

Reviews & Debates

HIGHER EDUCATION AND THE DIFFUSION OF KNOWLEDGE

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Piketty's major contribution is empirical documentation of the long-term trend of the capitalist system toward greater inequality, a trend only reversed in periods after world wars (Piketty 2014).¹ The "the central contradiction of capitalism" (571), according to Piketty, is increasing inequality which is expressed in the formula $r > g$. This means that "the rate of return on capital remains significantly above the growth rate for an extended period of time... [such that] wealth accumulated in the past grows more rapidly than output and wages" (25, 571). We may recall that Marx described the rule of the past over the present in this way: "capital is dead labour which, vampire-like, lives only by sucking living labour, and lives the more, the more labour it sucks" (Marx 1977, 342). Piketty shows that, in general, it is only when growth is high that the tendency to inequality is muted or reversed. Given that the widely accepted prognosis, perhaps excepting currently underdeveloped Third World economies, is for low levels of economic growth (25, 572), the expectation that Piketty's analysis provokes is for increasing inequality for the foreseeable future.

The most significant periods of growth in the 20th century occurred as a result of world wars (15, 471, 572). A main factor is of course the destruction that opened up post-war economic growth, but political factors also are significant. While Piketty recognizes political factors (481, 577), his approach does not allow him to explain or describe them deeply.² Regarding the social compromise that produced the "social state,"³ as he calls

¹ Quotations from, and references to, this text will henceforth be registered in the main text with a page number only.

² Marjorie Griffin-Cohen has documented the correlation between war and rising income of the working class based on Piketty's data and argued convincingly that Piketty's analysis undervalues the role of political factors in such a conjuncture (Griffin-Cohen 2014).

³ Piketty uses the term "social state" to refer to what is usually called in English the "welfare state." The latter term contains the problem that it may be seen as the production of welfare for poor recipients rather

it—or, as we usually say, the “welfare state,”—after World War II, we should mention that the expectations of returning soldiers and the imperative of the ruling class to truncate social mobilization based on these expectations, combined with the recent memory of the Depression, opened political opportunities for the working class in a period of economic growth due to wartime destruction. After the Second World War in particular, the welfare state compromise between workers through their representatives in unions and labour parties, large corporations, and governments led to a period of long-term growth in which real incomes of the working class rose creating a citizen identity that largely overshadowed class consciousness (Angus 1997, 20-27, 40-46; 2008, 50-62).

The general tendency of capital to increase inequality is not only countered by periods of high growth and political action leading to state redistribution, which are what we might call *external factors* to economic forces. The key *internal factors* that tend to decrease inequality are “the diffusion of knowledge and investment in training and skills” (21, see also 71, 571). The increase in what is sometimes called “human capital” signifies labour power as modified by skills, training, and ability (46) that Marx believed could be theoretically reduced to a multiplication of unmodified average human labour (Marx 1997, 135). Again, Piketty does not provide much political analysis of this point, but it is not too difficult to see that if the skills required in a technologically advanced production system are widely distributed and mobilized by workers, then their bargaining power over wages is strengthened and, thereby, inequality is decreased. Nevertheless, one must emphasize that this is one tendency among others and that, as Piketty says, “even with the considerable increase in the average level of education over the course of the twentieth century, earned income inequality did not decrease” (484). Moreover, there is no evidence that education has increased intergenerational social mobility (420).

These political additions—friendly amendments, we might call them—to Piketty’s analysis pertain to one of its central hypotheses. According to Piketty, meritocracy is the main legitimation of capitalism to the general population (26, 419-22). We can see that increasing inequality only poses a contradiction for capitalism, apart from outright immiseration, because the system garners loyalty by promising economic prosperity for all successful enterprising individuals and, we should add, interpreting failure to do so as an individual failure of ability or effort. Inequality due to inherited wealth contradicts legitimation by meritocracy. We should note, as Piketty does not, that meritocracy is by definition an individualist response to economic inequality and is thereby compatible with widespread inequality and deprivation. However, it is not too much to say that meritocracy, or class mobility, was a central part of the welfare state compromise, which

than a system of universal social programs funded by high taxes. The Spanish “estado de bien estar” or “state of well-being” captures this sense better even than “social state.” It is important to insist on this point since it was the reinterpretation of universal programs as remedial ones for the poor that enabled the Right to begin dismantling the welfare state.

included a universal social safety net and job protection for the working class, as well as an acceptance of capitalist enterprise.⁴ To this extent, the increasing inequality that Piketty documents is not only an economic problem for post-welfare state societies, but also a problem of political legitimation.

Education in the widest sense is thus, in Piketty's analysis, the basis of the main internal tendency toward decrease in inequality, even though this countervailing tendency has in general not prevailed over the structural tendency of capital to increase inequality. Moreover, widespread access to higher education regardless of social origin was a key aspect of the claim to individual social mobility in the social state, or welfare state, compromise that temporarily decreased inequality after World War II (484). Piketty's proposal for the social state at a global, or at least regional, level funded by a tax on capital is essentially an attempt to restore that compromise in conditions of a neoliberal global economy.

I want to now concentrate separately on the two aspects of the problem of education in capitalist society that Piketty lumps together without further analysis: investment in education for skills training and the social diffusion of knowledge.

It is obvious that state spending on higher education has fallen drastically with the decline of the welfare state and the globalization of the economy. With the loss of the legitimation of higher education as the production of informed citizens, only skills education as defined by the labour market has had any chance of surviving. Many countries, such as Canada, invest at very low levels in skills training and supply skilled labour through privately funded education or immigration. Thus, a common social-democratic response has often been to argue for greater investment in skilled labour and restriction on immigration to fill remaining absences in the workforce. This politics necessarily implies competition between countries at an international level: one can fund advanced skills training nationally only if the labour force is attracted domestically by appropriate jobs. In practice, this leads to international competition over advanced technology in which the previously advanced countries retain their advantage. In short, it contributes to a decrease in national inequality at the price of greater world inequality. Piketty's proposal for a world tax on capital to contribute to spending on a new social state does not evade this problem. He accepts that a world tax is a utopia and opts for regional economies, such as the European Union (515-8). But the upshot of this would be to fund advanced skills within the EU at the price of restriction on immigration and competition over technological advance.

In summary, social state funding for education at a regional level could mitigate inequality internally only by exporting it to the rest of the world. This is where the other aspect of education, which Piketty does not discuss other than to note its importance to

⁴ This is by no means a complete analysis. It leaves out, for example, the gender dimensions of the family wage (Fraser 1996) and an imperialist relation to the so-called Third World.

decreasing inequality comes in: diffusion of knowledge on a social scale. Piketty says, correctly in my view, that diffusion and sharing of knowledge is “the public good par excellence” (21). That is to say, it is not just education for individual social mobility within a meritocratic legitimation, but widespread diffusion of knowledge that might then assume a social purpose. How stands it with education understood in this way?

It was often argued during the period of the welfare state that public funding of higher education contained a contradiction between its individual, meritocratic dimension and the universal social goals that education made apparent. Thus, higher education could make a contribution to understanding the struggle for social equality. To the extent that public funding has receded, this social function has receded also. If one pays a huge private tuition for higher education, then one can expect to be the sole, individual beneficiary. Moreover, skills training driven by the requirements of science and technology predominates over general education. The role of education in decreasing inequality thereby would seem to disappear altogether. So, we may well ask, is there a contradiction in the role of education under current conditions, or has it become just another brick in the wall of the increasing inequality produced by capitalism?

In a statement in *Grundrisse* that has become increasingly relevant and widely discussed in recent years, Marx claimed that there is such a contradiction: The development of large industry comes to depend less on the direct labour time expended in production and more on what he called “the general state of science and technology” (Marx 1973, 705). In such a condition, labour time ceases to be the measure of value and thus exchange value ceases to dominate use value. This contradiction allows “the process of social life ... [to] come under the control of the general intellect and ... [be] transformed in accordance with it” (ibid., 706). In short, the *socialization and diffusion* of knowledge required by advanced technology tends to burst the confines of capitalist production. Though more cautious at this point, it seems that Piketty regards—and here I agree with both Marx and Piketty—the diffusion of knowledge as a force tending to decrease inequality and perhaps even tending to burst its capitalist bounds.

The contradiction in contemporary education for the skills and training necessary for advanced technological production is this: that capitalist forces tend to confine education to acquisition of skills defined as necessary within the production process whereas such skill acquisition under conditions of advanced technology and its reliance on science contains a universal dimension that we could follow Marx in calling the “general intellect.” The dilemma of the capitalist order is to develop advanced skills acquisition while rejecting or minimizing the general intellect that seems to be its product and, thereby, becomes a widespread minimum social level of education required for the contemporary workforce.

Whether capitalism can contain this contradiction is of course an empirical question with many dimensions. The regional social democratic strategy proposed by Piketty attempts to contain the contradiction within a defined frame—no longer national

but similarly restricted—and expel the contradiction outside to issues of immigration and international competition. The neoliberal strategy, which minimizes the social state and its support for education, tends to subordinate the acquisition of education to inherited wealth in the same manner as property, healthcare, sustenance, etc. By confining education to a traditional privilege, the neoliberal strategy avoids a contradiction in education and subsumes it into the more encompassing contradiction of a widening gap between rich and poor. There will be a treason of some intellectuals due to the universal dimension of scientific knowledge and inquiry, as in Marx’s day, but no contradiction within technological society itself.

I would thus define the possibility of the radical alternative as expressed by Marx’s analysis in this way: for the possibility of an emancipation of the general intellect, the social aspect of the intellect must be recognized and institutionalized so that its internal contradiction can be effective. Piketty’s strategy, as a revised social democratic strategy, might be a starting point in this respect, since education would be supported and recognized as an element of social policy tending toward decreasing inequality whose contradiction of the major tendency of capital toward increasing inequality would remain a source of potential conflict and social advance. But even if this might be a viable transitional strategy, the problem goes deeper and further than a revised social democratic strategy can appreciate.

To conclude, the international “No to Austerity” slogans and movements are a start in the right direction. They build on the history of the social rights of the citizen as established by the welfare state, but potentially go beyond it insofar as those rights are now being eroded and the major neoliberal tendency of global capital would be to eliminate social rights altogether. If some accommodation of education as a social right can be attained, the contradiction pinpointed by Marx will be given new life and can be expected to motivate further inventive politics aimed at establishing the social intellect as the governor of production. If a national or regional frame consists in exporting inequality, as I have argued, then the problem for a radical opposition is to find alternative institutional forms in which the general intellect can prosper.

A central aspect of this new life of the social intellect is the relationship between ecology and growth: capitalism relies on growth, which depends upon maximizing certain factors of production and consumption in relative isolation from others; whereas ecology demands the systemic understanding of as many factors as possible. One may expect to see a contradiction in the social intellect between these systemic versus maximizing tendencies. Piketty does mention climate change (567-9) and “the development of new forms of property and democratic control of capital” (569) in passing, but these brief mentions do not enter into the central themes of his analysis or proposal. Given the historical relationship between growth, state funding of higher education, and the tendency to decreasing inequality in the diffusion of knowledge, this absence may be the most significant contemporary implication of increasing inequality for our ability to

confront pressing problems. Piketty has nothing to say about this, but I suspect that this contradiction may be the aspect of higher education most crucial in the future.

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