

# The Telegraph

## Academics' devotion to the socialist dream looks more like self-interest

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Why are intellectuals and academics so hostile to capitalism? Before the 2017 election, a Times higher education survey poll found 54pc of higher education employees would vote for the socialist Labour party. Just 7pc said they would support the more market-friendly Conservatives. See a writer or poet on BBC Question Time and you can confidently bet their view on almost any economic issue will be pro-government intervention.

Twitter is little better. You're treated to a deluge of intellectuals carping about our economic system, or "neoliberalism." The rapturous intellectual reception given to economist Thomas Piketty's 2012 anti-capitalist tome, *Capital in the 21st Century*, was exhibit A of this enmity.

At one level, this is baffling. As the great mid-century Austrian economist Joseph Schumpeter noted, capitalism itself created the modern intellectual class. There's always been thinkers and writers, but modern innovation has delivered markets for books, newspapers, the internet and access to online journals that give scope for vast additional reach and status.

The spread of capitalism has gone hand in hand with the expansion of the university sector too. Market economies overwhelmingly support important cultural norms such as freedom of speech and association, which one might think intellectuals would value. Yet this group seems determined to bite the hand that feeds it.

For years classical liberals have pondered this mystery. Maybe intellectuals hold different values, putting more weight on poverty elimination or a more equal society? Markets cannot guarantee these ambitions are fulfilled, after all. Yet, given the historical record of planned economies against market ones, and consumption inequality over time, markets clearly move us in the "right" direction. Any honest intellectual parsing the evidence must see this.

Others have mused instead over structural explanations. Perhaps universities are biased in hiring anti-capitalists or there's self-selection into industries less exposed to market forces? Again though, there's little reason to believe these mechanisms would hold across all major countries. If anything, universities now are relatively more hostile to markets, even when as institutions they have become more marketised.

No, it seems there is some underlying force that makes intellectuals more pre-disposed to anti-market feelings. But what?

American libertarian philosopher Robert Nozick posited a hypothesis back in 1998. Intellectuals tend to be over-achievers at school and university, he observed. Schools instill in us the idea that rewards should be granted according to our intellectual merit, particularly our ability to talk and write. The intellectual from a young age not only saw higher grades, but the approval of teachers and examiners.

But that's not how rewards are distributed in a market economy. Incomes or wealth are largely determined by the supply and demand for your labour, or the luck or wisdom of your investments, not intellectual ability. Kim Kardashian and Joey from the Only Way Is Essex get rich through reality TV. Wayne Rooney earns a fortune and social adulation through his football skills. A raft of folk from ordinary backgrounds saw fortunes from entering the growing financial services industry in the Eighties or investing in property at the right time.

For intellectuals and academics instilled with an entitled view that rewards in life should be commensurate with school performance or intellect, this creates resentment. Capitalism is not, on this metric, meritocratic.

Those who expect to see or feel a chasm between their relative educational performance and later incomes therefore become more hostile to the apparent lack of fairness in markets. It's personal. They experience downward lifetime mobility. Whereas at school they soared, they now see contemporaries – hedge fund managers, executives and businessmen – better rewarded, with bigger houses and more secure lifestyles. Markets, then, are perceived unjust.

Recent analysis by economists Raul Magni-Berton and Diego Ríos looking at the French Academy provides strong evidence there's something in this. Anti-market attitudes there (proxied by opinions on private vs public ownership and the virtues of competition) are more common among academics than the general French population, with the difference larger still within the richer classes academics tend to belong to.

Academics who perceive a break-point between their relative school performance and labour market rewards are more likely to have anti-market attitudes and be economically frustrated. Yet, economic frustration alone does not predict anti-market feelings. In other words, entrepreneurs who see businesses fail tend not to be anti-market. Academics who perceive themselves falling down the social pecking order after formal education ends are.

Tellingly, academics were asked to rate the best procedure for an employer to select an employee for a high-income job. A whopping 58pc thought a competitive exam was optimal, against just 13pc who thought employers best placed to make the decision, according to their own metrics and preferences. Academics and intellectuals, in other words, overwhelmingly perceive a "fair" society as one ordered by educational achievement.

Now, these results are for France and not the UK. And no doubt some intellectuals' anti-market biases are philosophically grounded. But this thesis, backed up by evidence, might also explain the curious preoccupation with inequality here.

The gap between rich and poor in the UK is constantly elevated by academics and intellectuals as a pressing concern. This, despite it having barely changed for a quarter of a century and little public interest in the subject. Interestingly, the one part of the income distribution where inequality has really increased is the gap between the top 1pc and the next 9pc.

The latter, of course, is the part of the income distribution where many intellectuals and academics find themselves. Maybe, just maybe, growing rewards for top global financiers, sports stars, entertainers, and CEOs rankles with those who consider themselves intellectually superior, and who'd prefer society to be ordered to their benefit.

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