The Effects of Elite Recruitment on Social Cohesion and Economic Development

Elise S. Brezis

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The social structure in industrialized countries has become more stratified in many different ways. The first type of stratification is the gap in income:

The second type of stratification is the gap in power.

A cohesive society is then a society in which there is mobility between social classes.
• It is interesting to note that already Pareto has put an emphasis on this type of social cohesion.

• Pareto claimed that a stable economic system needs a circulation of elites, so that the most capable and talented are in the governing class.

• He stressed that the quality of the ruling class can be maintained only if social mobility is allowed, so that the non-elite has the possibility of entering the elite
The purpose of this paper is to analyze whether the recruitment of elites in the Western world leads to social cohesion, or to the opposite -- social stratification.
The paper will show that the twentieth century witnessed a major change in the way the elites were recruited.

Elites are recruited through education in elite universities.

Meritocracy became the basic factor for recruitment of elites: success at exams have been used as prime criterion for recruitment.
We will show that recruitment to a university via a meritocratic method does not lead to social cohesion and to enrollment from all classes of society according to distribution or ability.

Recruitment by entrance exam leads to a bias in favor of elite candidates, due to differences in culture and identity.

So, elite positions may be open to all applicants with the right qualifications, but they are more accessible to those with specific social, cultural and symbolic capital.
I show that a small difference in culture and education leads to narrow recruitment.

A cultural bias has a magnification effect on class stratification.

In other words, we show that an elite education leads to what Pareto has coined as a “non-circulation of elites

Our model emphasizes that we get a “stratification” of recruitment.

In consequence, the fact that over time, individuals from the same background are accepted to elite universities is due not to cronyism, but to the system itself, despite the fact that it is meritocratic.
1. Definition: What are the Elites?

- Power Elite
  - Political Elite
  - Business Elite
  - Bureaucratic Elite

- Non-Power Elite
  - Media
  - Academia
2. Who are the Elites?

- Despite some differences between countries, there are common elements throughout the Western world regarding recruitment and training of the elite.

- In traditional European societies, membership in the elite was mainly hereditary; noble birth was the rule.
• For a long time, there was no specific education for the elite. Most sons of the nobility had private tutors.

• In the late nineteenth century, two major economic changes had a strong impact.

• First the “second Industrial Revolution”, i.e., the rise of new industries, like chemicals and industry, which were science based.
• Second, the “Managerial revolution”, which involved the rise of the “corporate economy”
• The emergence of a Chandlerian managerial enterprise, in which salaried senior management took over from capital owners and heirs of the founding families.

• Therefore, during 19th century, elites started to be educated
• In consequence, the main changes about recruitment took place after World War II.

• Most countries went from a non-meritocratic system to a meritocratic one.

• While before 19th century, recruitment via family connections, patronage – “old boys network”

• Today elites are recruited through higher education
In the UK, the US and France the path to elites positions has required attendance at exclusive schools.

UK → Oxbridge

France → Grandes Ecoles

US → 50 elites colleges

It is not so in Germany or Italy
• The fundamental change in the recruitment of elites in the second half of the 20th century is:

• 1. Selection of elites is through elite universities

• 2. Selection by meritocracy: on the basis of success at exams.

• If there is a meritocratic recruitment, why do we still find social stratification in the data?
Facts

- Temin (1999) has shown that the situation today is similar to the 1930s where 80% of the business leaders come from the top 7% of the population.

- In France, 8% of the population supplies 63% of the ENA students, or the next generation of rulers.

- Why are these meritocratic exams leading to stratification?
We show that

• When meritocracy is starting, it leads to choosing the best in a diverse way.

• Consequently the first post-change elite was recruited in a diverse way.

• It provided an opportunity for those who did not belong to the elite milieu to enter the best universities and the elite.
However, over time, meritocratic exams lead to an auto-recruitment of elites, resulting in a stratification effect.

Children born in the elite milieu are represented by higher percent than their ratio in the population.

Every meritocracy deteriorates into an aristocracy.

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Basic model

1. Definition of auto-recruitment

2. Effect of meritocracy on auto-recruitment
Population and elite ratio student elite population in univ.
• PEP the ratio of potential students from elite milieu to the potential student population
  \[\text{PEP} = \frac{\text{EC}}{\text{PC}}\]

• PES the ratio of students belonging to the elite milieu who entered the elite schools to the total student population
  \[\text{PES} = \frac{\text{ES}}{\text{PS}}\]

\[\beta\] the ratio of the percentage of the elite children in the elite school over the percentage of elite in the total population
\[ \beta = \frac{\text{PES}}{\text{PEP}} \]

\[ \beta > 1 \leftrightarrow \text{auto-recruitment} \]

- Why \( \beta \) is much greater than 1?
• We define $I E [0,1]$ as the minimum grade necessary

\[ \lambda = 1 - I \] the percent of students accepted in school (tightness of recruitment)

\[ PS/PC = \lambda \]
Success at exams

1. It is a function of the ability of students.

- We assume that the ability $a_i$ for all students is uniformly distributed on $[0,1]$, i.e.,
- Whatever the social class, the ability is distributed uniformly.
2. The second element takes into consideration that tests are not perfectly objective, but reflect a culture related to the milieu of the elite with which the examiners for a school are associated.

Therefore, students with an equivalent ability, but who are born to the elite and raised in this milieu, will perform better on tests.
\[ \beta = \frac{P_{es}}{P_{ep}} = \frac{1 - I + f}{1 - I} = 1 + \frac{f}{\lambda} \]

\[ \lambda = \text{tightness of enrolment} \]

\[ f = \text{cultural bias} \]
• Proposition

• A school for elites based on meritocracy leads to class stratification and no social cohesion.

• The parameter of auto-recruitment is related to cultural bias and to tight recruitment level. An increase in one of them lead to an increase in class stratification.

• A small cultural bias brings about that children born in the elite are represented by much higher percentages than their ratio to the population:

• There is a magnification effect. There is class stratification
• This stratification effect explains the empirical evidence on Western countries:

• In France, 8% of the population supplies 63% of the ENA students, or the next generation of rulers. It corresponds to a $\beta$ of 8.

• If $f = 0.07$ and $I = 99\%$ then

  $\beta = 8$

  $\beta = 1 + f/\lambda$

$\lambda = \text{tightness of enrolment}$

$f = \text{cultural bias}$
In conclusion,

the recruitment of elites is very tight despite meritocratic recruitment.