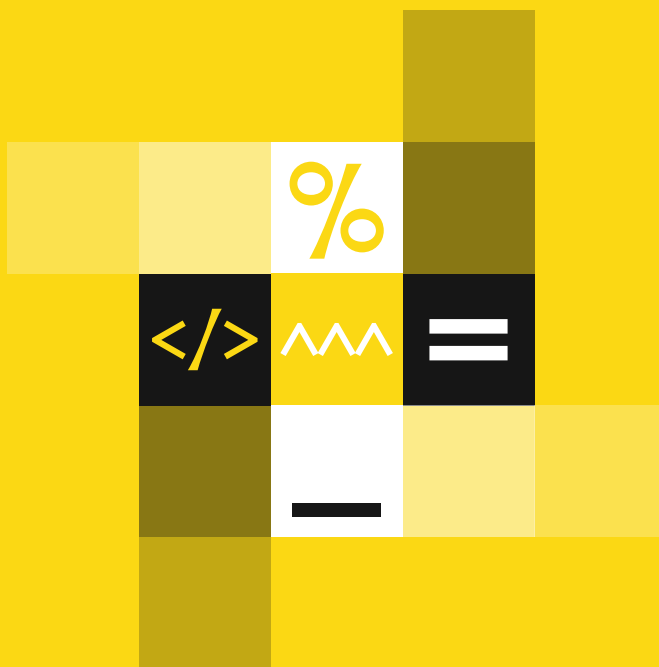


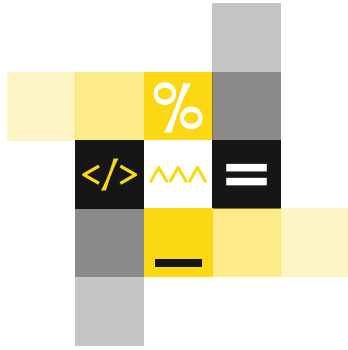
THE

FAIR

NECESSITIES



THE FAIR NECESSITIES



Will Snell

Foreword by
Will Hutton

November 2021

FAIRNESSFOUNDATION.COM

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FOREWORD

Controversies over fairness and equality animate all human society; they may be accepted as universal imperatives, but there is rarely societal agreement on how and to what degree to implement them. We may all be equal before our God, and every parent, referee, judge or teacher will be only too familiar with the need not to act unfairly. But that is where agreement stops.

How far should societies attempt equality and, if so, of what? As importantly, is there any widespread agreement on what fair play, fair pay, fair process, fair treatment and a fair chance mean?

Lacking such agreement, British society has become palpably less equal and more unfair – whether spatially or in terms of access to wealth. We can and should do better: no good society can prosper without addressing and answering these questions, for which the precondition is the creation of a shared philosophy of fairness and clarity about where the principle of equality must hold.

The Fairness Foundation has been launched to help to attempt both, and **THE FAIR NECESSITIES** sets out the starting point for what we expect will be a long journey.

But it is a journey with a fair wind at our back, and where there is every reason to hope that we will arrive at our destination. The government's concern with levelling up is driven by a recognition that Britain's economic and social geography is palpably unfair, and needs redress. Equally, the latest advances in behavioural psychology show just how hard-wired conceptions of just desert and proportionality are in the human psyche.



It should be no surprise that there is scarcely a society on earth that does not represent justice with a pair of scales: the tariff of punishment should be in proportion to the judged intensity of the offence. This principle of desert that is in due proportion to the degree of effort or degree of crime is universal. It is a foundational, cardinal building block in any conception of fairness. The tariff of due deserts across society should of course, as far as possible, run on parallel equal lines: but we cannot escape that there will be a ranking of reward, even if crucially it must be proportional to any contribution.

However, everyone knows another component of the human experience – the role of good and bad luck. Some luck is earned, following champion golfer Gary Player's famous remark that the harder he practiced, the luckier he got. But some luck is undeserved – being born into a well-off family, say, or being born with a disability. A fair society must, as far as possible, try to design out the incidence of unearned bad luck before it ineradicably impacts on people's lives.



Dave Goudreau
on Unsplash





Tom Parsons
on Unsplash

These fairness principles – of proportional due desert to recognise effort and the need to design out unearned bad luck – ineluctably lead to five interdependent maxims (or ‘fair necessities’) for a fair society:

- 1** **Everyone should be rewarded in proportion to their effort and talents.** Exceptional rewards are only fair if they correspond to a universally accepted exceptional performance or contribution.
- 2** **Everyone should have the same substantive opportunities to realise their potential.** This requires us to take radical steps to remove the structural barriers that face people who are born into disadvantaged circumstances.
- 3** **Everyone contributes to society as far as they can and is supported by society when they need it.** There is such a thing as society held together by reciprocity of regard – not an aggregation of individual interests.
- 4** **Everyone has their basic needs met so that no one lives in poverty.** We need to agree as a society exactly where we draw this line.
- 5** **Everyone is treated equally in terms of due process, respect, social status, political influence and public services.** There must be equality, for example, in a court, in a polling station, in access to redress a wrong, in the right to worship as individuals choose. Equality of process is a constitutional right of citizenship and underpins a fair society. At the same time, we must respect the principle of equity: some people need to be treated differently so as to have the same opportunities as everyone else (maxim two).



These maxims may seem unexceptional, but brought together they define a new paradigm of 'balanced fairness' that is a challenge to the embedded approach of left and right.

Thus maxims one and two are a rejection of socialist conceptions of equality and open the way to a reasonable, social market, stakeholder capitalism, while maxims three and four are a rejection of libertarianism and conservative advocacy of distinctions between the deserving and undeserving poor, and call for an active state constructing a comprehensive social settlement based on universal entitlement.

However, equality enters the frame in maxim five as equality of process – no less foundational, and crucial if any capitalist society is to be deemed as fully democratic and legitimate.

Together they point to a very different state, capitalism, democracy and societal contract to the one we have now, even if there are some traces in social policies like universal child benefit and insistence on non-discrimination.

It is our view, backed by extensive surveys of public opinion, that these five maxims, if clearly articulated, could be shared by the overwhelming majority of people in Britain – especially if they are brought alive in terms of policy.

Obvious areas for action that embody all five maxims must be the way we treat our children, especially in the first years of life, designing away the vicissitudes of unearned bad luck from the accident of birth, and how everything – from housing to the

world of work – should be organised to allow adults to know that their work and voice will be rewarded and recognised justly.

It was Aristotle who posited that humans achieve happiness when they have the chance successfully to use their talents to act on the world for the better, in however a small way.

The five Fair Necessities, uniting the insights of different traditions so as to provide a new lens through which to remake the world, offer an original way for us to rebuild our society – drawing the sting of unfair inequalities and opening the way for all of us to live lives that we have reason to value.

Join us on our journey!

Will Hutton

Chair of the Editorial Board
Fairness Foundation

November 2021





Professor Bobby Duffy

Director of the Policy Institute
at King's College London

A full understanding of where the public are on fairness and inequality is absolutely vital, as there are many wrong assumptions and misunderstandings that are real barriers to policy interventions. This report is an excellent counter to that, combining a deep understanding of the theory with the reality of where the public are – and therefore provides a really valuable framework for action.



Torsten Bell

Chief Executive of
the Resolution Foundation

Everyone thinks a prerequisite of being a good society is being a fair society. But abstract talk about fairness can obscure as much as enlighten. So this renewed focus on clarifying what fairness means and asking whether Britain lives up to it is an important new contribution to this much older debate.



Robert Joyce

Deputy Director of
the Institute for Fiscal Studies

Inequalities pose some of the biggest social and economic challenges of our time, as set out in the IFS Deaton Review. But it is difficult to design coherent policy responses without clarifying which ones are objectionable, and in what ways. This very thoughtful and engaging document is an excellent introduction to many of the issues, and I hope it will help to stimulate debate about how we can move forward.



Baroness Ruth Lister

Emeritus Professor of Social Policy at
Loughborough University

I hope The Fair Necessities will kick start a much-needed urgent debate on how we build a more equal, truly fair society. It raises important issues that are worthy of discussion and further exploration and that should be central to any 'levelling up' agenda.



“



John Penrose MP

Chair of the Conservative Policy Forum

The Fairness Foundation are asking an absolutely central, essential question: what, precisely, do we think is “fair”? Their conclusions lead us squarely towards levelling-up everyone’s opportunities, and towards equipping everyone more equally so they are ready to grasp their life chances whenever they appear. They will be a new, fresh voice to invigorate a vital debate.

“



Margaret Hodge MP

Labour MP for Barking and Dagenham

Fairness should be at the heart of any just and equitable society. Yet today fairness can often seem few and far between. Inequality is rising, generational disparities are growing, and opportunities can be scarce. That’s why now is the perfect time for a project like the Fairness Foundation. Their guiding principles could provide a beacon that will point us towards real fairness. I hope they fare well.

“



Sunder Katwala

Director of British Future

Fairness matters to us all, though we have different views of what we mean by it. This thoughtful investigation into competing conceptions of fairness gets the Fairness Foundation off to a strong start in its commitment to engage across social groups and political tribes, and to build a greater public consensus on how to make our society fairer for everyone.

“



James Timpson

Chief Executive of the Timpson Group

A fairer society will benefit everyone, increasing opportunities and prosperity as well as improving wellbeing and social cohesion. We don’t hear enough voices making this argument. The Fairness Foundation looks set to make a valuable contribution by helping to build a consensus around principles that unite rather than divide us.



EXECUTIVE SUMMARY

DEFINING FAIRNESS

FAIRNESS AND EQUALITY

Fairness is instinctive. People have an inherent belief that people should be rewarded in proportion to their contribution (hard work and talent), and few object to the idea that the ‘tall poppies’ who produce great economic benefits should be rewarded as a result. Most people prefer the idea of proportional outcomes to equal outcomes, which undermine incentives and ignore individual agency. They also believe in the idea of reciprocity: that everyone should contribute to society as far as they are able, and should be supported by society in return when they need it. A further core belief is that everyone should have the same opportunities to realise their full potential. Many believe that we need to do more than simply reducing overt discrimination to ensure that everyone has similar life chances, and a majority believe that inequality has become too high to ensure genuinely equal opportunities for everyone. People also have a strong belief that everyone should be treated equally in terms of due process, respect, social status and political influence. And there is a widely shared view that everyone should have their basic needs met, so that no one lives in poverty, regardless of how they got there.



Everyone wants their children, grandchildren, nephews and nieces to grow up in a fair society. An innate sense of fairness is hardwired into us because humans evolved by building large social groups that depend on fair co-operation and rewarding positive behaviour. Study after study shows that fairness is at the top of most people's priorities for society. But fairness can mean different things to different people. On one level it is about procedural justice – whether everyone is treated in the same way and according to the rules. On another it is about outcomes – whether resources are distributed fairly. While some talk about equal outcomes, most people are more focused on equal opportunities – whether everyone has the same chances to succeed, and whether talent and hard work are rewarded fairly. This lack of a common understanding of fairness is holding us back.

We believe that it is crucial to define fairness clearly, and to build a vision for a fair society that most people can get behind, regardless of their values, beliefs or political affiliation (if any). The government knows that this matters, which is why it says that it is 'levelling up'. However it eventually defines this concept, at the most basic level, levelling up is about building a fairer society and economy.

For most people, fairness means that everyone should have an equal chance to make the most of their lives, regardless of where they live, of how much money or education their parents have, or of their gender,

sexuality, race, religion or disabilities. This is the concept of equal opportunities. It is different from equal outcomes. Most people believe that some level of inequality is inevitable because there should be a link between effort and reward, and because everyone has different aptitudes and strengths. Many people are therefore less worried about the existence of a gap between rich and poor than by the existence of unfairness. However, there is a growing consensus that inequality has gone too far and needs to be tackled. While divisions remain between those who emphasise systemic inequality and those who think in terms of personal responsibility, there is a striking degree of consensus that the current system does not give people who work hard and want to get ahead a fair opportunity to succeed. Most people combine a belief in personal responsibility with a recognition of the need to do more to reduce inequality.

The idea of equal opportunities also has two rather different meanings. At its most basic level it simply involves removing the obvious barriers that prevent certain people from accessing educational, career or other opportunities, and some progress has been made in recent decades to reduce overt discrimination on the basis of race, gender, sexuality, disability and so on. But this does nothing substantive to help people from disadvantaged backgrounds to overcome the additional hurdles that they face, which prevent them from competing fairly for those opportunities with their peers.



DESIGNING OUT BAD LUCK

People often underplay the role of luck in determining life outcomes. A fair society should respect the fact that people can ‘earn’ good or bad luck by making different choices, and that this has consequences. But it should also recognise that ‘unearned’ bad luck (and, to some extent, good luck) is not fair, and should take steps to prevent it or compensate for it. In particular, we should ‘design out’ bad luck at birth as far as possible, so that every child has the same life chances regardless of the circumstances into which they are born (family income, social connections, and so on). We should also ensure that people are protected from bad luck throughout life, in areas such as social security, work and education, just as the NHS provides everyone with healthcare when they fall ill.

We propose a distinction between earned luck and unearned luck.

Debates about fairness rarely consider the role of luck in life. We propose a distinction between earned luck and unearned luck. Earned luck is not really luck but something that a person creates themselves. People can create good luck for themselves by seizing opportunities, taking the initiative and working hard. They can create bad luck for themselves by making bad choices. But unearned luck really is luck, because it is outside people’s control. Unearned luck happens to people in the course of their lives – they might win the lottery, or become terminally ill. But it is also the good or bad luck of the circumstances into which people are born. They can be born into a rich or poor country, area or family, in a period of prosperity or poverty, peace or war, with or without a disability; they can receive a good education, parental support, excellent healthcare, help finding work, great job opportunities, or none of the above.



Unless we do more to try to compensate people who have suffered excessive amounts of bad luck, we cannot reasonably claim that the system by which people are rewarded for their talent and effort is operating fairly and proportionately. We already have a popular national system to help people who suffer the bad luck of becoming ill – the National Health Service. The NHS treats people without asking whether they have fallen ill due to bad choices or due to circumstances beyond their control, and we should recognise that circumstances can often constrain or otherwise affect people's choices, so it is hard to draw a clean distinction between earned and unearned bad luck. We also have a social security system to help people who need support because, for example, they cannot work, or lose their job, or do not have parents who can raise them. Neither are perfect; both are necessary and reflect a widely held belief that we need collective systems in place to protect people from the consequences of bad luck in life.

But we don't have any measures in place to compensate people for bad luck at birth (which, by definition, is unearned). We don't have the right economic and social structures to give everyone the chance to exercise their strengths from an equal starting point. We all know that the first 1,000 days of a child's life are crucial, but we don't intervene enough in the early years to give every child the same chances to succeed. Our focus on the idea that people are responsible for their own choices has blinded us to the fact that children cannot be held responsible for the circumstances in which they are born, and must be helped to overcome any barriers to their future success that they face as a result.

If we can 'design out' bad luck at birth as far as possible, then we can build a society in which choice and individual responsibility can be more fairly exercised, and in which equal opportunities to succeed mean that talent, effort and earned luck can be more fairly rewarded. We will never fully achieve this, but we can get much closer to it than we are now, building on examples of good practice from other countries. To quote Ha-Joon Chang:

“We can accept the outcome of a competitive process as fair only when the participants have equality in basic capabilities; the fact that no one is allowed to have a head start does not make the race fair if some contestants have only one leg.”



If we could do our best to design out bad luck at birth (and in childhood), we would be in a much better position than we are now when it comes to providing equal opportunities in adulthood. Needless to say, even if we built a society in which most people started life with similar opportunities, we would still need to provide additional support to many people (such as those with disabilities, as well as people who had not benefited from equal opportunities earlier in life). On top of that, we would need to ensure that everyone in society receives equal access to opportunities at every stage of their lives.

This would require open and competitive markets, fair admissions and recruitment processes, decent universal public services such as education and health, and a social security system to cope with unearned bad luck that occurs during life. And of course, it would require us not to discriminate on the basis of people's race, gender, sexuality or religion.

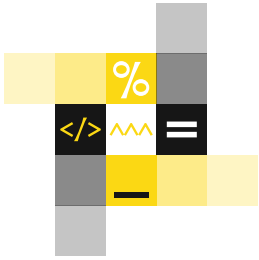
A more (though not fully) equal society is a precondition to real equality of opportunity.

Finally, we should aim for 'relational equality', where everyone is morally equal and has the opportunity to an active and influential role in society and to live a life of dignity and control, regardless of whether they are able and willing to achieve material wealth. And we should recognise that it benefits all of us to help people to overcome the consequences of bad luck, even 'earned' bad luck.

We call this approach 'balanced fairness', because we believe that it strikes the right balance between approaches that do not go far enough in equalising opportunities (such as libertarianism and 'weak' meritocracy) and those that go too far towards equal outcomes (such as 'full' egalitarianism). It recognises that a more (though not fully) equal society is a precondition to real equality of opportunity.



THE FAIR NECESSITIES



We propose a definition of fairness in terms of five 'fair necessities' that could form the basis of an organising philosophy that most people in Britain would support. This in turn could underpin a platform for root-and-branch reform of the way that our society and economy is organised, which could draw support from a wide range of political traditions and parties.

OUR PROPOSED FIVE 'FAIR NECESSITIES' ARE:

1



Everyone is rewarded in proportion to their effort and talents*

2



Everyone has the same substantive opportunities to realise their potential**

3



Everyone contributes to society as far as they can, and is supported by society when they need it

4



Everyone has their basic needs met so that no one lives in poverty

5



Everyone is treated equally in terms of due process, respect, social status, political influence and public services***

* Exceptional rewards are only fair if they correspond to a universally accepted exceptional performance or contribution.

** This requires radical steps to remove structural barriers that face people born into disadvantaged circumstances, effectively by designing out bad luck.

*** Some people (or regions) need to be treated differently (equity) to have the same opportunities as everyone else. This is the idea behind levelling up.



ASSESSING FAIRNESS

HOW UNFAIRNESS SHOWS UP IN SOCIETY

The COVID pandemic has increased public awareness of the level of inequality in our society, and of the impact that this has on people's living standards and even on life expectancy. This level of inequality is not only the result of varying degrees of talent and effort; it is mostly due to people having very different life chances and opportunities to make the most of their talents, and so it is unfair. We see this unfairness in every aspect of society and the economy, from democracy, education, the environment, health and housing, to justice, social security, taxation, wealth and work.

Most people recognise that the society we live in is increasingly unfair. The majority of people believe that everyone should have the same opportunities to succeed, and that social and economic inequalities have become so stark that this is often no longer possible. The COVID pandemic has shown us just how unequal our society has become, and what this means not just for people's life chances, but even for their prospects of survival. People are increasingly concerned about inequalities based on income and wealth and on where people live (i.e. place-based inequalities, which is the focus of the government's current 'levelling up' agenda), although many people appear to be less concerned about inequalities based on race, gender and other personal characteristics. But we know that racial inequalities are huge, partly but not only because of discrimination, while gender and economic inequalities are deeply intertwined.

Most people recognise that the society we live in is increasingly unfair.



When looking at fairness across society (and the economy), we focus on ten interrelated issues that we believe are priorities for action, and demonstrate how far we are from a fair society:

- **DEMOCRACY:** Those with money and connections have a growing and disproportionate influence over how decisions are made, while the disadvantaged are increasingly disenfranchised
- **HEALTH:** Despite our amazing NHS, our public health system is underpowered to promote healthy lifestyles and prevent ill health, while high inequality leads to disease and early death
- **TAXATION:** The wealthiest in society pay a lower rate of tax (including all taxes) than everyone else, because of a combination of tax avoidance and the absence of effective taxes on wealth
- **EDUCATION:** Schools are unable to give children an equal start in life, especially in the early years
- **HOUSING:** Millions are unable to find decent and affordable housing
- **WEALTH:** Millions can't get by while those at the top continue to amass ever more wealth with little link to their own efforts or success, and inherited wealth further entrenches the divide
- **ENVIRONMENT:** Future generations will pay for climate inaction in the next decade, while the poorest are already bearing the brunt of exposure to pollution and other environmental harms (and while this is a global issue, there is an urgent need for domestic action and leadership)
- **JUSTICE:** The justice system punishes poverty (and its symptoms, such as mental health problems and substance addiction) rather than helping people to rehabilitate into society
- **WORK:** Millions are forced to work in insecure jobs that don't pay them enough to cover the bills, with poor working conditions and inadequate employment rights
- **SOCIAL SECURITY:** Too many in genuine need get a raw deal and are unable to live lives of reasonable comfort, dignity and security



HOW PROBLEMS REINFORCE EACH OTHER

Unfairness builds on itself in two ways. Firstly, many people suffer from multiple sources of disadvantage at the same time. Secondly, fewer opportunities at one stage in life often fuel a vicious circle in which future life chances are even more limited. The social contract has been broken down by this 'compound unfairness', and by the fact that our economy subsidises the wealthy rather than investing in those who need support.

These problems don't exist in isolation; they work together and feed off each other, trapping those at the bottom of our society in a cycle of deprivation and disadvantage. And the unfairness trickles up to affect millions of families, who see the next generation struggling to find adequate jobs and housing and anxious about a future of economic insecurity and climate breakdown. The social contract, whereby those who work hard can expect a decent quality of life in return, has broken down.

Our economy often subsidises those who don't need help at the expense of those who do, making it ever harder for those who fall behind to make up lost ground. For example, our social security system subsidises employers paying poverty wages and landlords charging high rents. If the underlying market failures were tackled, this money could instead be used to help to improve life chances for everyone. Correcting these imbalances is not a pipe dream, because we see examples in other countries of how societies and economies are structured in a fairer way that rewards hard work while providing a basic minimum quality of life for everyone and ensuring that everyone has genuine opportunities in life.

The social contract, whereby those who work hard can expect a decent quality of life in return, has broken down.



ACHIEVING FAIRNESS

EQUAL LIFE CHANCES FOR CHILDREN

We need to give each child the same life chances, wherever in the country they grow up and whatever resources their family has. We focus on three priorities. We must finally end child poverty. We also need to improve educational standards and early-years provision. And we must ensure that every child grows up in a healthy and sustainable environment.

The first priority is to design out bad luck at birth as far as possible, so that every child is born with the same life chances. Every child should have the same opportunities to realise their full potential, regardless of the circumstances into which they are born. We believe that there are three priorities when it comes to providing the 'fair necessities' for children: ending child poverty once and for all, providing high-quality universal education that starts in the early years, and ensuring that there is a sustainable environment in which children can grow and thrive. This agenda cuts across all ten of the issues above, but with a particular focus on five: housing, social security, work, education and the environment.



Kiana Bosman
on Unsplash

Firstly, we must end child poverty:

- **HOUSING:** Building more social housing and improving conditions for private renters, so as to reduce the high costs of housing and to stop poorer children having to move house and school regularly
- **SOCIAL SECURITY:** Providing more generous financial support to parents and expectant parents, to ensure that all families (including those with more than two children) are lifted out of poverty
- **WORK:** Tackling insecure, exploitative and poorly paid work and providing more parental leave, so that all parents have the financial stability and time to focus on their children's early development

Secondly, we must provide high-quality universal education, starting in the early years. Some children are almost a year behind their peers when they start school (and these gaps continue to widen as they grow older). Early years education and childcare needs to be available to every parent, whatever their income or employment status and wherever they live in the country; it needs to be affordable and to meet the educational and developmental needs of children while being sufficiently flexible for working parents. Meanwhile, we need to provide more targeted support and funding for disadvantaged students in full-time education, so that those who grew up in poverty have the best chance to fulfil their potential.

Thirdly, we must provide a sustainable environment. An urgent priority is to tackle the damage done by air pollution, especially to children living in deprived areas. We also need a fair and rapid transition to a zero-carbon economy to mitigate the worst impacts of the climate and biodiversity crises.



A FAIR DEAL FOR ADULTS

We need to make sure that every adult gets a fair deal, meaning that we reward hard work while protecting people against bad luck.

Delivering real equality of opportunity will require us to reduce inequality and to help people who face greater barriers to realising their potential. We should aim to build a society in which everyone enjoys a broad 'equality of condition'. This will benefit everyone.



Leon on
Unsplash

The second priority is to ensure that every adult gets a fair deal. We should recognise that this is unachievable for those adults who didn't get a fair chance to succeed as children. But we should do as much as we can for people in this situation, while ensuring that future generations enjoy the same equality of opportunity in adulthood as they have done in childhood. Our approach to giving adults a fair deal is based on rewarding hard work while protecting against bad luck. Our vision of the 'fair necessities' for adults cuts across all ten of our focus issues:

- **DEMOCRACY:** Ensuring that everyone has an equal chance to make their voice heard and influence the national, regional and local decisions made on their behalf, during elections and day-to-day
- **EDUCATION:** Giving everyone equal opportunities to maximise their potential, and ensuring fair access to relevant further and higher education options
- **ENVIRONMENT:** Ensuring that everyone has an equal chance to live in a healthy and safe environment, by doing more to protect those at greater risk from pollution and from the impacts of the climate crisis
- **HEALTH:** Providing more resources for public health services to support wellbeing and prevent ill health, alongside curative healthcare services
- **HOUSING:** Making sure that everyone is able to access affordable, secure and decent housing, whether in the social sector or private sector, and that housing is seen as a right and not a commodity
- **JUSTICE:** Ensuring that everyone has equal access to the law and receives equal treatment from a justice system that is better resourced and more focused on rehabilitation
- **SOCIAL SECURITY:** Building a stronger social security system to protect people from bad luck, which provides proactive support for those who lose their jobs or need to retrain, compassionate support for those with disabilities or illnesses, and a decent pension and affordable social care for everyone
- **TAXATION:** Building a more effective tax system that taxes unearned income and wealth more fairly as well as reducing tax avoidance and evasion
- **WEALTH:** Ensuring that everyone has enough wealth for a basic decent quality of life, and that financial rewards are proportional to effort and do not incentivise wealth extraction, speculation or failure
- **WORK:** Ensuring fair and open competition for jobs and promotion (as well as fair wages and good working conditions and secure terms of employment)



The aim is not to impose a uniform equality of outcome, but instead to minimise the impact of bad luck, while ensuring that the good luck is shared around a little. This will ensure that people have genuinely equal opportunities at every stage of their life. In certain cases this will require society to treat some people or groups or regions differently – to pursue equity, not equality – by giving them more support and resources to enable them to overcome (and ultimately to tear down) the additional barriers to opportunity that they face. These barriers may have arisen because they have received less support than others in the past or for other, more fundamental reasons. This is the principle behind the government's 'levelling up' agenda. If every adult is to get a fair deal, we need to pay attention to the additional barriers to opportunity faced by people on low incomes, the unemployed, ethnic minorities, women, LGBTQ+ people and disabled people. We need to recognise that 'treating everyone equally' without regard to these barriers is unfair, and also that we cannot achieve real equality of opportunity without reducing levels of income and wealth inequality in our society.

More generally, we must ensure that everyone can enjoy broad equality of condition. This means that everyone can choose how to live their life and is treated with respect and dignity, regardless of the amount of wealth or income that they have secured. And we must ensure that everyone's basic needs are met, so that no one is allowed to fall into poverty, no matter what brought them there.

We must seize the opportunity offered by the COVID pandemic to build a fairer society. The pandemic has simultaneously laid bare how deep inequalities are, and how much these affect not just people's quality of life but whether they live or die, while demonstrating that the state can play a much more interventionist role in the economy and can attract public support for doing so. The government's levelling up agenda can and should be entirely aligned with the goal of building a fairer society. It needs to recognise that levelling up is as much about people as it is about places. There is scope to build broad public support for an ambitious effort to level up life chances for everyone in the country.



Building a fairer society will benefit everyone, not just the disadvantaged. Fair societies achieve better co-operation, social outcomes, political stability, opportunities, pooling of risk, security and prosperity. We will all lead healthier and happier lives if we can prevent social problems, such as crime, ill health and unemployment, rather than dealing with them after they have arisen.

These investments will pay for themselves in time, as most will deliver economic as well as social returns; even those that do not deliver direct economic returns will deliver indirect returns, since prevention is always cheaper than cure, and fixing social problems will reduce the amount that the state needs to spend on coping with them. Where additional spending is needed in the short term, public support for any extra tax contributions needed can be won by making the tax system more progressive and less vulnerable to tax avoidance, and by designing social programmes that are universal and contributory rather than being restricted to particular groups on the basis of need. We will always ensure that any policy proposals that we promote are fully costed and are accompanied by a realistic plan for how to pay for them, as well as a conservative estimate of the long-term economic returns that they will generate.

Investing in an ambitious set of interventions to build a fairer society will not only generate significant social and economic returns; it is also a moral duty of the state to ensure that everyone has equal life chances. The way to achieve equal life chances is to give everyone the ‘fair necessities’ of life.

Building a fairer society will benefit everyone, not just the disadvantaged.



THE FAIR NECESSITIES

BUILDING A WORKABLE DEFINITION OF FAIRNESS

To build a fairer society, we need a definition of fairness that most people can get behind. But people have different ideas of what constitutes fairness, often grounded in their beliefs and values.

It is certainly true that political views colour how people think about fairness. In broad terms, those on the left think of fairness in terms of equality (everyone has enough resources to live comfortably). Those on the right see it in terms of rewards linked to individual responsibility and good character, with wealth trickling down from the wealth creators to everyone else. Both political traditions have some concept of proportionality (what you take out of the system is in line with what you put in). However, the reality is more complicated than a simple left-right divide, and many people have multi-faceted views about fairness that are rooted in their moral values and core beliefs.

We want to change the terms of the debate around fairness, but we recognise how difficult it is to change

people's attitudes, given that they are so closely linked to their values and beliefs. Instead, our aim is to construct a vision of a fair society that builds on common ground. We want to promote narratives that can attract broad support by appealing to the values of most people, for example by emphasising tackling inequality while respecting the link between effort and reward.

To do this, we need to dissect the idea of fairness from a range of perspectives and with the aid of a broad set of disciplines. Any workable definition must tick a number of boxes:

- It must take into account the key principles and lessons from each of these disciplines
- It must have majority appeal, relating to the values and attitudes of different groups
- It must be simple enough to understand but flexible enough to apply to most real-life case



FAIRNESS AND PHILOSOPHY

Fairness is a multi-faceted concept, which is why people who argue about whether something is fair can often end up talking past each other. On one level it is about procedural justice, or fair process - the notion of 'playing by the rules', that everyone is treated in the same way. On another it is about outcomes - are resources distributed in the correct way, and is this calculated according to equality of outcome (everyone gets the same), or need (those in greatest need get more), or efficiency (such as the utilitarian idea of the 'greatest good of the greatest number'), or opportunity. Does everyone have the same opportunity to succeed in life? Are talent, hard work and good intentions adequately and fairly rewarded?

These three concepts - equal treatment, equal opportunities, and equal outcomes - are often in conflict. Equal treatment (with equal access to education, healthcare, jobs, justice and so on) is a prerequisite to a fair society, but is not sufficient unless everyone has the same starting point (and therefore has equal opportunities). Unequal outcomes that result from genuinely equal opportunities are fair, as long as they are proportional to contribution. However, unequal outcomes that result from factors outside people's control are unfair, and should therefore be corrected for or prevented. A fourth important concept of equality that relates to fairness is that of relational equality (that we are able to relate to one another 'as equals' because there are no relationships of domination or inequalities in civic status).

Most philosophers argue for some proportionality of treatment, in respect of need, or merit, or both. Many have made the link between hard work and reward. For **Aristotle**, the 'golden mean' of justice is fairness, whereby people get exactly what they deserve - no more, no less. **Karl Marx** agreed that reward should be linked to effort ("to each according to his contribution") in the first phase of post-capitalist society, although he asserted that this approach needed to be phased out in favour of "to each according to his need" as society became richer. **Adam Smith** focused on the rewards due to the working classes, proposing that "they who feed, clothe, and lodge the whole body of the people, should have such a share of the produce of their own labour as to be themselves tolerably well fed, clothed, and lodged".



Smith is not alone in taking a more egalitarian position than his most popular quotes might suggest. **John Locke** argued that the individual ownership of goods and property is justified by the labour exerted to produce them, but only as long as enough is left in common for others (although his theory also used the introduction of money to justify huge wealth inequalities). Even **Robert Nozick**, who took the position that individuals have fundamental rights and owe nothing to anyone, conceded that those individuals need the protection of the state to enforce functioning free markets and fair processes. **Jean-Jacques Rousseau** saw freedom as a function of participation in society, suggesting that individuals can remain free by joining together through the social contract.

Equality of opportunity has occupied many philosophers. **Immanuel Kant** argued that it is difficult to judge people by outcomes because of the role of chance, so we must judge them by their intentions, and how those have translated into their efforts. **Isaiah Berlin** distinguished between 'positive liberty' (having the power and resources to choose one's path and fulfil one's potential) and 'negative liberty' (the absence of obstacles that block human action). **John Rawls** stated that all economically and socially privileged positions must be open to all people equally, and that economic and social inequalities can only be justified if they benefit the most disadvantaged in society.

A branch of philosophy has focused on luck egalitarianism – the idea that inequalities that reflect 'brute luck', over which people have no control, are unjust, and that society should act to correct or prevent those inequalities, while inequalities that arise from choices that make, such as how hard to work or whether to gamble, are just and should not be corrected or prevented. **Ronald Dworkin** outlined a theory of 'equality of resources', arguing that a fair economic distribution must be simultaneously 'ambition-sensitive' (respecting the consequences of people's different decisions) and 'endowment-insensitive' (ensuring that some people do not have fewer resources than others through no fault of their own; although he was not arguing for equality of outcome). He also distinguished between 'brute luck' (something outside a person's control) and 'option luck' (people choosing to expose themselves to particular risks or opportunities). **Gerald Cohen** proposed that equality should be conceived in broader terms than simply resources, including welfare and capabilities (a variation of which is the idea of 'core capabilities' that everyone needs, such as being well nourished and adequately clothed and sheltered, as well as enjoying freedom from excessive pain or discomfort). Most luck egalitarians believe that the natural talents with which a person is born are as much a matter of 'brute luck' as whether that person is born into wealth or poverty, and should therefore be corrected for.



Luck egalitarianism has been critiqued by **Elizabeth Anderson** on the grounds that society should not abandon those who make bad choices, and that it could lead to the demeaning treatment of those who suffer the bad luck of being 'untalented'. She proposed the idea of 'relational egalitarianism', in which equality is about the nature of social relations between people more than it is about how resources are distributed, and that an equal society is one where no one has unjust power over anyone else. Many other thinkers have written about broader conceptions of justice (and fairness) in relation to certain groups. **Iris Young** has challenged the reduction of the concept of social justice to issues of distributive justice, arguing for a fuller understanding of justice and oppression as it relates to marginalised and excluded groups (such as women, ethnic minorities, disabled people and LGBTQ+ people). However, **Nancy Fraser** has argued that social movements in recent decades have focused too much on the resulting idea of 'justice of recognition' (broadly speaking, identity politics) at the expense of wealth inequality (i.e. distributive justice). **Charles Mills** has written about the need to overcome the implicit 'racial contract' of Western societies when designing social contracts that are genuinely inclusive, while **Carole Pateman** has described the 'sexual contract' that underpins systemic sexism. **Gideon Calder** has argued that disabled people are subject to a 'pincer movement' of misrecognition and maldistribution when it comes to achieving justice.

Others have focused on what happens to those who do not make it to the top. **Amartya Sen** argues that we should strive for 'equality of capability', in which "the ability and means to choose our life course should be spread as equally as possible across society", giving everyone an equal opportunity to develop up to his or her potential, rather than to maximise their wealth or status. **Michael Sandel** suggests that we must rethink our attitudes towards success and failure to be more attentive to the role of luck in human affairs, more conducive to an ethic of humility, more affirming of the dignity of work and more hospitable to a politics of the common good.



Can we tie all of this together? **Will Hutton** argued in ***Them and Us*** that we can, starting with Marx's phrase "from each according to his ability, to each according to his contribution", including Greek notions of due desert, Locke's suggestion of earned rights, Rousseau's view of the role of government, and Rawls's suggestion that we need to compensate for accidents of birth. There is a role for society and the state in building and maintaining a level playing field and correcting for or preventing 'unearned' bad luck, to allow individuals to make the most of their talents; then it is down to individuals to do that, and to earn rewards in proportion to their efforts. But, as Michael Sandel suggests in *The Tyranny of Merit*, we must stop thinking that those who are successful are only there because of their talent and hard work, regardless of their personal circumstances and the role of luck, while those with less material success have somehow failed. We also need to ensure that everyone has a decent quality of life, including dignity and control as well as the meeting of basic human needs.

However, coming up with a coherent philosophical approach to fairness is not the same as persuading anyone to agree with it. It has been argued that people are inherently Kantian, judging what people deserve in relation to their intentions, while policymakers are utilitarians, thinking about the most efficient ways of delivering desirable outcomes. How can we understand people's attitudes, values and beliefs, and how these relate to competing conceptions of fairness?

Coming up with a coherent philosophical approach to fairness is not the same as persuading anyone to agree with it.



PUBLIC ATTITUDES TO FAIRNESS AND EQUALITY

Humans have an innate expectation of fairness that evolved thousands of years ago. Evolution through natural selection favours animals that look after their own self-interest, but humans flourished by building large social groups that depend on co-operation, which is sustained by fairness: equalising rewards across a group, sharing resources fairly and punishing selfish behaviour. This is cross-cultural, and children can understand it before they can talk. We are the only species that routinely chooses to help others and reacts strongly to perceived injustice. We have strong instincts for procedural fairness and for reciprocity, but also for ensuring that everyone has their basic needs met and has a fair chance to succeed. Societies that do not uphold this inbuilt sense of fairness become more divided and turbulent, and less successful.

Perhaps as a result of this instinct, people are less worried about the existence of a gap between rich and poor than by the existence of unfairness. People typically prefer fair inequality to unfair equality, and are more interested in eliminating poverty (and ensuring that everyone has the means to lead a good life) than in achieving equality. [Yale University](#) discovered that in a situation where everyone is equal, many people become angry or bitter if hard workers are under-rewarded or slackers are over-rewarded. Most people are less exercised by the existence of the wealthy than by the fact that the wealthy are able to play by different rules from everyone else; the [Fabian Society](#) found that robust views in demanding effort from those in need go hand-in-hand with anger at tax avoidance and strong cross-political support for a higher minimum wage and a better deal for carers. Research by [Newcastle University](#) suggests that most people believe that inequalities linked to merit or effort are more acceptable than those caused by luck. [Harry Frankfurt argues](#) that people are troubled less by inequality itself than by unfair causes of inequality, by the undesirable consequences of inequality, and by the level of absolute poverty (although [we also know](#) that most people want a more equal society than the one that we currently live in). Unfair causes of inequality might include monopoly power or exploitation, in contrast to the fair operation of markets.



Fairness has been invoked by politicians of all stripes to justify a wide range of different policies. It has often been used to set one group against another and to justify reducing public spending, for example by arguing that everyone should be treated equally and therefore that preferential treatment in the form of welfare support for groups such as the unemployed or single parents is unfair to hard-working members of the 'squeezed middle' who do not receive similar benefits. There is a missed opportunity to build an understanding of fairness that unites people around a shared vision of a society that rewards hard work while taking the necessary action to ensure that everyone benefits from the same life chances.



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Repeated surveys show that fairness is at the top of most people's priorities for society. [YouGov](#) found that most people think in terms of social issues such as fairness, compassion and tolerance, rather than economic issues such as poverty, and that a fair society means a decent minimum standard of living for all; being secure and free to choose how to lead our lives; developing our potential and flourishing materially and emotionally; participating, contributing and treating all with care and respect of whatever race or gender; and building a fair and sustainable future for the next generations. Separately [YouGov](#) suggested that the most important values are family, fairness (making sure that people's efforts are rewarded and that people do not get 'something for nothing'), hard work and decency. The [Frameworks Institute](#) found that key values are self-reliance, equality of opportunity, fair exchange, fair competition, interdependence, community, honesty and transparency, and democracy. The [RSA](#) suggested that people think about a fair economy as one in which citizens can make an equal contribution according to their means and their ability and have equality of opportunity; and the gap between citizens who can make contributions and have access to opportunities, and those who do not, is closed through education, transparency and policy.

[Opinium](#) found that 81% of Britons agree that fairness is about making sure that everyone is given an equal opportunity to achieve, while 70% believe that fairness is about making sure everyone gets what they deserve. A consistent theme in these surveys is strong public support for the core idea of luck egalitarianism – that a fair society should correct for inequalities resulting from 'unearned' bad luck in order to deliver genuine equality of opportunity, so that the mechanism by which hard work is rewarded operates in a fair way rather than being rigged to favour those who are better off.

Public attitudes research suggests that most people think that Britain is unfair, although one in three believe that we live in a fair society. The [Webb Memorial Trust](#) found that 94% of people think that fairness is important to a good society, but only 36% think that society today is fair. This echoes an [Opinium](#) poll showing that only 30% agree that "British society as a whole is fair"; 71% say it's "one rule for some and a different rule for people like me", while 69% agree that "rich people get an unfair advantage". [British Social Attitudes](#) (BSA) found that 64% of people think that "ordinary people do not get their fair share of the nation's wealth". The [Sutton Trust](#) found that just 35% think that people have equal opportunities to get ahead in life, that 47% of people think that today's youth will have a worse life than their parents, and that 34% believe that coming from a wealthy family is important to success in life, with 54% citing "knowing the right people".



There are differing views about the most urgent and important issues to be addressed. [King's College London \(KCL\)](#) found that inequalities between more and less deprived areas, along with disparities in income and wealth, are seen as the most serious forms of inequality, and that attitudes to other forms such as racial inequalities are much more divided. Recent [Ipsos MORI](#) research for the IFS Deaton Review found that 53% of people say that levels of inequality are rising, particularly in relation to people being treated differently because of their social class, how much money they have or because of their race, while around three in five say they are concerned about issues such as many people not having enough money to live a comfortable life and that people in poorer areas tend to die at a younger age. It also found that people often struggle to reconcile their comfort with wealth inequality with their desire for a certain level of 'fairness' in society. Fewer people support government intervention to tackle inequality than are concerned by the level of inequality, and fewer still support more income redistribution by government (48% according to KCL, although BSA found that only 30% actively opposed it). The [Joseph Rowntree Foundation \(JRF\)](#) found that most people support progressive tax and benefit systems, and targeted interventions to improve life chances for the disadvantaged, which is mirrored in strong support for the NHS treating everyone based on need and regardless of their income. But, whereas some people think that health inequalities (such as the impact of income levels on life expectancy) are systemic and unfair, many say that people should take responsibility for their unhealthy lifestyle choices. This supports the contention of luck egalitarians that unearned or 'brute' luck should be corrected, whereas earned or 'option' luck should not, although in practice it is often difficult to cleanly separate people's choices from the contexts in which they are made.

Fewer people support government intervention to tackle inequality than are concerned by the level of inequality.



Opinions are also split on what level of inequality in society is acceptable. The general preference for 'fair inequality' is based on a belief that hard work (and talent) should be rewarded. JRF found that people are not opposed to high incomes linked to high-level ability, performance or social contribution. KCL also found that most people believe both in the principles of meritocracy - that hard work and ambition should be linked to success - and that we live in a meritocratic society. BSA found that 39% of people believe that people generally 'get what they deserve in society', while 35% disagree. Opinion polling on 'political tribes' in 2021, following similar research in 2016, found that society has moved leftwards on economics in the five intervening years, with more people worried about inequality and believing that it is the responsibility of government to tackle it. The IFS Deaton Review into inequality suggests that people's perceptions of inequality can differ from actual levels of inequality, and that they are coloured by their values and beliefs, including whether they consider existing inequalities to be fair or unfair. But most people underestimate the level of both income and wealth inequality in the UK, and the vast majority of people are opposed to the level of economic inequality that exists today.



UNDERSTANDING THE VALUES AND BELIEFS THAT DRIVE ATTITUDES

WHAT MORAL FOUNDATIONS THEORY CAN TELL US ABOUT THE LEFT-RIGHT DIVIDE

Moral Foundations Theory argues that each of us has an intuitive moral sense with five elements: harm, fairness, in-group loyalty, authority and purity. People on the left and right ascribe different levels of importance to each of these. While fairness is seen as important by both the left and the right, it is balanced out by other moral considerations, with people on the right considering a wider set of issues than those on the left.

Broadly speaking, people on the left think about fairness in terms of outcomes, equality and need. Some have more than they need; others need more than they have. The most important beneficiaries are those whose needs are most urgent. People on the right value 'just deserts', with reward linked to effort, and with an emphasis on personal responsibility, even if this leads to large inequalities.

However, there are opportunities to find consensus. People from across the political spectrum value the ideas of proportionality and reciprocity. They see it as unfair when people are asked to contribute more than they receive in return, or when people receive more than they contribute. This explains the overwhelming popularity of the NHS; rather than a socialist project, it is a collective insurance programme to which people contribute through the tax system, and which supports them when they suffer the 'brute bad luck' of ill health. Other public services (including social care, as well as other parts of the social security system) could enjoy similar popularity if they were designed on similar universal principles. The Fabians argue in The Solidarity Society that the lessons from the successes and failures of social security institutions over the last century are clear: we need to provide more universal benefits and services, and to design a new social contract that rewards all who contribute to society. They point out that public services, including social security programmes, are paradoxically more effective at tackling entrenched social problems when



they are made available to everyone (or at least to many people), rather than being targeted at those most in need, in part because they enjoy much more public support as a result (even if public support for a more generous social security system has increased in recent years, perhaps in part because of an increasing realisation that many people are living in destitution and are therefore not having their basic needs met).

Universal services that are based on contributory principles are less divisive than means-tested services targeted at the most disadvantaged, because they don't create a 'them and us' dynamic that undermines ongoing public support for the necessary levels of government spending. For example, a universal and contributory social security system would not, as some fear, act as a disincentive to work or create a dependency culture; everyone wants to work and have a purpose in life. Similarly, a social housing

programme that was available to a much wider group of people, not just to those most in need, would enjoy much greater popularity than our current system. Society's institutions should reactively help people to cope with shocks in life, and should proactively identify points in people's lives when they need more support. This approach will help to prevent problems from becoming more difficult and expensive to solve. People will willingly pay society back at other times in their lives in return for providing this support; reciprocity works and is popular. A majority of people support this idea and are happy to pay taxes as their contribution for public services that will support them when they are in need.



HOW VALUES, PERCEPTIONS AND COGNITIVE BIASES AFFECT OUR VIEWS ON FAIRNESS

People's values have a strong bearing on how they think about fairness. Some think that individuals are largely responsible for their own lives, while others emphasise structural constraints that hold people back. Views are coloured by positions on a left-right political axis but also on a libertarian-authoritarian social axis.

How people perceive fairness (or its absence) is also important, and does not always correlate with actual levels of fairness (or proxies, such as inequality). Most people underestimate the level of economic inequality, especially but not only if they are wealthy. Attitudes (whether people think that the system is unfair and needs to change, and how it should change) are dictated more by perceptions of fairness than by reality, and by relative differences more than by absolute levels. People react more to local and visible examples of unfairness, however small, than to larger but less tangible instances at a societal level. Because more people live in areas that are segregated by income, they perceive income inequality to be lower, and so are less supportive of policies that redistribute income.

Cognitive biases also play an important role in determining how people think about fairness, and how they process new information. As politics has become more polarised and intertwined with culture wars,

cognitive biases have become more important. People place more weight on facts that fit with their world-view, and ignore or underplay facts that do not. They want to believe that they live in a fair and just society, especially if they benefit from it. They look to others who share their views as sources of trusted opinions and facts. People's perceptions are strongly linked to their group identities and their values. We should not fall for the technocratic conceit that the key barrier to changing attitudes is an information gap. We need to understand how people view the world and how they interpret facts and events within the context of those views and values.

However, this is not to say that people are unable to change their opinions or are impervious to facts. For example, the 'culture wars' that play out in the media and are routinely seized upon and even stoked up by politicians are not important to most people. King's College London found that at least half the public take a more nuanced and variable position than the two opposing sides of the culture wars, while More in Common suggest that most people believe that cultural change is a central part of the British story, and something that they embrace.



SEGMENTING PEOPLE ACCORDING TO THEIR VALUES AND CORE BELIEFS

The 2020 [Britain's Choice](#) report by More in Common and YouGov divided the population into seven groups, based on their values and beliefs. Its research suggested that 73% of people think that inequality is a serious problem, while a majority of all but two groups think that we should always strive to reduce inequality rather than accepting that it is inevitable. A large majority thinks the hard work of key workers, highlighted by the coronavirus pandemic, should be better rewarded. At the same time, 69% of people think that people are largely responsible for their own outcomes in life, against 31% who say that people's outcomes in life are determined largely by forces outside of their control.

The report concludes that most people can come together around the goal of building a fair society: "instead of seeing class and inequality as causes of division in British society, perhaps the work of creating a fairer society is something that can bring us together... there is a consensus on the need to address inequality that transcends political divisions and reflects majority views... what is striking is how much common ground there is between those who emphasise systemic inequality and those who emphasise personal responsibility... most believe that the economy does not afford enough opportunity for those who work hard and want to get ahead... [and] integrate a belief in personal responsibility [with] the need to do more to reduce inequality."

[Research into public attitudes](#) carried out by King's College London for the IFS Deaton Review of inequality divides people in Britain into three groups, based on their beliefs in two competing explanations for the existence of inequalities. The first group, structuralists (32% of the population) believe that systematic issues create and perpetuate inequalities. The second, individualists (29% of the population) believe that outcomes are determined by individual efforts, and is eager to see the world as fair. The other 39% of people fall somewhere in the middle, which suggests that they hold views that combine a belief in the importance of hard work with a recognition of the impact of larger societal forces on people's life chances.



However, the research conducted for the review also suggests that most individualists are concerned about income inequalities and place-based inequalities, and that even among this group, almost one in three believe that benefits are too low. It also found that a majority of individualists agree that there is a different law for rich and poor, that money facilitates a healthier lifestyle, and that society was unequal before the COVID pandemic. All three groups agree that a fair society should reward hard work, and that those in need should be taken care of, irrespective of their reciprocal contribution to society.

The review concludes that people's attitudes are not fixed, and that the COVID pandemic has provided "an opening for a more interventionist approach to tackling inequality", with more support for generous benefits, more than a third of each group agreeing that the pandemic "strengthens the need for government to redistribute income from rich to poor", and almost half agreeing that "the experience of the pandemic has made the case for a more active role for government in the future".

We should also pay heed to the warning given in an [IFS introductory article](#) to this research: "Philosophers have tended to conclude that distinctions between inequalities arising from people's own efforts and those arising from structural or environmental factors are difficult or impossible to use as the ultimate driver of public policy – and there are good reasons why they have come to that conclusion. But policy design must bear in mind that this distinction is highly salient to many people, as the work on public attitudes shows."



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CONSIDERING THE CORE CONCEPTS

EQUAL OUTCOMES (FULL EGALITARIANISM)

Very few thinkers have made the case for a society in which everybody receives the same level of income or wealth, regardless of their talent or hard work. Even Karl Marx, who popularised the phrase “from each according to his ability, to each according to his needs”, wasn’t talking about equal outcomes; he meant that people required “different things in different proportions in order to flourish”. However, inequality has reached such a high level in many countries, including the UK, that a range of arguments are made for reducing (if not completely eliminating) it. For example, [The Spirit Level](#) argues that reducing inequality benefits everyone in society by tackling a range of social issues such as physical and mental health, crime, trust and social mobility.

EQUAL TREATMENT

The most reliable way to annoy your average Briton is to fail to play by the rules. The notion that everyone should be treated equally is deeply ingrained. Democracy and the social contract both rely on procedural fairness. However, this does not necessarily mean that everyone should be treated equally. Equal treatment often leads to very unfair outcomes, but it can also deny some people fair opportunities. Aristotle argued that “equals should be treated equally and unequals unequally in proportion to the relevant inequalities”. Many arguments about what is fair are rooted in the tension between equal treatment and equal opportunities. The recently formed [Structural Inequalities Alliance](#) argues in favour of “shifting the policy focus onto equity of outcome rather than equality: treating people differently in order to level the playing field of opportunity”.



LIBERTARIANISM

Another commonly held view is that people should be rewarded for their labours and punished for their misdeeds (or their laziness), and that the size of those rewards or punishments should be proportional to their intentions, or their actions, or the outcome of their actions. This is the classical notion of 'just deserts', updated by Enlightenment thinkers with the Christian notion that everyone is of equal worth, and therefore that the poor deserve the opportunity to improve their lot in life and to have their basic needs met. The political and media debate about the 'deserving' and 'undeserving' poor sometimes reverts to the classical understanding and leaves out Enlightenment refinements to the concept, just as it did in Victorian times.

Many people on the right claim to believe in just deserts and proportionality, but actually subscribe to a very different philosophy – libertarianism. According to this worldview, justice is achieved by guaranteeing each individual 'negative liberty' (the absence of obstacles that block human action, as distinct from 'positive liberty', which is having the power and resources to choose one's path and fulfil one's potential). For libertarians, the idea that the state should allocate or redistribute resources on the basis of merit or 'desert' is unjust, because it would restrict the liberty of individuals to use their abilities to acquire property rights (including wealth). Libertarians acknowledge that their preferred approach will lead to large inequality, but they argue that wealth created by the 'tall poppies' will trickle down to benefit everyone else, and that attempts to distort free markets by intervening to redistribute this wealth will simply cut down the 'tall poppies' and thus impoverish everyone by reducing the amount of wealth that is available to trickle down through the economy, as well as being a coercive and unjust attack on liberty. However, we now know beyond doubt that 'trickle-down economics', exemplified by policies such as tax cuts for the rich, does not work.

Proportionality or desert is undoubtedly popular with the public, much more so than libertarian ideas that people's life outcomes should be governed by the 'law of the jungle' of untrammelled free markets. But how can we reliably measure people's intentions or actions so as to judge what they deserve? In particular, how can we assess whether people have the same chances of achieving their goals? This is where the notions of meritocracy and equal opportunities come into play.



MERITOCRACY AND EQUAL OPPORTUNITIES




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One of the ways in which many people would recognise that we do not live in a fair society is that not everyone is given the same opportunities to succeed, even if they put in hard work. People are angry not because they have less than others, but rather because they want fair opportunities. They want a system in which people are neither left to fend for themselves nor guaranteed equality of outcome, but instead are given the tools they needed to achieve their dreams if they work hard. The concept enjoys mainstream support across the political spectrum, but the devil is in the detail, and this vague ideal is often used to hide the fact that governments are often unable or unwilling to take substantive action to provide for the most disadvantaged and vulnerable.

The term meritocracy was coined by Michael Young in the 1950s in a dystopian satire, before it was reinvented as an aspirational concept. It seeks to remove any unfair advantages, such as inherited wealth or discrimination, and to reward people purely on the basis of their 'merit' (intelligence and hard work). Tom Paine argued in *The Rights of Man* that inequality is only fair when it is based on people's abilities and achievements, rather than on the status that they might inherit from their parents. In theory, and certainly by comparison with other systems such as aristocracy, meritocracy is efficient, because it ensures that jobs are done by those who will do them best, and it is also just, because it ensures that jobs (and income) go to those who are, at least superficially, most deserving of them.





Meritocracy depends on the existence of genuine equality of opportunity, since if people are not on a level playing field when competing for jobs, then those jobs may go to people with less merit. There are two distinct 'types' of meritocracy, which go to different lengths when trying to remove the disadvantages that reduce equality of opportunity and thereby undermine the inner logic of meritocracy. One, 'weak' meritocracy, aims for 'formal' equality of opportunity by removing discrimination against particular groups when competing for education or job opportunities on grounds unrelated to their 'merit' (such as their race, gender or disability). The other, 'strong' meritocracy, aims for a more ambitious 'fair' equality of opportunity, which takes account of the varying circumstances into which people are born and the resources that they have at their disposal and aims to correct for the unequal life chances that result from them. It aims to tackle disadvantage and inequality in terms of inherited wealth, education and the family environment in which someone grows up, for example by taxing inherited wealth more so as to provide better equality education for all and to provide more intensive support to disadvantaged parents.

We are some way from achieving even 'weak' meritocracy in Britain, since many forms of discrimination persist today. But even if we could bring it about, 'weak' meritocracy alone is not up to the task of building a fair society. 'Formal' equality of opportunity, based on the removal of the most obvious obstacles to success, will never be enough to create a level playing field, given that people have such different starting points in life. It tackles the tip of the iceberg but leaves the rest of it undisturbed. It is insufficient even when augmented with various 'positive action' schemes such as quotas or outreach programmes to help disadvantaged applicants for career or educational opportunities, since these can never compensate for the lack of genuine equality of opportunity, and they are often opposed and therefore watered down or abandoned based on the argument that they undermine the principle of equal treatment.



'Weak' meritocracy depends for its legitimacy on promoting the idea of social mobility, by which the brightest and hardest working people are able to 'escape poverty', as some kind of proof that the system works and is just. But achieving social mobility is unachievable without reducing inequality. The '[Great Gatsby curve](#)' demonstrates the strong correlation between economic equality and social mobility (more specifically, intergenerational income mobility). Public attitudes surveys suggest that many people are prepared to tolerate higher levels of inequality as long as there is sufficient social mobility. But the remorseless logic of the Great Gatsby curve is that countries like the UK, which have higher levels of economic inequality, have lower levels of social mobility as a result.

It is not hard to understand why this is the case. Unequal outcomes in one generation lead to unequal opportunities in the next. Wealthier parents can afford a better education for their children. Even those children from disadvantaged backgrounds who receive a high-quality education find it harder to achieve the same results as their wealthier peers, for reasons linked to the environment in which they grow up. And the still-smaller subset of children from disadvantaged backgrounds who manage to get the best exam results *still* find that these do not translate into the same job prospects as their wealthier peers, because they have less access to career opportunities, lower levels of cultural capital, an insufficient financial cushion to enable them to take risks or accept poorly paid internships, and so on.

More fundamentally, social mobility is often used as a smokescreen to highlight the stories of a small number of immensely talented and hardworking people who escape from their disadvantaged backgrounds, so as to justify a state of affairs that is manifestly unfair. Used in this way, it glosses over – perhaps even deliberately obscures – the fact that equality of opportunity does not exist, because very large numbers of disadvantaged people would have succeeded had they been born into different circumstances, but do not quite have the unusually high levels of talent and drive that would be needed to overcome all of the formidable obstacles that lie in their way. Meanwhile, plenty of people with less talent and drive, but who are born into more privileged environments, do better than them. It is also often forgotten that, in the absence of a rapidly expanding economy and job market, higher relative social mobility implies a zero-sum game in which those who go up are balanced by others going down. Recent proposals on [rethinking social mobility for the levelling up era](#) by focusing on 'social mobility for the many' offer hope that this agenda might become better aligned with the idea of 'fair' equality of opportunity.



'Strong' meritocracy is a much more ambitious agenda that seeks to understand and correct for the deep-rooted issues that undermine 'fair' equality of opportunity. It understands, for example, that wealthier parents can buy a better education for their children, and that unless this is corrected for, the formula that "IQ + effort = merit" breaks down, and meritocracy simply reinforces inequality.

However, just as with social mobility, it is very difficult to achieve 'fair' equality of opportunity if there is a high level of economic inequality. Unequal outcomes in one generation will always give rise to some degree of unequal opportunities in the next, no matter how many interventions are put in place to level the playing field (or rather, to compensate for the lack of a level playing field). There is a fundamental incoherence here, since 'strong' meritocracy seems to require some level of equal outcomes to enable equal opportunities, while encouraging unequal outcomes so that those with the most merit can be adequately rewarded compared to their peers.

It is clear that we are a long way from realising both the 'weak' and 'strong' forms of meritocracy. This leads to another problem. Because we tell ourselves that we live in a meritocracy, we believe that the wealthy have achieved success due to their moral superiority and their merit, while the poor deserve their fate because of their stupidity and laziness. A belief in a meritocratic ideal that does not exist has the effect of dividing society into two groups – the haves and the have-nots – in which everyone accepts that they have what they deserve. This Victorian attitude excuses inequality and condemns those at the bottom of society to a life of material discomfort and moral stigma, branded as failures.



Even if meritocracy did work as intended, the risk remains that it would create a new class-based hierarchy with winners and losers. An overly narrow conception of meritocracy defines 'opportunity' as the chance to get rich and beat everyone else, and ranks everyone by their innate worth. But the COVID pandemic has showed us that we need to value key workers as much as bankers. Unequal outcomes are inevitable, but those who do not end up at the top shouldn't be denied their dignity or the ability to live a happy and fulfilling life, with decent education, healthcare, living standards and working conditions, and some control over their destiny. Everyone should have an equal opportunity to develop up to their potential, rather than to maximise wealth or status, and to take their allotment of talents and pursue a distinctive set of achievements and the self-respect that they bring.

Meritocracy sometimes values cognitive intelligence above other forms of talent, and talent above effort. David Goodhart argues that "the 'brightest and the best'... trump the 'decent and hardworking'... qualities such as character, integrity, experience, common sense, courage and willingness to toil are by no means irrelevant, but they command relatively less respect... and it becomes harder to feel satisfaction and self-respect living an ordinary, decent life, especially in the bottom part of the income spectrum". The COVID pandemic has shown us that the people who contribute the most to society are often those whose work is undervalued because it relies more on the hand (e.g. delivery drivers) or the heart (e.g. carers) than on the head. And high levels of economic inequality tend to exacerbate this loss of respect for others.

Goodhart also makes an important distinction between meritocratic selection systems for highly skilled jobs, which are broadly desirable, and a meritocratic society, in which everyone is ranked according to their 'merit', creating a zero-sum society divided into winners and losers based on an unnecessary and harmful inequality of esteem. He highlights the risk of a 'hereditary meritocracy' that over-emphasises the value of cognitive intelligence, and in which both natural (cognitive) talents and the education and financial and social capital needed to capitalise on them are concentrated at the top of society, in a self-reinforcing cycle of inequality spanning nature and nurture that makes it impossible to achieve a fair meritocracy.



LUCK

Talent and hard work play a big part in determining people's success. But two other factors are at play, over which people have no control. One is who they are, and in what circumstances they grow up. Do they have the luck of being born into a rich, well-connected family, or a poor, marginalised one? Do they benefit or suffer from social and structural biases and injustices linked to their race, gender, sexuality, (dis)ability or other factors? What impact does the place where they live have on their life chances? The second is how lucky they are during their lifetime in terms of random events that happen to them. Do they launch their business just before a boom or a depression? Do they sail through life in perfect health or develop a rare form of cancer in middle age?

Both of these aspects of good or bad luck are outside people's control. They are what philosophers who belong to the school of 'luck egalitarianism' call 'brute' or unearned luck, as distinct from 'option' or earned luck, which is affected by a person's actions. Option luck is a matter of how deliberate and calculated gambles turn out – whether someone gains or loses through accepting an isolated risk that he or she should have anticipated and might have declined (which might include some illnesses, where lifestyle is a factor). Most people would agree that, while people bear personal responsibility for those things that are within their control, they are not responsible for the circumstances into which they are born, or for bad or good things that happen to them during their life over which they have no control. People who end up at the bottom of society - for example, the homeless – may have suffered the effects of both forms of bad luck, being born into disadvantage and then suffering a catastrophic life event that they lack the resilience to cope with. And yet society generally does very little to help people to recover from these shocks and to reverse the vicious circle that often results from them. As outlined above, luck egalitarians believe that society should take steps to correct inequalities arising from good or bad unearned luck, while respecting those inequalities that arise from good or bad earned luck. The steps taken to correct unearned luck might involve monetary compensation (such as redistribution of income or wealth through the tax system), but they might also involve measures to combat other aspects of their disadvantage, such as steps to overcome prejudice or to integrate people better into society.



Of course, there are many cases where the distinction between option luck and brute luck, or earned and unearned luck, is less clear. What about the alcoholic who suffers later in life from chronic liver disease? Is collapsing into drug addiction the result of unearned bad luck or of bad choices? In many cases both are in play and feed off each other. It should not be (and could not be) the role of the state to judge the extent to which a particular individual's situation is the result of earned or unearned luck (good or bad). We cannot assess and then react to issues around luck, agency or due desert at the individual level. However, we can choose as a society to recognise that there is both a moral and a socio-economic case for helping people who have suffered bad luck, even if some or most of that luck has come about due to bad decisions. The case for taking action, rather than letting nature take its course, has several dimensions:

- Firstly, there is a strong moral argument, in line with the teachings of most major religions and the writing of many philosophers. Quite simply, those who have fallen on hard times deserve our sympathy and our support, regardless of the circumstances that led them there.
- Secondly, there is a socio-economic argument for action. Allowing people to sink to the bottom is not only bad for them, it is bad for society at large. It creates a whole set of undesirable social problems – crime, homelessness, ill health – that impose economic costs on society and are expensive to fix. It is much better – and much cheaper – to prevent those problems from occurring in the first place, or failing that, to tackle them before they get worse. The extent to which the individual is judged to be ‘deserving’ of support is as irrelevant to this argument as it is to the moral argument for action.
- Thirdly, we know that in most cases, someone who has ended up in need of help is likely to have suffered at least some degree of unearned bad luck, and probably a large amount. We now understand much more than we used to about how insufficient support in early childhood, inadequate education, low-paying and low-quality jobs, inadequate housing, and high levels of economic inequality all have a huge impact on both quality of life and life chances, on health outcomes, on crime. We also have a more sophisticated understanding of the compound effects of these unfair inequalities of opportunity. They are compounded in two directions – horizontally (in that, for example, people can at the same time be disadvantaged by several factors, such as their gender, race, and class or family income) and vertically (in that having less access to opportunities at one stage in life is likely to lead to even worse access to opportunities later in life).





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- Fourthly, we know that the consequences of unearned bad luck, such as living in poverty or being unemployed or suffering from ill health, have real impacts on the choices that people are able to make. People who are struggling to make it through the next day rarely have the luxury of being able to make decisions that might seem rational from the outside. Living with adversity can force people to prioritise short-term needs over their longer-term interests; it can impede people's capacity to make rational decisions; but it can also reduce the set of available choices, forcing people to decide between the least bad options in the absence of any 'good' choices. This makes it impossible to neatly separate earned and unearned bad luck based on factors that are within or outside people's control.
- Finally, helping people whose situation is at least in part of their own making does not mean that we have to embrace the idea of equal outcomes. We can provide them with enough support to get them back on their feet, to provide them with a minimum standard of living and the opportunities to recover and to make better decisions and to earn their own good luck, so that they can start to contribute to society and the economy rather than needing to be supported by it. Meanwhile, we can target more public resources to those whose bad luck is entirely unearned – to children who have been born into disadvantaged circumstances, and need more support to equalise their life chances with those who have had the good luck of being born into a situation of relative privilege.



The same difficulty of distinguishing between earned and unearned luck applies to good luck. There is the unearned good luck of being born into comfortable circumstances. Then there is the question of how much natural talent (and capacity for hard work) someone is born with. In a sense, the nature versus nurture argument is not relevant here, since both are functions of unearned good (or bad) luck. Most luck egalitarians believe that, since circumstances of birth and levels of natural talent are equally arbitrary (i.e. subject to unearned luck), it makes sense for society to correct both equally. The preferred mechanism for achieving this is to redistribute income (or wealth) so that those who are born into more disadvantaged circumstances and/or with less natural talent end up with a comparable standard of living to their more fortunate peers, with the only legitimate source of inequality being the amount of hard work that a person chooses to do.

We do not agree that society should try to compensate entirely for the natural talents that people are born with. While there might be a theoretical argument for doing this, the practical implications are that a 100% income tax would need to be introduced so as to give everyone an equal income, except that the amount of redistributed income received would be in proportion to how many hours per day somebody chooses to work. This feels not only unachievable but also undesirable, since it removes the incentives for people to maximise their potential by developing the talents that they were born with. Removing inequality of reward in this way would also reduce total economic output and thereby reduce average incomes. John Rawls's difference principle suggests that we should allow inequality of reward, but only to the level that makes the lowest-paid workers in society as well-off as possible. It also points to the idea of a minimum income level for all workers. We can generate enough revenue to support such a minimum income level by making the tax system more progressive and effective, so as to better share out at least some of the unearned good luck that arises from being born with natural talents (as well as the earned good luck of working hard or making good choices). In particular, the taxation of unearned income should be brought more into line with the taxation of earned income, since unearned income is very often the result of unearned good luck (such as inheriting property or shares).



A fairer society would also invest more resources in education and other public services that help people to discover and maximise their talents. Everyone is born with natural talent in one or more areas, and often these are untapped and wasted. A better-resourced and more balanced education system could do much more to find and nurture the talents of children and adults alike, whatever they are. There is a risk that efforts to iron out variations in natural talent, grounded in luck egalitarianism, are too focused on more conventional talents that have a direct and obvious bearing on academic attainment and earning potential, and miss this broader spectrum of latent talent and capability.

Luck egalitarianism has also been criticised by ‘relational egalitarians’, such as Elizabeth Anderson. As outlined above, part of this critique is that society should not abandon people who make bad choices, and that luck egalitarianism might lead to the demeaning treatment of people who suffer the bad luck of being ‘untalented’. Relational egalitarianism goes further, however, by arguing that equality is about the nature of social relations between people more than it is about how resources are distributed, and that an equal society is one where no one has unjust power over anyone else. The priority is that everyone should be socially, rather than economically, equal. But it argues that reducing economic inequality is important as a prerequisite to achieving social (or relational) equality, even if it is not an end in itself. However, the flaw with this approach is that there are several ways in which economic inequality is problematic that go beyond their consequences for social inequality, as outlined for example in *The Spirit Level*, and relational egalitarianism would not see these as priorities. It is therefore hard to make the case that this approach alone would form a sufficient basis for building a truly fair society.

If you have good luck, a fair society should ask you to share a bit more of it with others. If you have bad luck, a fair society should help you to overcome it. We should invest in building a fairer society because it is in everyone’s interests to prevent bad outcomes before they happen. The next section goes a step further, by examining the possibility of not only preventing bad outcomes, but also of ‘designing out’ some aspects of bad luck altogether.



FINDING A BALANCE

Any workable approach to fairness needs to recognise and respond to the role of unearned luck, at birth and during life, in determining how each of our lives pans out. We cannot reasonably say that a system that treats everyone equally is fair when peoples' starting points in life are so different. A fair system needs to compensate for bad luck at birth, just as it compensates for bad luck in life (for example, by providing healthcare to people who become unwell).

Equality of opportunity only makes sense if we can develop an effective system for designing out unearned luck as far as possible. If people do not have access to minimum levels of healthcare, education, housing, information and justice, how can they compete fairly with others? To quote Ha-Joon Chang:

“We can accept the outcome of a competitive process as fair only when the participants have equality in basic capabilities; the fact that no one is allowed to have a head start does not make the race fair if some contestants have only one leg.”

One way to compensate for the lack of a level playing field is to design 'positive action' schemes, which attempt to achieve equity for disadvantaged people, for example in relation to university admissions or job interviews. These initiatives recognise that some people need more help in order to enjoy equal opportunities. But they face two problems. Firstly, they attract opposition from those who claim that they violate the principles of procedural fairness. Secondly, they tackle the symptoms rather than the causes of unfairness, so they are doomed to fail. The playing field is pitched at too steep an angle; 'positive action' interventions that try to compensate for this are too little, too late.

The only way to achieve genuine equality of opportunity is to give everyone equal chances at birth, as far as possible, so that people start life on something near a level playing field. We need to 'design out' bad luck at birth.



If we could do our best to design out bad luck at birth (and in childhood), we would be in a much better position than we are now when it comes to providing equal opportunities in adulthood. Needless to say, even if we built a society in which most people started life with similar opportunities, we would still need to provide additional support to many people (such as those with disabilities, as well as people who had not benefited from equal opportunities earlier in life). On top of that, we would need to ensure that everyone in society receives equal access to opportunities at every stage of their lives. This would require open and competitive markets, fair admissions and recruitment processes, decent universal public services such as education and health, and a social security system to cope with unearned bad luck that occurs during life. And of course, it would require us not to discriminate on the basis of people's race, gender, sexuality or religion. For those who are unable or unwilling to achieve material wealth, we should build a society that gives everyone the opportunity to play their part in civic life, to live a life of dignity and control, and to make as much as possible of their talents and abilities.

Only if all of these conditions are satisfied can a system of reward and compensation that is based on proportionality and just deserts be truly fair. As Debra Satz and Stuart White argue in the [IFS Deaton Review](#): “Where the wider economy lacks fairness in its structures of opportunity and reward, the demand for work as reciprocity requires unfairly disadvantaged workers to work even though other, more advantaged citizens have not made good on their obligations to ensure fair opportunities and rewards. As a matter of fairness, we cannot impose one-sided obligations: there is a failure of reciprocity by the better-off as well.” And as the authors of [Britain's Choice](#) argue: “Policies have a much greater chance of gaining public support if they are developed with an understanding of the core beliefs of different population segments, both in their design and communication. For example, policies intended to address inequality need to combine tackling systemic factors with genuinely creating opportunity and rewarding work and responsibility – an approach that can hold together support across all segments.”



A key test of a fair society is that it effectively removes the multiple and mutually reinforcing barriers that affect not only people born into poorer families or areas but also people who are members of one or more groups that are generally disadvantaged and that form protected characteristics under the Equality Act 2010 – women, ethnic minorities, the disabled, LGBTQ+, some religions. A fair society would tear down the multiple barriers that stand in the way of a young disabled black girl born into poverty so that she has the same life chances as her wealthy, white, able-bodied male peers. It would recognise that those barriers have a compounding effect, both horizontally and vertically (see above).

Taking racial equality as an example, it would acknowledge that the barriers and disadvantages facing black and minority ethnic (BME) people are not simply a result of socio-economic status combined with cultural differences, but are largely the result of systemic factors that include institutional racism. These systemic factors disadvantage BME people at every stage of life, from the environment in which they grow up and the education that they receive to the ways in which they experience the job market and the criminal justice system, and the poorer health outcomes that affect them in later life. Simply removing the most obvious instances of discrimination and overt racism, and highlighting a few cases of social mobility as evidence of ‘fairness’, is nowhere near enough to overcome these barriers and to deliver equal life chances for everyone. Similar arguments can be made about the unequal opportunities and unequal treatment suffered across all life stages by disabled people, by women, by LGBTQ+ people and by members of some religious groups.

This vision of a fair society is based on reconciling the ideas of proportionality and just deserts with a concerted effort to redesign our social and economic institutions so that they deliver genuine equality of opportunity. Achieving this second goal will require society to guarantee certain minimum living standards and standards of public services, and to move closer to equal outcomes than the very unequal society that we live in today. But we do not think that equal outcomes are fair or desirable. Instead, we believe that fairness can best be delivered by guaranteeing everyone genuinely equal opportunities to succeed. This in turn depends on designing out bad luck as far as possible, in particular (but not only) by ensuring that everyone has equal life chances at birth, as well as on ensuring that equals are treated equally, while those who are still disadvantaged are given additional support. Fairness also requires that we value everyone equally (even if we accept some level of material inequality to allow people to be rewarded for talent and hard work), rather than positioning people in a status hierarchy based on perceived ‘merit’.



We call this approach **balanced fairness**. We propose a definition of balanced fairness in terms of five 'fair necessities' that could form the basis of an organising philosophy that most people in Britain would support. This in turn could underpin a platform for root-and-branch reform of the way that our society and economy is organised, which could draw support from a wide range of political traditions and parties.

OUR PROPOSED FIVE 'FAIR NECESSITIES' ARE:

1



Everyone is rewarded in proportion to their effort and talents¹

2



Everyone has the same substantive opportunities to realise their potential²

3



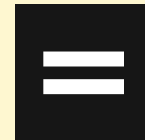
Everyone contributes to society as far as they can, and is supported by society when they need it

4



Everyone has their basic needs met so that no one lives in poverty

5



Everyone is treated equally in terms of due process, respect, social status, political influence and public services³

- ¹ 'Proportion' is key. Exceptional rewards are only fair if they correspond to a universally accepted exceptional performance or contribution.
- ² This broadly equates to the idea of 'designing out bad luck'. It requires us to take radical steps to remove the structural barriers that face people who are born into disadvantaged circumstances.
- ³ Some people, groups or regions may need to be treated differently to enjoy the same opportunities as everyone else. This is the driver behind the idea of levelling up. In other cases, well-designed interventions that are not restricted to certain parts of society will bring particular benefits to more deprived groups.



The concept of balanced fairness differs from other approaches in the following ways:

- **LIBERTARIANISM** – we disagree that individuals are totally responsible for their lot, that social and economic structures and regulations should only be used in extremis, and that the unregulated market will ensure that wealth will trickle down from the ‘tall poppies’ to the rest of us
- **EQUAL TREATMENT** – we disagree that treating everyone equally is automatically fair, since people don’t start from equal starting points
- **WEAK MERITOCRACY** – we disagree that simply removing the most obvious obstacles to equality of opportunity (overt discrimination against particular groups) is sufficient
- **STRONG MERITOCRACY** – we reject the primacy of merit in determining social status, and the argument that it doesn’t matter what happens to those who don’t succeed as they haven’t earned their success; instead, we believe that everyone should be treated with respect and that no one should be allowed to fall into poverty, regardless of what circumstances led them there
- **LUCK EGALITARIANISM** – we disagree that it is desirable to compensate for differences in talent or capacity for hard work, other than by sharing some of the proceeds of this ‘good luck’ via a progressive and effective tax system that covers both earned and unearned income, and we disagree that society bears no responsibility for those who have fallen on hard times through bad luck of their own making
- **RELATIONAL EGALITARIANISM** – we disagree that societies only need as much economic equality as is necessary for status equality and preventing major inequalities of power, and that reducing economic inequality is not also an end in itself as well as a means to achieving relational equality
- **FULL EGALITARIANISM** – we disagree that it is desirable for the state to intervene to the extent of delivering equal outcomes for everyone, excusing people of any sense of personal responsibility and removing rewards that incentivise people to develop their talents and to work hard



The table below attempts to show how each of these approaches, including balanced fairness, differs in how they view a range of ways in which society could be structured.

	LIBERTARIANISM	EQUAL TREATMENT	WEAK MERITOCRACY	STRONG MERITOCRACY	BALANCED FAIRNESS	LUCK EGALITARIANISM	RELATIONAL EGALITARIANISM	FULL EGALITARIANISM
Baseline level of income for everyone	X	X	X	(✓)	✓	X	X	X
Income determined by merit	X	(✓)	✓	✓	(✓)	(✓)	(✓)	X
Equal incomes for everyone	X	X	X	X	X	X	X	✓
Earned good luck shared through tax system	X	(✓)	(✓)	✓	✓	(✓)	(✓)	✓
Unearned good luck shared through tax system	X	X	X	(✓)	✓	✓	(✓)	✓
Earned bad luck (poor choices or low effort) corrected	X	X	X	X	X	X	X	✓
Unearned bad luck (circumstances at birth) corrected	X	X	X	✓	✓	✓	(✓)	✓
Unearned bad luck (natural talent) corrected	X	X	X	X	X	✓	X	✓
Unearned bad luck (life events) corrected	X	X	X	(✓)	✓	✓	(✓)	✓
Social status determined by merit	X	(✓)	✓	✓	X	X	X	X
Everyone has equal value and standing	X	(✓)	X	X	✓	X	✓	✓



HOW TO ACHIEVE BALANCED FAIRNESS

EQUAL LIFE CHANCES FOR CHILDREN

The first priority is to design out bad luck at birth as far as possible, so that every child is born with the same life chances. Every child should have the same opportunities to realise their potential, regardless of the circumstances into which they are born. There are three 'fair necessities' for children: ending child poverty once and for all, providing high-quality universal education that starts in the early years, and ensuring that there is a sustainable environment in which children can grow and thrive. This agenda cuts across all ten of the issues above, but with a particular focus on five: housing, social security, work, education and the environment. It builds on a huge amount of research and policy work over many years, including recent reports from the [Early Years Commission](#) and the [Social Mobility Commission](#).

Firstly, we must end child poverty, which remains at unacceptably high levels in the UK. If we do not, other efforts to equalise opportunities, such as investing in education and skills, will simply be a sticking plaster. We need to take action in three areas in particular to eradicate child poverty:

- **HOUSING:** Building more social housing and improving conditions for private renters, so as to reduce the high costs of housing and to stop poorer children having to move house and school regularly
- **SOCIAL SECURITY:** Providing more generous financial support to parents and expectant parents, to ensure that all families (including those with more than two children) are lifted out of poverty
- **WORK:** Tackling insecure, exploitative and poorly paid work and providing more parental leave, so that all parents have the financial stability and time to focus on their children's early development



Secondly, we must provide high-quality universal **education**, starting in the early years. Some children are almost a year behind their peers when they start school (and these gaps continue to widen as they grow older). Early years education and childcare needs to be available to every parent, whatever their income or employment status and wherever they live in the country; it needs to be affordable and to meet the educational and developmental needs of children while being sufficiently flexible for working parents. We also need to provide more targeted support and funding for disadvantaged students in full-time education, so that those who grew up in poverty have the best chance to fulfil their potential.

Thirdly, we must provide a sustainable **environment**. An urgent priority is to tackle the damage done by air pollution, especially to children living in deprived areas. We also need a fair and rapid transition to a zero-carbon economy to mitigate the worst impacts of the climate and biodiversity crises.

The alternative approach of providing targeted childhood-focused interventions (such as educational support to low-income families) to compensate for a failure to level the playing field will not be sufficient to create equal life chances at birth, just as compensatory efforts later in life are not enough.

We also need to address issues of intergenerational fairness, so that the life chances and living standards of today's young people and of future generations are at least similar to those of today's older generation, even if historical rates of improvement cannot be sustained for ever. We cannot do this without tackling the climate crisis alongside issues such as jobs and housing.

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A FAIR DEAL FOR ADULTS

The second priority is to ensure that every adult gets a fair deal. We should recognise that this is unachievable for those adults who didn't get a fair chance to succeed as children. But we should do as much as we can for people in this situation, while ensuring that future generations enjoy the same equality of opportunity in adulthood as they have done in childhood. Our approach to giving adults a fair deal is based on rewarding hard work while protecting against bad luck. Our vision of the 'fair necessities' for adults cuts across all ten of our focus issues:

- **DEMOCRACY:** Ensuring that everyone has an equal chance to make their voice heard and influence the national, regional and local decisions made on their behalf, during elections and day-to-day
- **EDUCATION:** Giving everyone equal opportunities to maximise their potential, and ensuring fair access to relevant further and higher education options
- **ENVIRONMENT:** Ensuring that everyone has an equal chance to live in a healthy and safe environment, by doing more to protect those at greater risk from pollution and from the impacts of the climate crisis
- **HEALTH:** Providing more resources for public health services to support wellbeing and prevent ill health, alongside curative healthcare services
- **HOUSING:** Making sure that everyone is able to access affordable, secure and decent housing, whether in the social sector or private sector, and that housing is seen as a right and not a commodity
- **JUSTICE:** Ensuring that everyone has equal access to the law and receives equal treatment from a justice system that is better resourced and more focused on rehabilitation
- **SOCIAL SECURITY:** Building a strong social security system to protect people from bad luck, which provides proactive support for those who lose their jobs or need to retrain, compassionate support for those with disabilities or illnesses, and a decent pension and affordable social care for everyone



- **TAXATION:** Building a more effective tax system that taxes unearned income and wealth more fairly as well as reducing tax avoidance and evasion
- **WEALTH:** Ensuring that rewards, including compensation for high earners, are proportional to effort and incentivise wealth creation rather than wealth extraction, speculation or rewards for failure
- **WORK:** Ensuring fair and open competition for jobs and promotion (as well as fair wages and good working conditions and secure terms of employment)

The aim is not to impose a uniform equality of outcome that compensates for different levels of talent or hard work, or to cancel out the effects of good luck. Instead, the objective is to minimise the impact of bad luck, while ensuring that the good luck is shared around a little, so ensuring that everyone has a decent quality of life regardless of whether they have 'made it'. We need to ensure that people have equal opportunities at every stage of their life.



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In the short term, this will require society to treat different people differently – to pursue equity, not equality, so that those who are more disadvantaged get more support to enable them to overcome the additional barriers that they face. If every adult is to get a fair deal, we need to pay particular attention not only to those who are on lower incomes. We also need to focus on the specific barriers faced by members of disadvantaged groups, in particular certain ethnic minorities as well as women, LGBTQ+ people and the disabled. Consider, for example, the fact that almost half of people in poverty in the UK are either disabled or live with a disabled person. In the long term, we need to tear down those barriers. This is equity in the sense of channelling more resources to disadvantaged people and communities to ensure genuine equality of opportunity (while providing public services on a universal basis wherever possible), for example by investing in social housing (with priority given to certain groups), providing additional funding for disadvantaged pupils, upgrading infrastructure in deprived communities, and rolling out a universal early years education service but with extra resources for those in greatest need. There is a false dichotomy between universal and targeted interventions; public services should benefit everyone, while providing extra support for those in greater need, rather than delivering separate targeted schemes for particular groups that stigmatise recipients, exacerbate inequality and alienate those who are not beneficiaries.

We also need to recognise that different groups in society have different priorities. For example, members of some ethnic minorities see improving their safety and security as the overriding concern, followed by more equal access to employment and to education and other public services.



BUILDING PUBLIC SUPPORT

Balanced fairness focuses much of its energy on designing out bad luck at birth, to ensure that, as far as possible, everyone starts life on a level playing field, with genuinely equal opportunities to make the most of their talents and efforts. If this cannot be achieved, any attempts to compensate for its absence later in life will fail.

The public is to some extent divided about the extent to which the state should intervene in people's lives, and how much individuals are responsible for their lot, although the pandemic has demonstrated that these divisions might not be as stark as previously assumed, given the strong consensus in support of both public health restrictions and economic support packages. Nonetheless, key differences of opinion remain, such as how much non-disabled adults should be helped by wider society. In searching for opportunities to build consensus, we propose to start with a group that everyone wants to help, regardless of their political beliefs or values: children.

No one can argue that a child deserves to be born into poverty or bears any responsibility for the circumstances in which they are raised. A child cannot be expected to make the best possible choices or to suffer the consequences of making the wrong ones. Children have no responsibility for whether their parents can afford food or books. Even people who most oppose notions of 'social justice' agree that children should not suffer from poverty in this way, and that it is the role of government to ensure that they do not. Injustices that affect children provoke a visceral emotional response from people across the political spectrum. The success of the footballer Marcus Rashford's campaign for free school meals is based at least in part of the impossibility of saying no when children's welfare is at stake.





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The challenge is to persuade a broad group of the public, media and policymakers that a fundamental set of interventions is needed, not just to help the lucky and talented few to climb the rungs of social mobility, but to give everyone the same opportunities to succeed and to repair the social contract that links hard work to decent living standards, while recognising that some people are innately blessed with talents and a capacity for hard work that others do not have. We have to convince the one in three people who believe that we live in a fair society that the degree of unfairness is sufficiently extreme, and damaging, to justify corrective action. We must tap into people's aspirations and fears for their own children and grandchildren, and encourage them to think about how their children would have fared without the opportunities and support that they received. And we must hammer home the importance of investing in children's early years development, and the circumstances in which they grow up, for their prospects in later life. There is a short window of opportunity to do this, coming out of the coronavirus pandemic, when people are more aware of the severity of inequality, the fracturing of the social contract and the fragility of the social safety net, and yet have experienced a sense of connectedness and community that has long been absent.



We need to increase public awareness of the relationship between socio-economic inequalities and health inequalities, and to challenge the overriding narrative that ill health is largely the result of poor individual lifestyle choices. If people were more aware of the impacts of poverty and inequality on health outcomes, there would be greater demand for change. For example, black African men were 3.7 times more likely to die than white men in the first wave of coronavirus, because of where they live, what jobs they do, and their levels of income and wealth. People in the poorest areas in England will on average die seven years earlier than those in the richest. We need to argue that these health inequalities are unfair (as they are caused by socio-economic inequalities that arise from the unfair distribution of resources and opportunities), but are also unnecessary and hugely expensive (around £40 billion every year in lost taxes, lost productivity, social security payments, and NHS costs). We should be making the case that the most effective policies to health inequalities are the same as those needed to reduce economic inequalities, dismantle structural racism, tackle the climate emergency and enhance democracy, and that these policies, such as introducing better protections for gig economy workers and building more social housing, will benefit huge numbers of people across society and not just members of particular social groups.

We need to move from a vicious circle, in which high levels of inequality reduce public support for state intervention to address them, to a virtuous circle as seen in countries like Denmark, where there is strong public support for higher levels of state investment in public services that deliver universal benefits, including childcare, education, healthcare and social care, and social security. Part of the challenge is to build a stronger sense of solidarity among people whose problems have more in common than they might think, and to persuade people that a fair society needs to do more to ensure that the link between effort and reward is not undermined by unequal life chances. We need to encourage people to think of themselves once again as citizens of a shared society, and not merely as individual consumers in the marketplace. We need to continue to challenge the idea that the only alternative to free-market capitalism is socialism. And we need to focus on interventions that make society fairer by making people feel more secure (for example, by making housing more affordable), so that they feel less of a need to accrue as much private wealth as possible in order to provide a comfortable future for themselves and their children.



Levels of public support for state intervention to tackle inequality depend to a very large extent on how that intervention is both designed and communicated. [Research by King's College London](#) for the IFS Deaton Review has shown that there is more support among conservative voters for 'taking measures' to address inequalities than for redistribution specifically. This is one of several arguments for focusing on policy measures that aim for 'predistribution', so that income and wealth is more evenly shared in the first place, as well as on redistributive measures that try to compensate for their uneven sharing across society. [Paul Johnson at the IFS](#) has argued that "policies that deal with the underlying problems of the abuse of market power, discrimination and opportunity through education, may gain more support. We should stop theft, not tax its ill-gotten gains."

We need to make people more aware of the benefits for everyone of living in a fairer society:

- **CO-OPERATION.** In prehistory, humans flourished by building large social groups that depend on co-operation, which is sustained by fairness: equalising rewards across a group, sharing resources fairly and punishing selfish behaviour. Societies that do not uphold this inbuilt sense of fairness become more divided and turbulent, and less successful. Many collapse (look at the Roman Empire).
- **SOCIAL OUTCOMES.** Social problems are worse in more unequal societies. Many affect everyone, such as high levels of crime and low levels of trust, social cohesion and mental health. Inequality leads to levels of infant mortality that are higher among wealthy Britons than, for example, poorer Swedes.
- **POLITICAL STABILITY.** Unfairness undermines healthy democracies by giving the wealthy excessive political influence, undermining democratic principles (including the rights to vote, to run for office, and to free speech and assembly), and creating dangerous divisions in society. It also undermines faith in the democratic system itself; if people do not have a fair opportunity to make the most of their lives, they are more likely to be attracted to populists or even to extremists.
- **MORE OPPORTUNITIES.** Fair opportunities benefit everyone by removing the pressure of competing for a small number of elite educational institutions, both because there are less differences in quality between institutions and because there are more good job opportunities to follow them. As a result, parents don't have to make huge efforts or sacrifices to secure coveted places for their children.



- **POOLED RISK.** Fair societies provide universal, reciprocal, collective insurance systems to protect everyone against the risk of suffering bad luck, such as serious disease or loss of employment. They ensure that major costs such as social care are shared fairly rather than falling entirely on individuals.
- **SECURITY.** People living in fair societies don't have to accrue private wealth (such as through housing) to ensure that they and their children will be able to withstand shocks or to get on in life. They feel less pressure to pass down inherited wealth to their children as the only guarantee of security. Less inequality also means that there is less risk of falling down the social mobility ladder. Unequal societies create vicious circles in which people maximise their own wealth in order to protect their loved ones.
- **PROSPERITY.** Unfair societies harm economic growth because they undermine efficient markets. The poor don't spend money while the rich hoard it offshore. The link between hard work and reward is corrupted when a lot of wealth is unearned, failure is rewarded and fair and open competition is undermined. High levels of inequality dampen both demand and output. Fairer societies are more productive and more efficient.
- **HEALTHY INSTITUTIONS.** Some degree of economic equality is necessary to support effective social, economic and political institutions that are needed to protect and advance many of the public goods outlined above, including economic prosperity, political stability and security.

We need to make people more aware of the benefits for everyone of living in a fairer society.



MAKING IT HAPPEN

We must seize the opportunity offered by the COVID pandemic to build a fairer society. The pandemic has simultaneously laid bare how deep inequalities are, and how much these affect not just people's quality of life but whether they live or die, while demonstrating that the state can play a much more interventionist role in the economy and can attract public support for doing so.

While the pandemic has made us more aware of the fault lines in our society, none of them are new. As James Plunkett has argued in [End State](#), our current model for government and society was designed for a form of capitalism that is decades out of date. The social reforms introduced in response to the problems created by the industrial revolution (outlawing child labour, introducing public education, building public sewers) were seen by critics of the time as crazy, impossible or pernicious, but are now accepted as crucial parts of the social settlement. The same was true of the post-war reforms that ushered in the modern welfare state. We may well need to respond to the social and economic problems created by the digital revolution with a similarly bold set of reforms that will help us to reimagine a fair society for the next century and beyond, by providing the 'fair necessities' that allow people to make the most of their potential. In time these too will come to be seen as a 'new common sense'. And we should continue to reimagine

the role of the state, which should be bolder than its 20th century predecessor but also more open, simple, entrepreneurial and collaborative.

The government's levelling up agenda can and should be entirely aligned with the goal of building a fairer society. It needs to recognise that levelling up is as much about people as it is about places. There is a genuine need to increase investment in areas outside London and the south-east – and to rebalance the economy away from the finance sector – but this must not undermine a focus on increasing support for people on low incomes or facing other forms of disadvantage wherever they live. Many people on low incomes live in affluent areas, including London. All other things being equal, we should focus initially on those changes that will deliver the biggest social returns on investment by reducing inequalities in terms of life chances for the largest number of people and to the biggest extent; in most cases, these will also deliver the biggest economic returns, since it is cheaper to prevent social problems early on than to have to deal with them at a later stage. However, we should also be mindful of the need to tackle problems that have a particularly severe impact on a smaller group of people and might therefore have a lower aggregate impact at the population level.



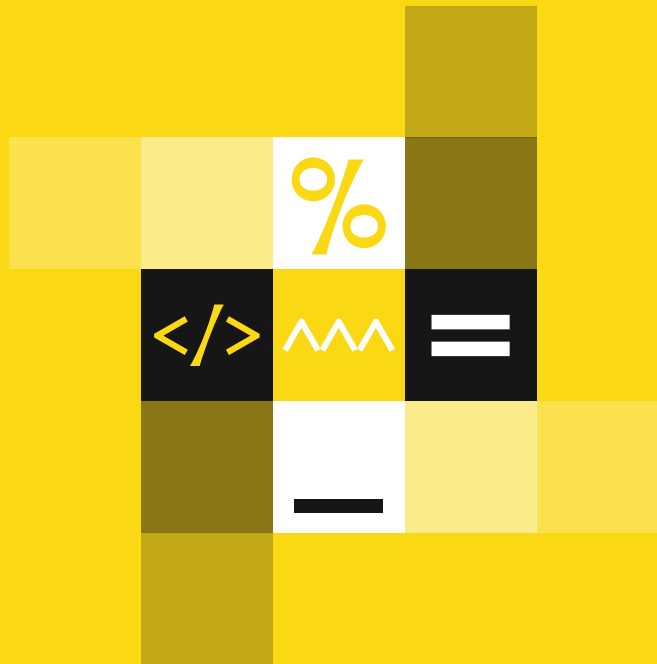
Society should focus on achieving wellbeing, dignity and the fulfilment of personal goals for everyone, rather than on the accumulation of wealth and status for those who make it to the top. We need to recognise that, even with a more level playing field, the links between talent, effort and reward are complex and are often distorted by other factors (such as the monetary value attached to a particular set of skills in the marketplace). We should rethink the role of universities as ‘arbiters of opportunity’, and give greater recognition as well as better pay to the key workers whose contributions to society we rely on so much, as the pandemic has shown. We need to encourage humility for those who achieve material success rather than humiliation for those who do not. This could help to repair some of the increasing political fragmentation that we have seen in recent years as people have reacted to the sense that they are ‘looked down on’ by elites.

Investing in building a fairer society will often require additional intervention by the state, and in many cases more public spending (at least in the short term). However, this is not always the case, and even where it is, these investments will pay for themselves in time. Most will deliver economic as well as social returns. Those that do not deliver direct economic returns will deliver indirect returns; prevention is always cheaper than cure, and fixing social problems will reduce the amount that the state needs to spend on coping with them. Where additional spending is

needed in the short term, public support for any extra tax contributions needed can be won by making the tax system more progressive and less vulnerable to tax avoidance, and by designing social programmes that are universal and contributory rather than being restricted to particular groups on the basis of need. We will always ensure that any policy proposals that we promote are fully costed and are accompanied by a realistic plan for how to pay for them, as well as a conservative estimate of the long-term economic returns that they will generate.

We need to change the terms of the debate, as well as changing policies. Building a fairer society will not only generate significant social and economic returns; more fundamentally, it is a moral duty of the state to ensure that everyone has equal life chances. The way to achieve equal life chances is to give everyone the ‘fair necessities’ of life. Fairness is the key organising logic that underpins how we can (and must) build a positive future for humanity. It forces us to ask and then answer the question: does our society and economy enable everyone to live their life to the full? If we can engage with this challenge, we might have a chance of building a fairer society, which delivers genuine equality of opportunity by designing out bad luck as far as possible.





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