Capitalism, Education and Social Mobility: Critical Approach Based on Scientific Literature

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Abstracts

Education is a key factor for human development and social progress. However, in the context of capitalism, education is also influenced by economic inequalities and power structures. Scientific information selected through a critical review has identified the main theories and findings regarding education conceived within the capitalist model and inherent social mobility. The results demonstrate that in more egalitarian states, wage increases associated with education vary only slightly based on socioeconomic status. However, significant class disparities exist in states with moderate to high levels of inequality. While some argue that education can be a tool for upward mobility, others emphasize how capitalism and pre-existing inequalities can limit such mobility. Understanding this relationship is crucial for addressing issues of equity and social justice in capitalist societies.

Keywords: Education, capitalism, social mobility, inequality, equity

Introduction

Education is a key factor for human development and social progress. However, in the context of capitalism, education is also conditioned by economic inequalities and power structures. Capitalism is an economic system based on private ownership of the means of production and the free competition of economic agents. Capitalism seeks to maximize profit and economic growth, but it also generates social and environmental inequalities. Capitalism encourages social mobility, understood as the change in position experienced by individuals or social groups within a given social structure (Huang & Xiong, 2023). In traditional capitalism, education was the primary factor for social mobility, as it allowed access to higher levels of knowledge and positions in the occupational structure (Flores-Crespo & Rodríguez-Arias, 2021). Education is the process of acquiring and transmitting knowledge, skills, values, and attitudes that contribute to the comprehensive development of individuals and societies. Education has a social and emancipatory function, promoting civic participation, social inclusion, cultural diversity, and sustainable development (López, 2014).

However, in contemporary capitalism, education no longer guarantees upward social mobility. On the contrary, there is a trend towards the reproduction of social inequalities and the exclusion of vulnerable sectors. Education has become a commodity governed by market laws and

responsive to the demands of the productive system. Education has been commodified and has moved away from its social and emancipatory function. Furthermore, education faces new challenges such as globalization, digitalization, cultural diversity, or the ecological crisis (Huang & Xiong, 2023).

Literature Review

History of Capitalism

Capitalism is an economic and social sistema that originated in Western Europe during the transition from feudalism to the modern era, around the 15th century (Negishi, 1989). The Industrial Revolution, starting in the 18th century, marked a turning point in the history of capitalism. The introduction of machinery, industrialization, and urbanization transformed the economy and society, leading to a significant increase in production and trade (El Khoury et al., 2023). The Scottish economist Adam Smith (Author of "The Wealth of Nations") is considered one of the founding fathers of capitalist economic thought. Smith argued that the pursuit of self-interest in a competitive market could lead to the general welfare.

During the 19th century, capitalism expanded worldwide through imperialism and colonization. European powers appropriated vast territories, natural resources, and markets, solidifying the global capitalist system (Manera, 2019). The 1920s saw the rise of financial markets but also culminated in the Great Depression of 1929, which triggered the need for state regulation and the emergence of welfare policies like the New Deal in the United States as a response to the crisis (Witt, 2022).

During the Cold War (1947-1991), capitalism became the predominant economic system in the West, in contrast to socialism in communist countries. This period was characterized by ideological and economic competition between two opposing systems (Negishi, 1989). In the 21st century, globalization and the technological revolution have propelled capitalism to unprecedented levels. Multinational corporations, digitalization, and international trade have transformed the global economy (Preyer, 2016). Contemporary capitalism faces challenges such as economic inequality, environmental sustainability, and financial volatility. The search for solutions to these issues remains a significant topic in economic and social discussions (Berggren & Bjørnskov, 2023).

Evolution of Education

Education has been a fundamental component of society throughout history, undergoing significant changes over the centuries. In antiquity, education was centered around the oral transmission of knowledge. In ancient times, education relied on spoken word and oral tradition (Laxe et al., 2015). During the Middle Ages, education was dominated by the Church and closely tied to theology and religious philosophy (Weller & Gotian, 2023).

The Renaissance marked a change in education with a focus on the humanities. Erasmus of Rotterdam stated that the Renaissance brought an emphasis on the study of classical literature and the liberal arts (Martínez, 2014). The Enlightenment promoted public education and reason, advocating for universal education and the spread of reason (Vallejo Pousada, 2017). The 19th

century saw the rise of national education systems and the importance of public education (Artige & Cavenaile, 2023).

In the 20th century, education focused on individualized inclusive education (Demangeon et al., 2023). In the digital age, technology has transformed education, revolutionizing it by enabling online and personalized learning. Today, education faces challenges such as equity and adaptation to change (Koch et al., 2019). However, current education must address the challenges of equity and adapt to an ever-changing society. The future of education is uncertain but promising. As Elon Musk stated, "The future of education is in the integration of artificial intelligence and space exploration" (O'Connor & ChatGPT, 2023).

Social Mobility

Social mobility, the change in an individual's or group's social position over time, has been a subject of study and debate in society for centuries. In antiquity, social mobility was constrained by caste systems and hierarchies (Huoyun et al., 2023).

The Industrial Revolution in the 19th century brought about increased social mobility. Karl Marx pointed out that the industrial revolution changed class structures and created new opportunities for social mobility (Jones, 2018). In the 20th century, the civil rights movement in the United States fought for equal opportunities. Martin Luther King asserted that the civil rights struggle aimed to eliminate barriers to social mobility based on race (Alozie, 1995).

Technology and online education have expanded the possibilities for social mobility (Kim & Chung, 2023). However, social mobility remains unequal. Economic inequality and the concentration of wealth can limit social mobility (Kim & Chung, 2023). The future of social mobility involves addressing inequality and promoting equal opportunities (Zelasky et al., 2023).

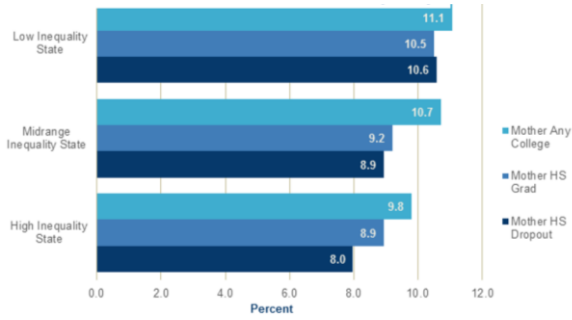
Methods

The scientific articles selected as bibliographic sources for the present research were retrieved from Scopus and Web of Science, using Boolean operators AND OR and the keywords education, capitalism, and social mobility. The selection criteria were based on temporality (the last 5 years, 2018 - 2023), and articles unrelated or lacking scientific rigor were excluded. The information selected through a critical review identified the main theories and findings directly related to the keywords.

Results

Using data from the National Longitudinal Youth Survey conducted in the United States in 1979, (Inequality Undermines the Value of Education for the Poor | Brookings, n.d.) examined the outcomes of children from three socioeconomic categories (Figure 1) based on their mother's level of education (no high school diploma, high school graduate, no college). Specifically, they measured the percentage salary increase associated with each additional year of schooling. They also compared the results in states with low, high, and medium levels of low-income inequality. On average, an additional year of schooling is associated with a 10% higher salary. This finding is consistent with broader research literature on the causal impact of education on income. However, there is a surprising variation among states with different levels of income inequality.

Figure 1. Percentage wage increase associated with an additional year of education, by mother´s level of education and state level of income inequality

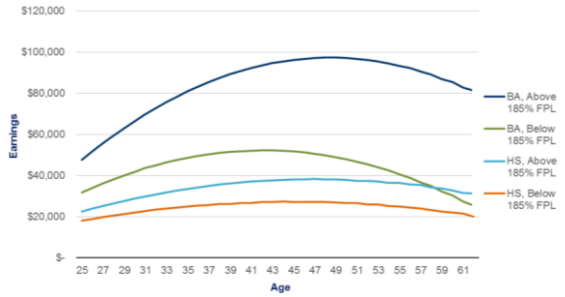


Note: Source. Melissa Kearney and Phillip Levine "Income inequality, social mobility, and the decisión to dropo ut fo high school.

In the most egalitarian states, salary increases associated with education vary only slightly by socioeconomic status. However, significant class gaps exist in states with medium and high levels of inequality. In the most unequal states, children from low socioeconomic households receive much smaller rewards in terms of wages for each additional year of education.

On the other hand, according to "A College Degree Is Worth Less If You Are Raised Poor | Brookings, n.d.," it turns out that the proportional increase for those who grew up in poverty is much smaller than for those who did not (Figure 2). College graduates from families with incomes below 185% of the federal poverty level (the eligibility threshold for the federal assisted lunch program FPL) earn 91% more over their careers than high school graduates from the same income group. In comparison, college graduates from families with incomes above 185% of the FPL earned 162% more over their careers (between the ages of 25 and 62) than those with only a high school diploma.

Figure 2. Smaller "Bachelor´s bump" in earnings for poorer kids



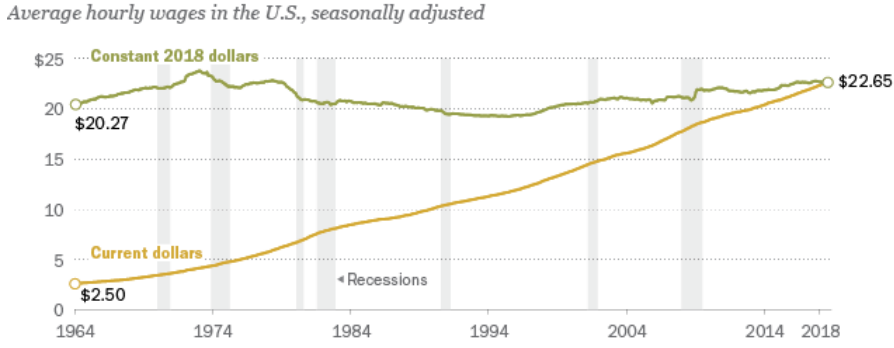
Note: Profiles are fitted values from a regression of eamingson a quadratic in potential experience. (Age years of schooling. Source author´s calculations from the Panel Study of Income Dynamics

As shown by the graph developed by the Panel Study of Income Dynamics, this income gap between poor and non-poor college graduates also widens over time. Bachelor's degree holders from low-income backgrounds begin their careers earning approximately two-thirds less than those from higher-income backgrounds, but this proportion decreases by half in mid-career. For individuals without a post-secondary credential, the pattern is less pronounced. Those from low-income backgrounds initially earn 80% less than those from higher-income backgrounds, falling to 70% in mid-career.

Regarding employment levels ("For Most Americans, Real Wages Have Barely Budged for Decades | Pew Research Center, n.d."), the year 2018 represented tumultuous times for American workers. Unemployment in the United States in that year was the lowest in nearly two decades (3.9% in July), and the country's private-sector employers created jobs for 101 consecutive months: 19.5 million since the cuts related to the Great Recession finally declined in early 2010, and 1.5 million just since the beginning of that year.

However, despite the strength of the labor market, wage growth has lagged behind economists' expectations. In fact, despite some ups and downs in recent decades, the average real wage (i.e., wages adjusted for inflation) has roughly the same purchasing power as it did 40 years ago. Moreover, the wage increases that have occurred have mainly flowed towards the higher-paid worker level.

Figure 3. American´s paychecks are bigger tan 40 years ago, but their purchasing power has hardly budged.



Note: Data for wages of production and non-supervirory employees on private non-farm payrolls. “Constant 2018 dollars” describes wages reported in the vlaue of the currency when received. “Puerchasing power” refers to the amount of godos or services that can be bought per unit of currency. Source, U.S. Bureaau of Labor Statistics.

The disconnect between the labor market and workers' wages has driven much of the recent activism surrounding minimum wage increases. The average hourly earnings for non-supervisory workers in the U.S. private sector in July 2018 were $22.65, 3 cents higher than in June and 2.7% above the previous year's median wage, according to data from the Federal Bureau of Labor Statistics. This aligns with the average wage growth over the past five years, which has

typically ranged between 2% and 3% year-over-year since early 2013. However, in the years just before the financial collapse of 2007-08, average hourly earnings often increased around 4% year-over-year. And during the high inflation years of the 1970s and early 1980s, average wages commonly increased by 7%, 8%, or even 9% year-over-year.

Nevertheless, after adjusting for inflation, the current average hourly wage has nearly the same purchasing power as it did in 1978, following a long decline in the 1980s and early 1990s, and irregular and inconsistent growth since then. In fact, in real terms, average hourly earnings peaked over 45 years ago. The wage of $4.03 per hour recorded in January 1973 had the same purchasing power as $23.68 would have today.

Discussion

Education, social mobility, and capitalism have been subjects of debate in scientific literature for decades. Education is considered one of the primary pathways to social mobility in capitalist societies, and numerous studies have examined this relationship from various perspectives.

A relevant study by Boliver & Wakeling analyzed the relationship between higher education and social mobility, finding that education plays a crucial role in improving social mobility prospects. They argue that access to quality education can open up employment opportunities and career advancement, which in turn contributes to upward mobility in occupational hierarchy. Our research, on the other hand, demonstrates that while the level of education improves access to stable employment sources seeking improved wage indices and, therefore, social mobility, this interaction will largely depend on the conditions of inequality. In societies with better equity and social equality indices, there are no significant labor or wage gaps, and therefore an individual's level of education does not represent a determinant for social mobility.

Furthermore, capitalism as an economic system also influences the relationship between education and social mobility (Stephenson & Zanotti, 2019). Bourdieu conducted pioneering research on the concept of "cultural capital" and how it affects social mobility. According to Bourdieu, individuals with higher cultural capital, acquired through education and socialization, have an advantage in the competitive labor market (Bonanno, 2018). This suggests that the capitalist system may favor those with access to quality education and resources to acquire cultural capital, thereby creating inequalities in social mobility.

Additionally, scientific literature has examined education in relation to the reproduction of social inequalities in capitalist societies. Bowles and Gintis proposed the theory of "correspondence" between the structure of education and occupational structure. They argued that education reproduces existing social hierarchies by preparing individuals for specific roles in the economic system. This could result in limited social mobility, as education tends to perpetuate preexisting inequalities (Blaug, 1989).

However, it is important to note that there are alternative perspectives that emphasize the ability of education to break down social barriers and promote mobility. Boudon in 1974 proposed the "schooling effect" theory, suggesting that education can counteract social inequalities by

providing opportunities for skill and knowledge development valued in the labor market (Contini et al., n.d.).

Conclusions

The relationship between education, social mobility, and capitalism is a complex and multifaceted topic that has been addressed by numerous researchers. Our research demonstrates that education, as conceived in the capitalist model, does not necessarily guarantee social mobility and, therefore, the improvement of people's living conditions. It appears that without equal conditions, education cannot fulfill this purpose. While some argue that education can be a tool for upward mobility, others emphasize how capitalism and preexisting inequalities can limit such mobility. Understanding this relationship is essential for addressing issues of equity and social justice in capitalist societies. Therefore, it is necessary to reflect on the relationship between capitalism, social mobility, and education, and to seek alternatives that promote a more equitable, inclusive, and transformative education. An education that not only prepares individuals for the labor market but also enables them to develop their human potential and contribute to collective well-being. An education that does not reproduce social inequalities but combats and overcomes them. An education that is not an instrument of capitalism but a tool for its transcendence.

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