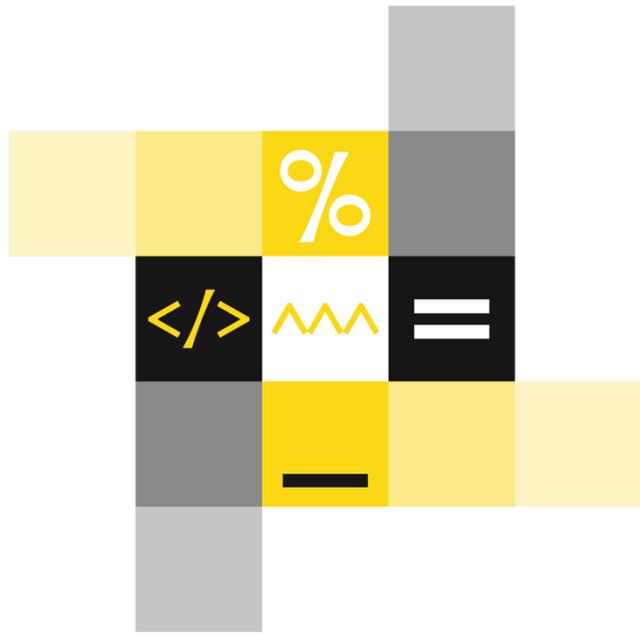


# THE FAIR



# NECESSITIES

## EXECUTIVE SUMMARY

**Will Snell**

**Foreword by Will Hutton**

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[www.fairnessfoundation.com](http://www.fairnessfoundation.com)

## Foreword

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**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.

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**

## Defining fairness

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### 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.**

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.

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

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## 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.

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

- **Education:** Schools are unable to give children an equal start in life, especially in the early years
- **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)
- **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
- **Housing:** Millions are unable to find decent and affordable housing
- **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
- **Social security:** Too many in genuine need get a raw deal and are unable to live lives of reasonable comfort, dignity and security
- **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
- **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
- **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

## 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

## Achieving fairness

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### 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

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.

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.

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.**

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.**