of the cycle and invest more in elite education each day. The elite begin to reap the benefits of their investments in all levels of education and extracurricular activities, starting from preschool, as they progress through high school (Markovitz, 2019: 132):

These differences in academic achievement—including, critically, the difference between rich and middle-class children—further reveal themselves in the SAT, which, on account of its central role in college admissions, is almost certainly the single most consequential test an American school student takes. The income/achievement gaps on the SAT are enormous. Students from families earning over \$200,000 per year (roughly the top 5 percent) score 388 points higher than students from families earning less than \$20,000 per year (roughly the bottom 20 percent); and students whose parents hold graduate degrees (roughly the top 10 percent) score 395 points higher than students whose parents have not completed high school (roughly the bottom 15 percent). In each case, these gaps in raw scores place the average elite student in roughly the top quarter of all test takers and the average disadvantaged student in the bottom quarter.

Ultimately, disparities in graduation rates according to income levels begin to widen beyond access to higher education (Markovitz, 2019: 135). The continuous investment in education from preschool onwards that the elite provide for their children grants them significant advantages in their university education. These students, accepted into top universities, benefit from high-quality education, valuable internship opportunities, and strong professional networks. This facilitates their success in their careers and helps them maintain their social status. This sustained investment allows the children of the elite to continually secure advantages in their education and careers and to pass these inherited benefits on to future generations. In contrast, children from middle-class and poorer families face significant challenges in accessing such resources and opportunities. This situation restricts their social and economic mobility and contributes to the perpetuation and even expansion of social inequalities, with the middle class increasingly resembling the poorer class. The share of income received by the middle class, excluded from elite education, is also steadily decreasing (Markovitz, 2019: 13).

2.3. The Elitist Bridge Between The Education System and Labor Market

In the meritocratic system, the transfer of privilege among elite classes is more durable than in aristocracy. In aristocracy, the role once played by lineage is now taken by education, which provides a much more resilient support in the transfer of privilege. Furthermore, while wealth may be squandered, the long-term investment in human capital through education solidifies this transfer, making it permanent (Markovitz, 2019: 150):

Finally, the meritocratic approach to dynastic succession confers one more advantage on the elite, which distinguishes the meritocratic inheritance from its aristocratic predecessor. Whereas inherited physical and financial wealth famously breeds temptations toward profligacy and, therefore, its own dissolution—hence the early-twentieth-century saying that a family might go from shirtsleeves to shirtsleeves in three generations—human capital resists being wasted by those who are given it.

In the second phase of meritocracy, there is a continual emphasis on the virtues of the merit system as if it were still in its first phase. However, conditions are no longer equal. While access to education is available to everyone, the quality disparity of what is accessed is kept out of the discourse. In this context, the difference between having equal opportunities on paper and the underlying factors required to truly access those opportunities is clearly visible. Access to elite higher education institutions is open to everyone, but the admission requirements are so high that meeting them without an elite educational background, and thus accessing elite higher education, is not feasible. Once strong connections have been established between elite education and lucrative elite jobs, accessing elite jobs with just an average higher education degree becomes impossible, and even if employment opportunities are found, the promised wages are far from breaking this cycle. In this context, Markovitz (2019: 238-239) specifically provides examples of new alignments, notably from the finance sector:

The match between elite education and finance was made. The sleepy, mid-skilled, middle-class model of the sector gave way to rapid growth, constant innovation, and a super-elite (immensely skilled and extravagantly paid) workforce. The transformation was so pervasive that it has changed finance's culture and language: old craft-based and autodidact practitioners, like chartists and stock tipsters, have been supplanted by new super-skilled, formally trained, university-certified "quants." Wall Street began to dominate hiring in the Ivy League, and entire groups at major banks came to be dominated by physicists, applied mathematicians, and engineers, many with PhDs. Finance has never been the same.

On the other hand, those with elite education, who have a strong connection to elite jobs, continue to solidify their positions in these jobs by developing new technologies, thereby continuously increasing their economic returns. In other words, the elite class enhances the complexity of elite jobs by creating new technologies and fortifies job positions that can only be filled by highly skilled elites, thereby creating a feedback loop in their favor (Markovitz, 2019: 239):

This stylized story glosses over many complexities, but it captures an important core truth that applies far beyond finance across the entire economy. The skill-biased technologies that account for superordinate workers' enormous incomes did not arise out of the blue—from beyond the meritocratic system. Instead, the appearance of super-skilled finance workers induced the innovations that then favored their elite skills. A rising supply of meritocrats stimulates its own demand. Meritocratic inequality grows—and meritocracy builds and then reinforces its trap—through a series of feedback loops. The most important connects meritocratic inequality's two basic building blocks: the exceptional training that rich children receive in school and the extravagant incomes that elite skills sustain at work.

Therefore, in the second phase of the meritocratic system, the Matthew effect ('For whoever has will be given more, and they will have an abundance; whoever does not have, even what they have will be taken from them.') becomes more pronounced. An advantage continually leads to new advantages, while a disadvantage makes it impossible to escape a disadvantaged cycle (Markovitz, 2019: 27):

A cycle of exclusion ensues. Elite graduates monopolize the best jobs and, at the same time, invent new technologies that privilege super-skilled workers, making the best jobs better and all other jobs worse. Meritocratic labor incomes, in turn, enable elite parents further to monopolize elite education for each successive generation of children. Meritocracy therefore creates feedback loops between education and work, in which inequality in each realm amplifies inequality in the other. The rising gap between elite and middleclass wages measures the scale of meritocratic outcome inequality. The gap between elite and middle-class investments in education cashes out the scale of the dynastic transfer and of meritocratic inequality of opportunity. Together, these sums fix the strength of the meritocracy trap's exclusion.

Despite this apparent cycle, praises for the meritocratic system and merit continue to be repeated, and individuals are persuaded to believe that their experiences are related to their own incompetence. This ensures the unjust sustainability of the cycle (Markovitz, 2019: 30):

...In this way, meritocratic inequality attacks not just pocketbooks but also hearts and minds, hitching the moral insult of declaring middleclass workers worthless to the economic injury of stagnant middleclass wages. Meritocratic ideals express and validate the insult and, furthermore, demand that the middle class embrace its own abasement. The meritocracy trap imprisons the imagination, casting economic exclusion as an individual failure to measure up and blocking the middle class from the collective consciousness of the harms that meritocracy imposes. Meritocracy remakes the middle class as a lumpenproletariat.

Thus, elite education serves a critical function for the operation of the Matthew effect. Education is a tool for the elite class, marking the beginning of prosperity and the extension of privileges beyond the employment market. Unlike aristocracy, where privileges are derived from lineage, meritocracy establishes its own dynasty through meritocratic education and employment. The establishment of this dynasty through education also gains prestige in society, leading to its unquestioned acceptance and unconditional support. Economic inequality arises not solely from the strong connections between elite education and elite jobs but is also exacerbated by the excessive work undertaken by the elite class (Markovitz, 2019: 89):

No one needs to weep for the wealthy. But ignoring how oppressively the rich now work is equally misleading. The intensity of elite labor structures both the lived experience and the social meaning of top incomes today. The rich now dominate the rest not idly but effortfully, by exploiting their own enormous skill and industry. Meritocratic inequality principally arises not from the familiar conflict between capital and labor but from a new conflict—within labor—between superordinate and middle-class workers...

In summary, the excessive labor of the elite class deepens existing inequalities and also significantly increases their incomes by encompassing the reduced labor of the middle class. Markovitz (2019: 98-99) recommends examining economic inequalities at two distinct extremes to better understand the effects of meritocracy:

Every economy may be described in terms of two kinds of inequality: high-end, which concerns the gap between the rich and the middle class; and low-end, which concerns the gap between the middle class and the poor. Economic inequality can, therefore, grow and shrink at the same time, as rising high-end and falling low-end inequality occur together. When this happens, the shape of maldistribution alters. For most of human history, including in the middle of the last century, inequality and injustice centred on poverty. Today, they centre on wealth.

Ultimately, while low-end inequality and poverty persisted during the first phase of meritocracy, high-end inequalities were reduced. However, in the second phase, inequality is predominantly occurring at the high end. Markovitz (2019: 252-253) specifically emphasizes that the strong relationship established between elite education and super-skilled jobs is a choice made by America, but despite having similar dynamics, Germany has chosen not to follow this path. Instead, Germany has developed a more egalitarian education system and has placed special emphasis on vocational education, highlighting a distinct approach to managing economic disparities and skill development:

Germany is, after the United States, the second-richest large country in the world, with a population of roughly eighty million and a GDP per capita of about \$50,000. Indeed, the United States and Germany are (by one measure) the only two countries in the world with populations greater than fifty million and per capita GDPs greater than \$50,000. But in spite of their being the only members of this exclusive club, the recent histories of education and work in Germany and in the United States have taken nearly opposite paths. The interconnected differences open a window into the relationship between training and labor, and in particular between elite education and the economic returns to super-skill. On the one hand, U.S. and German education targets different populations by different means. The United States has concentrated its educational investments in an increasingly narrow elite. It has also delivered education increasingly in university settings, effectively eliminating workplace training. Germany, by contrast, has spread education increasingly broadly over a larger and larger segment of its population. Moreover, all members of the broad German elite receive effectively equivalent educations: Germany has virtually no private schools or universities, and while there are elite faculties in the German public university system, there are virtually no exceptionally competitive or distinctively elite student bodies. Germany also provides intensive vocational training to those outside of the university-educated elite. Finally, the German state promotes egalitarian education from the earliest childhood and backs its commitments by law. In Berlin, for example, the city government has gone so far as to enact an ordinance making free daycare available to all city residents and making elite daycare effectively illegal, by forbidding daycares from subjecting parents (no matter how rich) to surcharges greater than 90 euros a month.

In the United States, therefore, the relationship between elite jobs and super-skilled positions is continually strengthening, whereas Germany is building a more egalitarian labor market. In both countries, this construction is facilitated through structural features in their education systems. Consequently, in the U.S., employers' new investments are allocated to complement the elite class, focusing on high-skilled labor, while in Germany, the focus is on creating sectors dominated by unskilled or semi-skilled labor (Markovitz, 2019: 253). This approach results in a reduction of wage inequality within sectors in Germany, in contrast to the U.S. As a result, the meritocracy in education coincides with the meritocracy in the workplace, leading to different outcomes. In countries like the U.S., where elite education is concentrated, workplace investments focus on elite skills, continuously increasing the skill premium. In contrast, in countries like Germany, where education is more widespread, the focus on semi-skilled workers helps maintain a certain balance in the skill premium (Markovitz, 2019: 254). This demonstrates how educational and labor market policies are closely intertwined and can lead to varying levels of socioeconomic equality.

3. Other Factors Strengthening the Elitist Structure

At this stage, the Matthew effect has created sharp class distinctions, dividing society and exacerbating inequalities. These inequalities are further perpetuated through various sociological instruments, such as forms of marriage (Markovitz, 2019: 48-49):

...Moreover, meritocratic inequality's effects on the lives of both the rich and the rest are not limited to income, understood as an abstract dollar sum. The rich and the rest now marry separately: 25 percent of American marriages are today composed of two college graduates (compared to 3 percent in 1960). The rich and the rest parent differently and in profoundly divergent domestic circumstances: women with a high school education or less now bear more than half of their children outside of marriage, for example, which is roughly twenty times the share for women with a college degree or more...

This suggests that societal structures and practices, like marriage, can reinforce and even amplify existing disparities by promoting alliances among the elite, thus keeping wealth and resources concentrated within a small segment of the population. This dynamic helps to solidify the elitist structure and perpetuates a cycle where the elite continue to benefit disproportionately. On the other hand, these education-based marital matches lead to another advantage within the high-income group as divorce rates increase from high to low-income groups (Markovitz, 2019: 118). In other words, as incomes decrease from the high-income group to the low-income group, the demographics of households also rapidly change. Children are thus forced to grapple with other issues, and this trend becomes another factor that enhances the advantages of the upper end. At this point, it is important to note that the advantages extend beyond the realms of education and employment, gaining a social and demographic dimension.

Indeed, the issue isn't confined merely to education. Over time, not only have problems related to inequality of opportunity in education become entrenched, but even if equity in human capital were achieved, it's evident that expectations in the labor market are not fully met due to invisible social networks. While the educational portfolio plays a significant role in transitioning to employment, the importance of numerous socioeconomic variables, particularly social networks, cannot be denied. The continuously expanding social networks of wealthy families facilitate a much easier and quicker transition for their children from education to the

labor market compared to their peers, also ensuring higher wages (Granovetter, 1974; Montgomery, 1991; Özer, 2023c; Özer & Perc, 2021).

The elite class not only invests in elite education to maintain its excessive wealth but also invests in politics and lobbying activities. Thus, they not only fight against any regulation that might negatively affect their wealth, but also frequently resort to political instruments to secure unjust incentives that increase their fortunes (Markovitz, 2019: 52):

...Moreover, meritocracy also inaugurates a new means for asserting dominance, creating a new supply of elite power. The skills, practices, and institutions that enable superordinate workers to dominate economic life also allow the elite to dominate politics, by controlling policy and by resisting the state when they cannot set policy directly. If democracy establishes what Dahl called “the continuing responsiveness of the government to the preferences of its citizens, considered as political equals,” meritocracy undermines democratic politics and constitutes superordinate workers as a new ruling class. The rich dominate the financing of political campaigns—to an astonishing degree. The richest 1 percent of Americans contribute more to political campaigns than the bottom 75 percent combined. Really large contributions are more concentrated still, as are the early contributions that winnow credible candidates and limit the options that voters will eventually choose among. A mere 158 families provided nearly half of all campaign contributions for the initial phase of the 2016 presidential election, and by October 2015 these families had collectively contributed \$176 million. The Koch brothers’ network of super-rich donors would spend nearly \$1 billion on promoting free-market policies.

The amount of money spent on lobbying is substantial. Consequently, politics is compelled to behave in a manner that preserves the meritocratic system, essentially protecting the currently monopolized wealth of a small number of the affluent. Thus, politics has become much more sensitive to the demands of the elite class. While meritocracy spreads inequality, politics is not immune to its influence (Markovitz, 2019: 55):

...A middle-class person must comply with whatever regulations the state imposes on her and forfeit whatever taxes it assesses. When the schoolteacher’s real estate taxes go up, she simply pays. But a rich person can use his swollen fortune to hire skilled professionals to resist regulations and taxes, meeting the state on a level and often even a favorable pitch. A billionaire who faces a new tax can restructure his holdings, using perfectly legal tax shelters to avoid paying most or even all of the levy. The middle class are lawmakers, which leaves their property immediately vulnerable to regulations and taxes; the rich, by contrast, enjoy discretion to accept or reject law, which insulates their property from government intrusion.

Ultimately, as wealth increases at the high end, taxes, conversely, are decreasing. This situation predominantly harms the middle class, thereby widening the gap between social classes. Additionally, during the period when the middle class dominated all sectors, wages in the public and private sectors were almost the same. However, with the rise of meritocracy, this situation has become asymmetric, and the private sector has started to pay significantly higher wages compared to the public sector. As a result, those with superior skills have shifted their employment preference from the public to the private sector, ensuring that the concentration of talent in the private sector protects the interests of the elites (Markovitz, 2019: 56). Furt-

hermore, elite managers remaining in the public sector are also turning to employment in the private sector after retirement. Therefore, skilled public employees are already seeking ways to connect with the elite private sector while still in public employment. This situation is accelerating deformation in the public sector. All these factors combined ensure that the asymmetry maximizes the income of the elite class, while somehow minimizing their taxes (Markovitz, 2019: 58):

...When Warren Buffett decries that he pays taxes at a lower rate than his secretary, he is reporting not an outlier but rather the limit case of a pervasive development. The rich have leveraged their rising economic power to remake the American tax system so that, taken altogether, a once-progressive regime has become effectively flat. Even when the rich are caught red-handed, they rarely get punished. The Obama Justice Department, for example, prosecuted effectively none of the financiers who caused the 2008 financial crisis, in part because prosecutors who would have handled the cases left for private-sector jobs.

4. 'Winner-Takes-All' Society and the Exhaustion of Hope

In the second phase of meritocracy described earlier, the middle class disappears, and society is divided into two segments: the elite and the lower class. Economic returns are also unevenly clustered between these two segments (Özer, 2024a). While the focus has been on the distribution of educational and labor market returns up to this point, the loss for the middle and lower classes extends beyond these dimensions, taking on a social character. The exclusion and pressure applied by meritocracy on the middle and lower classes push these groups into an irrecoverable phase of despair, creating a deadly sociological ecosystem (Markovitz, 2019: 31):

The imaginative burden of meritocracy explains the mystery. The causes of death expose this sinister burden. Middle-class American adults are dying from indirect or even direct self-harm, as they — literally — somatize the insult of their meritocratically justified exclusion. The billboards along I-94 East from Detroit to St. Clair Shores prominently include advertisements for Narcan, a medicine used to “stop opioid overdose,” and Macomb County, where St. Clair Shores lies, recorded seven times as many drug-related deaths in 2016 as in 1999. The opioid epidemic extends far beyond St. Clair Shores. Suicides, overdoses, and alcohol abuse (having increased between three and five times faster among less educated than among more educated adults) now kill Americans at rates roughly equivalent to the AIDS epidemic and account for rising mortality overall. In these and myriad other ways, the idleness that the meritocracy trap imposes on an economically superfluous middle class has exacted over a million “deaths of despair” over the past decade.

Thus, economic inequality now largely stems not from poverty, but from wealth concentrated within the elite class (Markovitz, 2019: 102). Current increasing inequality is defined by high-end inequality rather than low-end inequality. However, the outcome produced by the meritocratic system is much less visible compared to the old inequalities and the setup of this system makes it difficult to morally criticize this inequality. The situation has become devastatingly destructive for the middle and lower classes, to an extent unparalleled in history. This validates the assertion by Piketty (2014) that ‘without radical intervention, the 21st century could be marked by the highest levels of inequality ever experienced’.

The assumption that human capital alone is sufficient personalizes success and, consequently, personalizes failure as well. This assumption reflects an incomplete perspective that ignores many systemic inequalities along the path to success and excludes social and economic factors beyond an individual's control, as detailed in this study. Thus, it facilitates the evaluation of success without context, attributing structural and contextual achievements to individuals. As a result, individuals labeled based on their own successes and failures, loading the burden of all systemic and structural issues back onto the individual (Özer, 2020). Once the problem is individualized, individuals are trapped in a vicious cycle of continually investing in their human capital, even though it might not actually change the outcome. This situation permanently entrenches the resolution of systemic inequality on the individual, exacerbating helplessness (Jarvinen, 2020). This strategy also prevents criticisms of systemic inequality sources, particularly using mechanisms of high societal prestige like education. The imposed belief that "in every condition, it is the individual who is the winner or loser and the individual must make investments to improve themselves in every context" dampens criticisms regarding social inequality. Because successes and failures are personalized in the second phase of meritocracy, the middle and lower classes are forced to bear the burden of consequences that occur outside their control and endure the humiliation of this burden (Markovitz, 2019: 187-188):

Meritocratic inequality prosecutes a pervasive, two-pronged attack on the middle class, as new economic facts deprive the middle class of industry and new norms deprive it of honor. Meritocracy's essential logic concentrates advantage and then frames disadvantage in terms of individual defects of skill and effort, as a failure to measure up. This explains the otherwise mysterious anger and contempt that increasingly overwhelm society: the populism that engulfs politics, even during an economic expansion, and the self-inflicted deaths (from addiction, overdose, and suicide) that increase overall mortality, even without plague or war. Both upheavals are concentrated in people with middle-class incomes but without college degrees—precisely the group that meritocratic inequality condemns as redundant.

In the second phase of meritocracy, the evolution towards an aristocracy effectively reverses the developments of the first phase. The structure of cities, the differentiation of consumer goods, and even residential areas are affected by this transformation, as ecosystems are restructured according to income and consequently, education levels (Markovitz, 2019: 226):

Indeed, geographic isolation by class proceeds in a finer grain still, as the rich and the rest are increasingly separated even within cities. In 1970, nearly two-thirds of Americans lived in middle-class neighborhoods; today, only two-fifths do; and over the same period, the shares of Americans living in rich and poor neighbourhoods both doubled. More generally, both the rich and the poor have become substantially more concentrated by census tract over the past forty years: demographic measures of residential segregation by income and education have increased by at least 25 and 100 percent respectively since 1970. Even mixed neighborhoods have become less mixed: between 1970 and 1990, the shares of neighbors of the average poor family that was also poor and of the average rich family that was also rich doubled and increased by one-fifth, respectively.

On the other hand, the middle and lower classes, far from reaching elite education and jobs, are caught in a debt spiral, struggling to sustain their lives with new loans taken out before

their next paycheck. The result is a rising wave of foreclosures and bankruptcies (Markovitz, 2019: 219):

...More recently, middle-class Americans face an unprecedented wave of foreclosures and bankruptcies. The scale of enforced debt collection is remarkable: in a typical recent year, New York City alone saw 320,000 consumer debt cases filed in its civil courts, a number roughly equal to all the cases filed in all federal courts that year. Even with the threat of prison removed, debt remains an affliction for the middle class. And like imprisonment, foreclosures and bankruptcies cast their shadows across whole lives, and down the generations, breaking marriages and disrupting childhoods. Indeed, the effect is so powerful that the middle class has been renamed, by some, the precariat.

Ultimately, the elites monopolize not only elite education and highly profitable elite jobs (in terms of status and income) but also political power. When politics prioritizes the interests of the elites, it increases social unrest over the long term. Those outside the elite class feel marginalized and increasingly shift towards nationalism and populism. The consequences of this shift were evident in the American elections, where the victims of the second phase of meritocracy contributed to Donald Trump's election as President (Markovitz, 2019: 69):

When these voters heard the bipartisan elite condemn Trump as boorish or unfit for office, they knew that the elite thought the same of them. Sixty-four percent of Trump voters agreed with the statement, "Over the past few years, average Americans have gotten less than they deserve."... Trump eventually won white voters without college degrees by 39 percentage points. He also won his largest vote shares among voters of all races with some college but no degree and among voters with annual incomes between \$50,000 and \$100,000— precisely the precarious middle class that meritocratic inequality most disadvantages. Trump won the fifty least educated counties by nearly 31 percent (beating Romney's 2012 vote shares in these counties by 10 percent), while he lost the fifty most educated counties by a 26 percent margin (a drop of nearly 9 percent over Romney's 2012 results). Whereas educated professionals embraced Clinton as one of their own and disparaged Trump as a buffoon, the middle class found her elaborate qualifications off-putting and sympathized deeply with Trump's rejection of expertise...

5. Discussion and Conclusion

In this study, based on Markovitz's (2019) work, the dynamics of the meritocratic system have been assessed within the frameworks of education and the labor market. Meritocracy emphasizes human capital because it aims to build a system based on merit. Therefore, it is not surprising that almost all countries have experienced stages of massification and universalization in education during the construction of the meritocracy system. In other words, educational systems that previously served a limited group have been opened up to all segments of the population, and especially in primary and secondary education, nearly the entire age population has been included in the education system. Massification has not been limited to these two levels but has been expanded to include higher education. This has enabled investments in individuals' human capital, aiming to build a more egalitarian society. Although Markovitz (2019) does not explicitly mention two distinct phases of meritocracy in his work, a detailed examination of the dynamics shows that this process consists of two distinct phases.

During the period that lasted until the 1970s, corresponding to the first phase of the meritocratic system, the labor market operated parallel to the massification phase in education. This era particularly rewarded the skills of the middle class and witnessed a distribution of wealth across all segments of society without significant disparities. This comprehensive transformation transformed cities and rapidly spread mass culture. A key characteristic of this period was the presence of relatively less inequality between the middle and upper classes at the high end, while more significant inequality existed at the lower end. Employment conditions were better, wages were higher, and working hours were long. Continuous investment was made in human capital through workplace training, and education became the main determinant for advancement in businesses. The middle class was the primary dynamo of the economy during this phase.

From the 1970s onwards, a new phase began to emerge in both the labor market and education systems, driven by mutual reinforcement. The main trigger for this transition was technological transformations. Automation, resulting from these technological changes, rapidly transformed the economy and labor market, significantly reducing the need for middle-skill jobs and dramatically increasing the importance of high-skill jobs compared to the past. Consequently, the middle class has increasingly been pushed towards unemployment or the search for employment in lower-skilled jobs. The key players in the labor market have become a new elite class with high skills. As the workload of this class increased, so did their incomes, with dramatic rises. To increase efficiency, business processes have been modularized, with each module managed independently and with a profit-oriented approach, leading to a decrease in traditional models based on internal development and expansion. Along with new management models, employers' investments in developing human capital have decreased. There has also been an intensification in the trend of fulfilling middle and lower-skill jobs with part-time or temporary workers instead of full-time employees.

Education systems are now the main suppliers of this rapid transformation. Wealthy families, especially those who accumulated advantages during the first phase of meritocracy, have begun to show more aggressive demand for elitist educational institutions. Moreover, massive investments in extracurricular activities have moved this competition beyond the schools. The effort to obtain an elite education has expanded to encompass all educational levels starting from preschool, as each level of education provides stepping stones for future advantages. The best schools within the education systems have predominantly become those attended by children from wealthy families. As the cost of education continuously rises due to these aggressive demands, the middle class, affected by transformations in the labor market leading to job losses or decreasing wages, can no longer afford these schools and has started to drift away from them rapidly. In contrast, the wealthy have continually expanded the scope of education, initially focusing on preschool and later including postgraduate education. Additionally, innovations in the labor market have accelerated the transformation of skills in favor of those with elite education. Consequently, the super-skilled jobs that have emerged from this transformation in the labor market can now only be met by the elite class who can afford the costs of an education that starts from preschool and extends to postgraduate studies. In other words, the relationship between elite education and elite jobs has significantly strengthened. Now, the elite class has the advantage of passing on their benefits to the next generations through education.

While in the first phase, inequality was related to the lower end, in the second phase, it is associated with the high end. Society has been divided into two segments: those with high and low skills. However, high skills are now extremely rare. On the other hand, marriages arranged according to educational level, and the elite's efforts to preserve or continuously increase their advantage through lobbying and political intervention, have deepened these inequalities even further. Therefore, while the first phase of meritocracy was relatively open and more egalitarian across all sections of society, the second phase displayed an aristocratic appearance. The point of discussion here is the transition of an aristocracy-like inheritance through education and its gaining of social prestige due to its implicit structure.

Indeed, although the degrees vary worldwide, the backdrop of events suggests that meritocracy, which sanctifies merit and thus human capital, is ironically bringing society closer to the aristocracy it initially fought against. Furthermore, the elite class also opposes social policy packages prepared by governments to reduce inequalities in various fields. These pressures continually weaken the belief that inequalities will decrease. Naturally, this has its political repercussions. Political leaders are now able to use the deep dissatisfaction and disillusionment created by the meritocratic system for their own benefits, easily further polarizing and dividing society. Immigration policies are also fueled by this background. However, these political debates often obstruct the visibility of the root problem and, conversely, sustain meritocracy.

The "meritocracy trap" in America deepens the inequality between the highest and middle-income sectors due to the concentration of elite education within the elite class and the class's strong connections facilitated by elite jobs, which continually increase the premiums for super skills. This creates a feedback loop that sustainably clusters this inequality through elite education, structuring both education and employment in favor of the elite class. Furthermore, the continuous use of workplace innovations to reward high skills effectively masks the fact that the productivity of the elite class stems from the system being structured in their favor, severely undermining equal opportunities. Thus, meritocratic inequality arises not from creating more value under truly equal conditions but due to a systemic structure that continuously impedes the productivity of workers with middle and lower skills.

Moreover, even though meritocracy claims to reward all successes, in reality, it only rewards visible successes, thus excluding individuals who contribute to societal success but remain unseen, forcing and deforming individuals into visibility (Özer, 2024a). For example, in academia, those who focus on increasing their number of publications and citations might stand out over those making real scientific contributions; in politics, popularity and media skills may be rewarded over genuine leadership abilities; in the business world, those using unethical methods to maximize profits might succeed over those who are honest (Zhang, 2024). In other words, performances are rewarded based on their visibility rather than their actual contributions. Consequently, many contributions/values that are unmeasurable or invisible are excluded by the reward mechanisms.

Markovitz (2019: 275-276) argues that escaping this vicious cycle can be achieved through new regulations in education and the labor market, similar to those in Germany. These include making education more inclusive and reintroducing middle-skilled workers into the labor market with dignified employment incentives. As Markovitz points out, the drift of meritocracy towards an aristocratic structure is a choice in the United States, whereas Germany,

possessing similar characteristics, follows a completely opposite policy. Germany removes exclusivity from education and emphasizes vocational training, thereby strengthening the ties of those who cannot pursue advanced education with the labor market. Germany prefers to use workplace investments not to complement high skills, like in the U.S., but rather to support low or middle-skilled workers. Consequently, while still utilizing the benefits of meritocracy, this approach prevents the extraordinary increase in skill premiums seen in the U.S., promoting a more balanced labor market. Ultimately, Germany exhibits a commitment to a policy that avoids the meritocracy trap, serving as a model for other countries undergoing similar processes.

On the other hand, artificial intelligence (AI) technologies, especially generative AI technologies like ChatGPT, are beginning to encompass all areas of life, from education to health, from the economy to biotechnology and defense industries (İlikhan et al., 2024; Özer, 2024b; Özer et al., 2024a, 2024b; Perc et al., 2019). An AI ecosystem is rapidly forming. The recent transformation in AI technologies holds the potential to significantly exacerbate the inequalities that emerged in the second phase of meritocracy. While the main driving force of the second phase of meritocracy was the spread of automation, AI technologies, particularly generative AI technologies, are taking automation to a new phase. Now, the remaining jobs are increasingly being eliminated by automation, and the skill expectations for existing or newly emerging jobs are continuously rising.

Therefore, if left unaddressed, AI technologies have the potential to displace middle and lower-skilled groups from their jobs or condemn them to lower wages, much like in the second phase of meritocracy in the United States. They also have the potential to arrange the newly emerging jobs in favor of those with elite education. In other words, the path of automation, which has gained significant momentum with AI technologies, is rapidly taking over tasks (most of which belong to the middle class) that survived the second phase of meritocracy but are now exposed to enhanced automation, thereby eliminating many professions. On the other hand, although the automation path greatly strengthened by AI increases productivity and economic returns, it does not show the same performance in creating new jobs, thus carrying the potential to increase social unrest through a deep wave of unemployment (Acemoğlu et al., 2023; Capraro et al., 2023; Özer & Perc, 2024). Naturally, the remaining or newly emerging jobs will be accessible only to the elite class, which possesses an education that extends from preschool to postgraduate levels. Moreover, if no measures are taken to address the transformation brought about by AI in the labor market, it is unlikely that new jobs will emerge to balance out the eliminated positions, as was the case in previous technological transformations. Consequently, AI technologies can very easily play a role in ushering in a more destructive third phase of the meritocratic system. In this scenario, the world would transition to a phase that is much more unjust and politically unstable than its current position.

To prevent AI technologies from exacerbating the meritocracy trap, it is essential to prioritize employment and complement human labor instead of focusing solely on automation (Özer & Perc, 2024). Considering that AI technologies significantly enhance the productivity of middle- and low-skilled workers in the workplace (Brynjolfsson et al., 2023; Noy & Zhang, 2023), similar to Germany's approach to new workplace investments, using AI technologies to complement human labor is a crucial policy area for reducing labor market inequalities. In fact, the roots of the choice between automation and complementing human labor lie in the second

phase of meritocracy. For example, in the American meritocracy, the excessive inclination towards elite jobs suppresses technologies or management approaches that could make other workers more efficient, thereby encouraging new investments and innovations in workplaces to continuously favor those with elite education or the elite class. Consequently, the high skill premium in elite jobs results not from the inherent inefficiency of non-elite jobs but from their deliberate inefficiency. Similarly, focusing AI technologies solely on high skills rather than complementing middle and low-skilled workers maintains the dynamics of the second phase of meritocracy. Therefore, in the context of AI technology, the path of complementing human labor aligns with the policy Germany followed in the second phase of meritocracy.

Of course, implementing this policy is not easy, especially considering how meritocracy in America has managed to pass on its advantages across generations. Just as this group opposes the use of public resources for social policies aimed at reducing inequalities, they will also resist the integration of AI technologies into the labor market in a way that complements human labor. Moreover, the automation path is more attractive to employers because it reduces employment and thus diminishes the influence of unions.

However, deeper and systemic changes are needed to enhance the well-being of all societal segments and ensure long-term sustainability. Therefore, systemic interventions are necessary to rebuild the labor market in a way that values everyone's contributions and allows everyone to realize their potential. In this context, it is crucial to design AI policies and frameworks that emphasize human-centric approaches, ensuring that AI serves as a tool to augment human capabilities especially with low or medium skilled rather than replace them. This approach can promote inclusive growth and ensure that the economic benefits of AI are shared more equitably. By focusing on the integration of AI in ways that complement and enhance the productivity of middle- and lower-skilled workers, it is possible to create a more balanced and fair labor market. Additionally, strengthening social safety nets, investing in education and retraining programs, and encouraging corporate responsibility can collectively contribute to mitigating the risks posed by rapid AI technological advancements. On the other hand, governments must undertake new initiatives, including tax regulations, to help the labor market achieve a balance that reduces inequalities. Policies that fail to do so will accelerate the transition from the second phase of meritocracy to a third phase, where inequalities are further deepened through AI technologies.

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