

Understanding attitudes to tackling economic inequality

Findings
Informing change

June 2009

This research (undertaken July 2008–February 2009) examines some of the values and beliefs that lie behind public attitudes towards economic inequality and welfare policy. It also explores approaches that might be used to build a public consensus for tackling economic inequality in the UK.

Key points

- Nearly all the participants in the discussion groups placed themselves in the 'middle' of the income spectrum and interpreted the 'income gap' as the gap between the 'middle' and the 'super-rich'.
- Most participants believed that 'deserved' inequalities are fair. They were not opposed to high incomes they perceived to be deserved through high-level ability, performance or social contribution.
- Participants often made assumptions about the virtues of those with high incomes in order to justify income inequalities. However, after the start of the financial crisis of autumn 2008, they increasingly questioned whether high salaries were deserved.
- Attitudes towards those on low incomes were often more negative than attitudes towards the 'rich'. Two important factors driving these attitudes were widespread beliefs that there are adequate opportunities to earn a reasonable income and beliefs that benefit recipients will not contribute back to society.
- Most participants strongly supported progressive tax and benefit systems. When considering evidence about unequal life chances, they were supportive of targeted interventions to improve life chances for the disadvantaged.
- Many participants did not find abstract arguments for greater equality persuasive. They preferred arguments for greater equality framed in terms of fairer rewards for effort and contribution.
- Many participants found claims about the possible negative social consequences of income inequality convincing. They showed strong support for a social vision based upon improving quality of life for everyone and were prepared to support certain egalitarian policies in this context.

The research

By Louise Bamfield and Tim Horton
from The Fabian Society.

Introduction

Much research on public attitudes to economic inequality has focused on revealing attitudes rather than exploring what motivates them. This research investigates some of the motivating forces behind these attitudes, and aims to fill in some of the gaps in previous research. It also explores elements around which a public consensus might be built for tackling economic inequality.

One of the key questions for the research was to investigate the 'income gap' paradox revealed by British Social Attitudes Survey data, whereby, despite widespread expressions of discontent about the income gap, people are reluctant to support certain redistributive measures to narrow it.

The view from the 'middle'

Nearly all the participants in the discussion groups placed themselves in the 'middle' of the income spectrum, despite the fact that they came from the full range of socio-economic groups. They interpreted the income gap in terms of the gap between the 'middle' and the 'super-rich'. Views about the gap being too big therefore tended to reflect concerns about the pressures that those in the 'middle' were under in comparison with those at the top.

Are high salaries deserved?

Most participants believed that 'deserved' inequalities are fair. They were therefore not opposed to high incomes in general because they tended to believe that these were deserved on the basis of ability, effort, performance or social contribution.

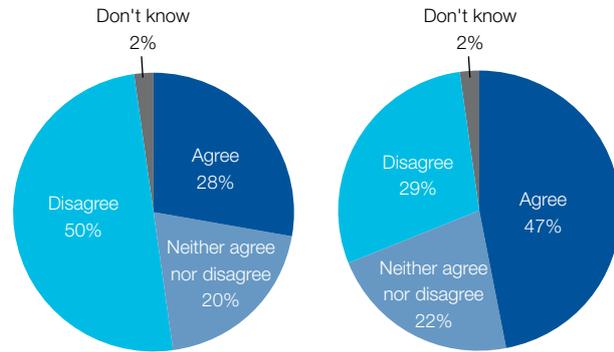
Judgements were sometimes influenced by 'cognitive coping strategies', which generated more positive evaluations of high incomes than might have been expected. In particular, participants would make assumptions about the virtues of those with high incomes to justify existing inequalities. The willingness of participants to use such coping strategies, however, was noticeably affected by the financial crisis of autumn 2008. A tendency to justify large inequalities in pay as being deserved gave way to anger at perceived excess at the top, and people began increasingly to question whether very high salaries really were deserved.

Despite a belief in deserved inequality, in many cases the 'super-rich' and those with very high salaries *did* attract condemnation – again, more so after the onset of the financial crisis.

Figure 1: Is a salary of £150,000 fair or too high?

Most people earning £150,000 have special skills; their salary is a fair reflection of their value to the company or organisation

A salary of £150,000 is too much because it is more than anyone needs to live on



Base = 1,697

Where objections to high salaries were raised, most participants objected on the basis that such salaries were *not deserved*. A significant minority of more egalitarian participants objected primarily on the basis that they were *not needed*. Where participants viewed high salaries or extreme wealth as undeserved, however, this did not necessarily lead them to blame the individual concerned or think they should not be entitled to it.

The 'income gap' paradox

The research suggests three reasons why people may be reluctant to support certain redistributive policies, despite apparently widespread unease about inequality.

- It seems that people are interpreting the income gap as that between the very top and the middle, rather than between 'rich' and 'poor' as conventionally understood.
- Concern about the income gap co-exists with a widespread belief that some inequalities are fairly deserved, and this sense of fairness may be violated by some redistributive approaches.
- Even where inequalities are seen as undeserved (for example, inherited wealth), in some contexts there is a sense that an individual is nevertheless still entitled to their resources.

Underlying support for a progressive tax and benefits system

Despite a widespread belief in 'fair inequality', participants strongly supported a progressive tax and benefits system – although they complained that the system is not generous enough towards the 'middle' (that is, where participants placed themselves). Participants therefore often supported highly

redistributive policies on grounds of fairness, even if they did not particularly favour the idea of redistribution itself.

Many participants wanted the tax system to treat them differently from those at 'the top'. And, in line with beliefs that the 'middle' are under most pressure, they wanted the benefits system to treat them 'not too differently' from those at 'the bottom'. Nearly all participants were happy for lower-income households to receive more support than those in the 'middle', but many felt uneasy about benefits that were perceived to be very narrowly targeted.

Of a range of possible distributive strategies, those based on 'progressive universalism' – where people in the middle get something, if less than those at the bottom – were viewed as fair, with suggestions that people would be more willing to contribute to benefits that had wider coverage.

Judgemental attitudes towards those on low incomes

Participants' attitudes towards those on low incomes were often more negative and condemning than their attitudes towards 'the rich'. For example, they placed far greater blame and responsibility on the former for their situation than on the latter.

The research highlighted two especially important factors driving these attitudes:

- a widespread belief in the ready availability of opportunity. Sixty-nine per cent agreed that 'There is enough opportunity for virtually everyone to get on in life if they really want to. It comes down to the individual and how much you are motivated' (with 14 per cent disagreeing);

- a widespread belief that benefit recipients will not go on to make a contribution back to society. Only 25 per cent agreed that 'Most people who receive benefits now will make a contribution back to society in the future, through activities like employment or caring for others' (with 46 per cent disagreeing).

These beliefs seem to exert a powerful influence on support for welfare policy, with beliefs about whether or not benefit recipients will contribute back to society being the most powerful.

When considering evidence about the unequal life chances of those in different socio-economic positions, participants were supportive of targeted interventions to improve life chances for the disadvantaged, even where there would be some cost to the rest of the population.

Building support for tackling economic inequality

A belief in deserved inequality is one reason why many participants did not find abstract arguments for greater equality convincing. Instead, they preferred arguments for greater equality when they were framed in terms of more proportionate rewards for the level of effort and contribution made.

This suggests that any public consensus about tackling economic inequality would have to include an acceptance that certain levels of inequality are fair. Advocates of greater equality might benefit from explicitly acknowledging this, while questioning whether current levels of inequality meet this criterion.

A concern with the quality of life

Evidence was presented to participants about the possible consequences of economic inequality. Many

Four sets of attitudes to economic inequality

The research identifies four distinct sets of attitudes to inequality and welfare policy. People falling into these categories are described as follows:

- *'Traditional Egalitarians'* (22 per cent of people) – supporting measures to tackle inequality at both top and bottom. They tend to be older and more heavily weighted towards Labour than the country as a whole; 55 per cent are in socio-economic groups C2DE.
- *'Traditional Free-marketeers'* (20 per cent of people) – opposing measures to tackle inequality at both top and bottom. They are overwhelmingly in socio-economic groups ABC1 (70 per cent) and are much more heavily weighted towards the Conservatives than the country as a whole.
- *'The Angry Middle'* (26 per cent of people) – supporting measures to tackle inequality at the top, while opposing measures to tackle inequality at the bottom. They are slightly more weighted towards the Conservatives than the country as a whole; 53 per cent are ABC1.
- *'Post-ideological Liberals'* (32 per cent of people) – supporting certain measures to tackle inequality at the top (although they have more positive attitudes towards those at the top than *Traditional Egalitarians*), without having negative attitudes towards those in poverty or being opposed to tackling inequality at the bottom (unlike *Traditional Free-marketeers* and *The Angry Middle*). *Post-ideological Liberals* tend to be younger and less strongly opinionated than those in the other groups, and tend to vote Conservative and Labour in equal numbers; 52 per cent are ABC1.

found claims about the possible broader social effects of income inequality convincing and thought that these effects, particularly in areas such as crime and child conflict, were an important reason for constraining inequality.

The life pressures faced by participants were often articulated in terms of the negative consequences of materialism and consumerism. These were also themes in discussions about the effects of inequality.

Most participants were strongly attracted to a social vision founded on improving quality of life for everyone (more so than one founded on explicitly egalitarian objectives, and far more so than one founded on economic growth). Furthermore, most participants showed support for important egalitarian policies when these were considered in the context of improving quality of life.

Conclusion

Participants were generally committed to the idea of 'fairly deserved inequality', whereby certain individuals deserve high incomes because of their superior ability, effort or the contribution they make to society. Participants also defended certain individual rights to wealth, regardless of judgements about whether it was deserved. However, incomes that were perceived as excessively large did often attract condemnation.

Many participants exhibited strongly judgemental attitudes towards people on out-of-work benefits, motivated by beliefs about the ready availability of opportunity and beliefs that those claiming benefits now will not necessarily make a future contribution back to society. This suggests an important route for challenging judgemental attitudes here would be to raise awareness of the barriers to opportunity faced by many people and to highlight the contributions that many of those on

low incomes currently make to society and will make in future.

Despite such negative attitudes towards those in receipt of benefits, participants demonstrated strong underlying support for a progressive tax and benefits system – albeit with common complaints that the current system is not generous enough towards the 'middle' (as participants defined themselves). Relatedly, there are signs that the recent financial crisis has opened up space for more radical action on pay and taxation at the top than would previously have appeared feasible.

Most participants were strongly attracted to a social vision framed around improving 'quality of life' for all and demonstrated support for important egalitarian policies when these were considered in this context. This implies that quality-of-life issues could figure as important components in building a public consensus around greater equality – or at least around policies to tackle inequality. It also suggests there is a real desire for a public debate about the social and economic values that guide and direct society, a debate that should provide an important opportunity for advocates of greater equality.

About the project

The research comprised:

- a series of discussion groups (with 112 participants), including three full-day workshops. These were held between July 2008 and January 2009 in four UK cities, with participants drawn from the full socio-economic spectrum and a broad range of political affiliations;
- a large-scale survey, with data collected and analysed by YouGov, with fieldwork undertaken 28 November–1 December 2008 (2,044 adults) and 3–5 February 2009 (3,316 adults).

For further information

The full report, **Understanding attitudes to tackling economic inequality** by Louise Bamfield and Tim Horton, is published by the Joseph Rowntree Foundation (JRF). It is available as a free download from www.jrf.org.uk.

For further information about the project, contact Tim Horton at The Fabian Society, 11 Dartmouth Street, London, SW1H 9BN (email tim.horton@fabian-society.org.uk), or the JRF project manager Teresa Hanley (teresa_hanley@dsl.pipex.com).

Published by the Joseph Rowntree Foundation, The Homestead, 40 Water End, York YO30 6WP. This project is part of the JRF's research and development programme. These findings, however, are those of the authors and not necessarily those of the Foundation. ISSN 0958-3084

[Read more Findings at www.jrf.org.uk](http://www.jrf.org.uk)

Other formats available.

Tel: 01904 615905 email: info@jrf.org.uk