

Rigged



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**How the unfairness of
Britain's broken social
contract drives support
for populism**

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The online version of this report is at <https://fairnessfoundation.com/rigged>.

About the author

Jason Bunting is the Advocacy Manager at the Fairness Foundation, with extensive experience in political advocacy and public policy. He previously served as a Parliamentary Assistant in the Northern Ireland Assembly, focusing on regional economic inequalities, and as a Press and Policy Assistant at the SDLP's central office, where he made a key contribution to party policy development.

In 2019, Jason was elected Vice-President for Education at Queen's University Belfast Students' Union, serving two terms representing students' academic interests and leading innovative campaigns to secure positive change for students.

Jason has recently completed the Master's in Public Policy programme at the University of Oxford's Blavatnik School of Government and he holds a First-Class Honours degree in French and Politics from Queen's University Belfast. He is also an alumnus of the Washington Ireland Program and a former Campaigns Assistant with Amnesty International NI.

About the Fairness Foundation

The Fairness Foundation works to change the debate around fairness in order to build a fairer Britain. We are a registered charity (1044174). Our vision is a Britain where everyone has the 'fair necessities' (fair essentials, fair opportunities, fair rewards, fair exchange and fair treatment). We lack a shared vision of a good society, but we believe that we can build a consensus around the need to reduce all forms of inequality substantially, because today's unequal society is inherently unfair. We work to achieve this consensus by making three linked arguments to politicians and other decision-makers and influencers:

- Building and popularising a vision for a fairer Britain that can attract broad support (the *moral* case)
- Demonstrating that the public are more concerned about inequality and supportive of action by government to tackle it, and less divided in their views, than we think that they are (the *political* case)
- Showing that tackling inequality must be a national priority, by promoting evidence of the various ways in which different forms of inequality not only reinforce each other, but also undermine sustainable economic growth, social cohesion, democracy and action on net zero (the *policy* case)

Executive summary

The fraying social contract in Britain has been stretched to breaking point by persistent and widening wealth inequality. The stark gap between the wealthy and those struggling to get by has eroded the basic promise that effort and contribution are fairly rewarded with a decent standard of living and economic security, leaving millions of people feeling abandoned by mainstream politics. Recent research highlights just how deep and wide this anger at the status quo has spread across the UK. High levels of wealth inequality feed the not unfounded perception that the economy is rigged against the interests of ordinary citizens.

This in turn undermines community cohesion, diminishes trust in institutions, and drives resentment, pessimism and zero-sum thinking. Politicians of all parties should respond to plummeting trust in mainstream politics by taking bold steps to share wealth more fairly across society, repair the social contract and restore faith in democracy, while boosting economic growth and improving living standards for all. This demands urgent action across a range of policy measures, including taxing wealth more fairly and effectively, sharing wealth more widely in the first place, and investing in stronger public services.

Introduction

An instinctive sense of unfairness lies at the heart of the discontent that is fuelling populist revolts across the West, on both the left and right. Many voters understandably feel that the social contract (the basic promise that hard work and contributions to society are fairly rewarded with a decent standard of living, economic security and the prospect of better times for future generations) has been broken beyond repair. Successive governments have failed to address structural inequalities underpinning an economy that no longer works for working people. The sense of grievance and unfairness provoked by those failings has bred deep anger and bitterness across a wide range of voters, creating fertile ground for the easy answers provided by populists of all kinds.

At the Fairness Foundation, we explore how that social contract has been broken by unsustainably high levels of wealth inequality, and posit that socio-economic inequalities are at the root of this democratic discontent. We believe that fairness could act as the unifying narrative that can help the government to cut through that dissatisfaction by tackling socio-economic inequalities at their source, helping to restore faith in the democratic process while addressing the challenges facing people across the UK.

This report examines how wealth inequality is shaping democratic engagement with populist movements – specifically those on the right of politics. It draws on the findings of the *Decoding Populism* research conducted by YouGov, Best for Britain, research agency Faster Horses, the Policy Institute at King's College London and Liam Byrne MP. This project combines ethnographic research with a survey of 4,000 members of the general public and 4,000 current and potential Reform voters. It shines new light on the challenges facing traditional politics in responding to the rise of populist politics in the UK.

We identify three stages in the causal chain that links rising wealth inequality with increasing support for right-wing populism:

- High levels of wealth inequality are acting as barriers to opportunity, exposing the myth of meritocracy, ripping apart the social contract and undermining faith in government.
- The erosion of trust in government and in politics more broadly is weakening community cohesion, fuelling status anxiety and deepening societal resentment.
- The breakdown of the social contract and the decline of community cohesion are pushing voters away from mainstream politics and towards more extreme and polarising alternatives.

Destroying the social contract

Our unequal economy, and the resulting inability of millions of people to provide a decent standard of living for themselves and their families, has fundamentally broken the social contract.

The absolute gap in wealth between rich and poor has grown at an unsustainable rate in recent decades, increasing by 50% between 2011 and 2019 as surging asset prices exacerbated a highly unequal distribution of asset ownership. Huge inequalities in what people own shape almost every aspect of people's lives more than ever before, from housing to health.

The extreme concentration of wealth at the top has locked many out of opportunity, limiting the ability of ordinary people to build assets and undermining broader economic growth. A lack of assets has a compounding effect throughout life, leading to lower wage prospects, worse mental and physical health and a reduced buffer (or none at all) against economic shocks.

High levels of wealth inequality destroy social mobility, as evidenced by the Great Gatsby curve. This exposes the hollowness of the meritocratic myth that you can make it if you just work hard enough, that the rich have earned their wealth through hard work alone, and that the poor do not deserve to share in it.

Research for the *Decoding Populism* project found that 52% of Reform supporters say they are worse off than they thought they would be at this stage in their life, compared to 46% of GB adults, while 38% of Reform supporters say they expect to be worse off in ten years' time in terms of their total wealth, compared to 27% of GB adults.

Clearly, populist-leaning voters feel that the pay-off from a life of hard grind will never come, and that Britain's economic stagnation has resulted in a life of hard slog with no reward and a country where working families use food banks, while pensioners are forced to shoplift to make ends meet.

Many feel that it's impossible to get by and that they aren't being fairly rewarded for their contribution - that despite working hard, they are constantly anxious and pessimistic about their finances: *"I have no life. Costs are so high I cannot even afford to keep a cat or dog for company. I have not been away since 1998 and I cannot afford to go anywhere or do anything. I have no meaningful life and I might as well be dead."* People feel short-changed, constantly left behind by an economy that does not reward them for their efforts: *"I'm f*cking fuming and that's the fact of it. I've worked since the age of 14. I'm not lazy. But I just don't seem to be getting anywhere."*

Undermining community cohesion

A growing body of psychological research shows how socio-economic inequality erodes community cohesion and trust. People with low assets are less likely to volunteer or participate in community life. As outlined in *The State of Us*, people in socio-economic grades ABC1 are more likely to report social contact in community spaces than those in grades C2DE.

Our [Wealth Gap Risk Register](#) found that people without assets in areas of higher wealth inequality participate less in community activities and experience weaker social networks, while polling showed that more than a third of respondents listed the “divide between rich and poor” as one of the main factors undermining local community cohesion. Driven by financial insecurity and precarity, fewer people can build the kind of social capital that fosters cohesion.

Socio-economic inequalities also ‘spill over’ into status anxiety, driving high levels of resentment and mistrust between different socio-economic groups, and threatening people’s self-esteem. We summarised the relevant literature connected to this debate in [Psychology, inequality and populism](#), which explored the link between socio-economic inequalities and support for right-wing populist parties.

Other [research](#) has explored how a lack of intergenerational mobility and resulting high levels of status inequality led to the resentment of elites. These dynamics of mistrust destabilise communities and can even drive higher crime rates. High levels of wealth inequality also undermine bridging relationships between people from different socio-economic classes, as social status resentment weakens social bonds, supporting previous [research](#) that has found that high wealth inequality results in a higher likelihood of confrontation between a wealth-protecting elite and a majority of the population.

The *Decoding Populism* research found that only 27% of respondents think that life in today’s Britain is a fair game. There is a deeply held sense that there has been little improvement in local areas, and Reform voters are particularly likely to feel a sense of profound decline.

30% of Reform supporters feel their area has declined “a lot” compared to the past, much higher than the rate of 21% among all respondents. 68% of Reform supporters say the country as a whole has declined “a lot”, compared to 46% of GB adults.

Populist-leaning voters are characterised by a deep loss of faith and hope in the future. They believe that even though they are doing the right thing, society and government has let them down and left them behind, driving profound feelings of cynicism, pessimism and bleakness.

These feelings are compounded by the perception that the government has not been able to arrest a decline in local areas, with populist-leaning voters describing high streets and local public services as sad and dismal places which have fallen into ruin: *“This town has got so much history. But it's not being looked after. It's been sh*t on from a great height. And I just think it's really sad.”*

Trust in politicians to solve these and many other issues has been lost, with 84% of populist-leaning voters saying that traditional parties and politicians do not care about people like them.

Fuelling extreme politics

The effects of wealth inequality, particularly its damaging impact on community cohesion, can erode faith in mainstream democratic politics.

This is especially concerning in Britain, where trust in politics is at an all-time low, with a record 45% of adults saying that they “almost never” trust governments of any party to place the needs of the nation above the interests of their party, according to the [2024 British Social Attitudes Survey](#). In 1944, one in three adults believed that politicians were ‘out for themselves’; today, almost [two in three adults](#) think this.

While not all of this mistrust in politics is grounded in fact, it is by no means without foundation. Socio-economic inequality creates power imbalances that allow the wealthy to exercise undue influence over the political process through lobbying and political donations, frustrating efforts to level the playing field and further inflaming public anger at declining living standards and crumbling public services.

Populists can exploit these deep-seated feelings of mistrust and resentment to build political power bases, often offering simplistic solutions to legitimate anxieties about belonging, security and purpose.

Looking back over recent centuries, there is a long history of populist ‘counter-elites’ harnessing popular resentment towards an elite that has amassed an unequal accumulation of wealth, a dynamic that can eventually lead to societal collapse, as [articulated](#) by the historian and complexity scientist Peter Turchin. At an [expert roundtable](#) that we convened in November 2024, every attendee thought it plausible that growing wealth inequality could lead to societal collapse in the UK within the next ten years.

The *Decoding Populism* research found that zero-sum thinking is more common among Reform voters than the general public, with 42% of the first group agreeing that there is only so much prosperity to go around and when some gain, others inevitably lose, compared to 34% overall.

77% of populist-leaning voters consider that they do not get their fair share of government spending, while 69% think that the UK economy is rigged to favour the rich and powerful.

The resentment that flows from a feeling of being left behind, and the status anxiety that it provokes, is keenly felt when considering the issues commonly defined as “woke”, which 76% of populist-leaning voters think has meant unfair advantages for certain groups: *“I don't feel valued, I feel like as a country we are no longer treated fairly. I feel like we are becoming second class citizens in our home.”*

These sentiments are frequently emotional, with Reform voters likely to express disgust and anger about the state of politics.

How to respond

The *Decoding Populism* research backs up previous studies showing how wealth inequality and support for right-wing populism are linked, through a variety of causal mechanisms explored above. An earlier [study](#) found that a one-unit increase in the Gini co-efficient (a measure of economic inequality) increases support for populist parties by one point, and that this support is particularly driven by economic insecurities and the distrust of elites, among other factors.

Given the gravity of the challenges faced by the ordinary people whose stories are told in the *Decoding Populism* research, serious and credible policies are needed to address the complex issues that underpin voters' legitimate grievances.

At the Fairness Foundation, we believe that three approaches should be adopted by government to help address the economic inequality that is fuelling populism:

Redistribute wealth.

We need to redress the structural inequalities of our economy that have acted as barriers to opportunity, undermined the idea of social mobility, concentrated wealth among a minority of people and reinforced the widespread perception that the economy is rigged against the interests of ordinary people. Those inequalities can be found most obviously in our taxation system, which taxes hard-earned income more than wealth. There are a range of straightforward ways to tax wealth more fairly and effectively, such as equalising tax rates on capital gains with tax rates on employment income, applying national insurance to investment income and replacing council tax with a proportional property tax. These policies are popular across the political divide; even the more radical option of an annual wealth tax is supported by 71% of the British public, and by 61% of Reform voters (and support for redistribution among right-wing voters [increases further](#) when people are given accurate information about levels of wage inequality).

Share wealth more broadly at source.

We need a broad-based programme to share wealth across society, to reduce the current unsustainable levels of inequality in ways that go beyond redistribution. Such a programme could help to give everyone a stake in society, including those who feel most disaffected and left behind. It would need to rewire an economic system that has concentrated wealth in the hands of a few and has incentivised the extraction of value from existing financial and corporate wealth, instead of encouraging the creation of new economic value. Specific reforms could improve measures to increase the proportion of profits that flow to workers, which in turn could be facilitated by mandating worker representation on company boards. At the societal level, a citizens' wealth fund could ensure that everyone has a stake in income-generating assets and is able to benefit from regular investment returns. These and other 'predistributive' measures could help to rebuild social cohesion and restore fairness to parts of the UK that have been left behind.

Reduce the impacts of wealth inequality.

We need to mitigate the ways in which not owning wealth holds back people's life chances and living standards, for example by strengthening and broadening the provision of universal public services and by investing in a more effective welfare state. We also need to reduce the influence of wealth on politics, to interrupt the feedback loop that blocks action to reduce wealth inequality, by better regulating lobbying and the funding of political parties. Taken together, these measures would help to alleviate voters' concerns about being left behind by the economy by demonstrating that mainstream democratic politics can deliver meaningful improvements to people's lives.

A bold package of policy proposals that is aligned to the overarching narrative of a fair society that repairs the social contract could help to restore hope to those who feel left behind by the economy and abandoned by politics. These interventions could help to address the concerns of voters across the political spectrum, to prove that government can deliver for them, and to build a fairer economy and society for everyone.



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