What is Fair About a 'Fair Go'?

Social affairs intellectuals who equate popular support for a 'fair go' with egalitarianism are out of step with what ordinary Australians think 'fairness' means, argues **Peter Saunders**

An egalitarian, a meritocrat and a classical liberal once sat down to play the board game, *Monopoly*. All agreed at the outset that it would be fair to give each player the same amount of cash with which to play. The egalitarian thought this was fair because everybody should always have the same. The meritocrat thought it was fair because it created a level playing field on which everybody could compete. The classical liberal thought it was fair because it gave nobody any special favours (the same rules applied to everybody) and it violated nobody's property rights (since the cash at the start of the game belongs to nobody). So the game began.

Within quite a short time, pandemonium broke out.

'This is no longer fair!', cried the egalitarian. 'Some people now have more money and property than others. Why should I have to put up with Old Kent Road when you are sitting there with Mayfair? We should redistribute to get back as close as we can to the equal shares with which we started.'

The meritocrat, too, was troubled: 'I don't agree that we should all end up with the same amount, but I have noticed that those who have played with most skill and who have taken the game most seriously are not being properly rewarded by the fall of the dice. I have no money yet I have tried hard to succeed. Surely diligence and ability deserve more recognition than they are getting?'.

The classical liberal sighed: 'We have all played by the rules. Nobody has cheated, and nobody has stolen anybody else's money or title deeds. Nobody

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pre-ordained the present distribution of money and property—it is the aggregated outcome of each individual's free and uncoerced actions and decisions. How, then, can this distribution be considered unfair? What *would* be unfair is if we agreed by a majority vote to take money or property from the most successful player to share it out among the other two, or to give more to the player deemed most deserving. If we were to do that, we would undermine the principle that the same rules must apply to all players. The best player would then probably go elsewhere, and our game sooner or later would collapse into bickering and chaos.'

The three players glared at each other, each wondering how the other two could be so naïve. Each player was convinced that their own definition of 'fairness' was self-evidently correct. Compromise was out of the question, for it was clearly impossible to share out the assets equally *and* to reward the most talented player most highly *and* to leave everybody with the property to which they had established just title.

Shaking the dice and landing in jail, the meritocrat began to sulk. Fined for landing on Mayfair, the egalitarian kicked the board over in a fit of righteous indignation and began to draw up a petition. The liberal picked up the dice, bade the other two farewell, and went off in search of a game of Snakes and Ladders.

The importance of 'fairness'

Even in a diverse and pluralistic culture such as that found in contemporary Australia, we need some common values to bind us together. No society can endure for very long by relying on brute force as the principal instrument for coordinating and motivating its members. Active cooperation and joint endeavour normally requires some degree of social consent, and long-term social stability is unlikely in a society lacking popular legitimacy.

Consent and legitimacy may be engineered and manipulated in a number of ways, but in a democratic society it generally requires that citizens recognise that the basic rules governing their relations with each other are fair.[1] This means not only that people need to be convinced that the system of law is just and that the system of politics is honest, but also that they accept that the distribution of material resources is appropriate. As Robert Nozick recognises, 'People will not long accept a distribution they believe is unjust. People want their society to be and to look just.'[2]

In Australia, this concern with a 'just distribution' has long been expressed in the popular slogan of the 'fair go'. Since the mid-19th century, Australian political culture has emphasised the central importance of a 'fair' distribution of resources. Nowadays, politicians and pressure groups repeatedly appeal to the principle of the 'fair go' to justify their policies, or to undermine the policy positions of others, for they know that proposals that fall short of this ideal will struggle to attract support and may even get dismissed as 'unAustralian.' The fair go, then, is a core Australian political value. What is not clear, however, is what it means.

The origins of a 'fair go'

The 'fair go' is a cliché, but it is a very powerful one. Most of us would be hard-pushed to come up with a clear definition, still less to identify the criteria by which it might be recognised, but it retains enormous symbolic significance because of its association with Australian national identity. To be Australian is to believe in the 'fair go', even if it is not always clear what this means in practice.

The origins of the 'fair go' ethic can probably be traced to the mid-19th century.[3] The anti-transportation movement of the 1840s, for example, was based in a principled belief in free labour as an intrinsically fairer system of organising work than a master-servant relationship. The principle was that everybody should have the same opportunity to work wherever and however they wanted. Similarly, the 1851 decision in New South Wales to partition the gold-bearing ground into equal lots, to give everybody a chance to dig for gold, and the anti-squatter movement of the

1860s, which emphasised the value of small-scale family farming over big squatter domination of the land, both contributed to the idea that everybody should have the opportunity to get access to wealth and to make what they can of their lives irrespective of how they started out. The early rise of compulsory and free education in Australia also helped reinforce this belief in individual opportunity by ensuring that everybody could accumulate what nowadays we call 'cultural capital'.

These examples suggest that the 'fair go' in 19th century Australia was largely associated with a set of ethical principles which today we would recognise as 'meritocratic'. The belief was not that everybody should end up with the same shares (egalitarianism), but was rather that everybody should get the *opportunity* to compete and thereby to improve themselves. The competition must be open to all comers.

In a meritocracy, rewards accrue to those who make the most effort (by working hard and seizing available opportunities) and who display the most talent (as a result of undertaking education and training, as well as exploiting natural ability). The meritocrat insists that everybody should line up together at the start of the race, but is happy to accept as fair an outcome in which all cross the finishing line in different positions. It was this ethic that underpinned the development of Australian political culture in the second half of the 19th century.

From meritocracy to egalitarianism

In a recent book, Marian Sawer agrees that the idea of the 'fair go' originated in this belief in equality of opportunity, but she argues that, at least by the time of Federation, this had come to mean much more than simply allowing people to compete on an equal footing.[4] Clearing away the obstacles to fair competition was, she says, seen as a necessary but not sufficient condition for ensuring that everybody had a 'fair go,' for some individuals still lacked access to resources required to achieve their full potential. According to Sawer, the meaning of a 'fair go' therefore evolved to include the use of government powers to ensure that all citizens enjoy 'the opportunity to develop their full capacity'.[5] Far from being left free to make what they could of their lives, 'fairness'

required state intervention in people's lives on a considerable scale.

As examples of this more proactive and politicised pursuit of 'fairness', Sawer points to early 20th century policies such as the development of the compulsory conciliation and arbitration system (required to ensure that workers could counter the power of employers and get decent wages and conditions), and the introduction of non-contributory, means-tested government pensions (required to ensure that everyone could live at a decent standard even if they fail to save or contribute to a pension fund during their working lives). Sawer claims that policies like these were still based in the idea of

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'equality of opportunity' rather than an egalitarian ideal of engineering desirable social outcomes, but this is not convincing. Interventions designed to determine what the level of wages should be in different industries, or to finance pension payments without regard to issues of personal entitlement, are indicative of a growing willingness of politicians to fix distributional outcomes irrespective of what individuals themselves might or might not do to better themselves. In short, a shift was taking place away from meritocracy and towards egalitarianism.

In early 20th century Australia, this growing emphasis on egalitarianism was one part of a broader strategy of nation-building intended to overcome conflict and strengthen internal solidarity by emphasising cultural homogeneity and a sense of 'belonging' while building barriers against 'outsiders.'[6] The White Australia policy, for example, was designed to protect Australian workers from 'unfair' wage competition from

less prosperous immigrants from less developed countries. Similarly, high import tariffs were erected to protect Australian producers against 'unfair' price competition from abroad. The reinterpretation of 'fairness' to mean state intervention to undo the effects of competition (whether from other Australians, or from 'outsiders') provided the ideological foundation for this national strategy.

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Thus Fred Argy (a self-confessed 'pro-egalitarian') admits: 'Australia's distinctive egalitarian society drew its strength originally from industry protection, wage regulation, immigration controls, conciliation and arbitration, a pioneering system of old age pensions and "state paternalism."'[7] Similarly, Peter Saunders (no relation) has observed: 'The "fair go" ideal is central to what it means to be an Australian, now and as it has been historically…this traditional notion was built around the *central egalitarian idea of sameness*, as reflected in a social and cultural homogeneity that found expression in exclusionary trends such as the White Australia policy and the disenfranchisement of Indigenous Australians.'[8]

The egalitarian reaction to liberal market reforms

The nationalist-interventionist agenda that spawned this egalitarian interpretation of 'fairness' has, of course, collapsed in the last quarter of a century to be replaced by a more open and less regulated economic regime which celebrates individual diversity rather than fearing it. Embracing competition, immigration and global markets, both Labor and Coalition governments have returned to more 'liberal' principles of governance since the 1970s, and this has

meant a lesser role for the state in determining distributional outcomes. Domestic producers still enjoy some protection, but much less than they did. Millions of workers still have their wages and conditions fixed by awards, but the scope of awards has been limited and alternatives to the award system have been opened up with Workplace and Enterprise Agreements.

Reform of social policy has lagged far behind economic reform, however, and it is in debates over the future of social policy that opponents of reform have taken their stand. Denouncing 'neo-liberalism' and 'economic rationalism,' left intellectuals, politicians, welfare lobbyists and trade union leaders have sought to rally opposition to any further deregulation and reform by appealing to the traditional values of a 'fair go' society.

They claim it is 'unfair' (and therefore unAustralian) for the government to scale down its regulation of market relations any further, or to retreat any more from its traditional role in fixing distributional outcomes. Reform of the awards system is 'unfair', for example, because it would allow some workers to earn more than others. Attempts to reduce the number of people reliant on welfare payments, or to require them to undertake some 'mutual obligation' activity, are similarly 'unfair' because it violates the principle that the government should make unconditional payments to anybody who needs them in order to reduce 'poverty' and enhance 'social cohesion.'[9] Tax cuts likewise are 'unfair' because they allow people to keep more of what they earn and therefore result in a widening of the so-called 'income gap'.

The political activists and social affairs intellectuals who argue in this way (and most of them do) show no awareness of any criterion of 'fairness' other than end-state equalisation.[10] They automatically think of fairness in distributional rather than procedural terms—as an outcome rather than a set of rules. Peter Saunders, for example, simply asserts that a 'widening gap in economic fortunes…disturbs prevailing notions of fairness—particularly in the context of a "fair go" society.'[11] It matters not whether this 'widening gap' is the result of some people working harder than others, or of some people opening up new market opportunities; the mere fact that the *result*

is greater inequality of incomes is enough to condemn it as unfair.

What is driving judgements like these is an unthinking and unreflexive commitment to the notion of fairness as equality. For the egalitarian opponents of change, any narrowing of income differences or increase in government regulation or social expenditure is self-evidently 'fair,' while any widening of income differentials or reduction of spending on services is obviously 'unfair.' And there are many who argue this way:

> 'I sense a deep frustration among ordinary Australians that they are losing the Australian ethos . . . We are at real risk of being "two Australias" . . . An Australia that has the very rich and then the rest of us. The Howard government simply doesn't believe in a fair go.'
> —Wayne Swan, Opposition Community Services Spokesperson[12]

> 'Growing inequality used to be seen as fundamentally unAustralian. Now it's denied.'
> —Michael Costello, former Secretary of the Department of Industrial Relations[13]

> 'If it means anything, welfare is about a fair go for everyone . . . Howard, Abbott and co will [find it hard] to show that the Australia we are defending is still the nation of a fair go for all.'
> —Ross Fitzgerald, Professor of history and politics, Griffith University[14]

> 'Historically, Australia has never before experienced such affluence . . . Why can't we share this wealth around . . . it's time to remember our proud tradition of egalitarianism and a fair go.'
> —Cec Shevels, Chairman, Hunter Council of Social Services[15]

> 'The most commonly claimed characteristic of Australian society is its emphasis on the "fair go" egalitarian spirit. The sentiment remains strong and the perceptions enduring, but the statistics tell a story of deep poverty amid growing affluence.'
> —Peter Saunders, Director of the Social Policy Research Centre[16]

The idea that 'fairness' might be judged by any criterion other than end-state equality never seems to occur to these commentators.

Competing principles of 'fairness'

We saw at the start of this article that there are at least three different principles of 'fairness' in our culture. Most social policy writers acknowledge only one—for them, a 'fair go' means greater equality of outcomes. But they fail to understand how, on some definitions, the egalitarian policies they espouse can result in greater injustice rather than fairness.

- The egalitarian definition of fairness focuses on the final distribution of resources. Anything that flattens out the distribution of income and wealth is fair; anything that makes it less equal is unfair. A less than equal distribution can only be justified if it can be demonstrated that no other pattern of distribution could make the worst-off people any better off (as in Rawls's 'difference principle').[17]

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- Against this, a meritocratic definition of fairness focuses on the principle of 'just deserts'. Unequal outcomes are fair provided everybody has had a chance to compete on an equal basis. In particular, fairness requires that the most hard-working and talented people should reap the highest rewards (meritocracy rewards 'ability plus effort'[18]), and this will only happen if there are no major obstacles blocking the achievement of meritorious individuals from the least advantaged backgrounds.
- In contrast with both of these, the classical liberal conception of fairness denies the relevance of any distributional principle, whether egalitarian or meritocratic. Fairness simply requires an open system governed by the rule of law; it is judged by procedures, not outcomes. People must be free to accumulate

assets and to transfer them as they see fit.[19] Provided these rules are followed, the result is 'fair' (even if talented people go unrecognised or lazy people are favoured by luck or by birth).[20]

These three principles of fairness are logically incompatible with one another. We cannot maintain that equalising people's incomes through a steeply progressive tax regime is 'fair,' for example, if we also think it is fair that people who work hard should be rewarded more than those who do not (meritocratic fairness), or that people should be allowed to keep what they have gained through voluntary exchange (liberal fairness).

The incompatibility of these three principles of fairness complicates any attempt to unravel what Australians mean when they express their support for a 'fair go.' What is clear, however, is that we cannot simply assume that the 'fair go' translates as support for any one of these principles as against any other.

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Our social affairs intellectuals never doubt that the 'fair go' means what they want it to mean—egalitarianism. But while it is plausible to suggest that many of us are attracted to the ideal of greater equality, it is also quite possible that many of us *also* approve of rewarding hard work and talent, *and* that we want to protect the rights of individuals to enjoy what is lawfully theirs as a result of market transactions and private transfers. Popular conceptions of fairness are likely to be a lot more complex (and perhaps contradictory) than our social affairs intellectuals imagine when they wax indignant about the loss of the 'fair go' ethos. The trouble is that, until recently, nobody thought to ask ordinary Australians what *they* think 'fairness' means.

What Australians mean by a 'fair go'

In August 2003, ACNielsen carried out a survey of public opinion on behalf of the Centre for Independent Studies.[21] The survey included three questions designed to measure public support for each of the three definitions of fairness outlined above.

As Table 1 shows, there was very strong (85%) public support for a meritocratic definition of fairness as reward for talent and effort, substantial (60%) support for a classical liberal definition of fairness as outcomes from voluntary transactions, and moderate (33%) support for an egalitarian definition of fairness emphasising the reduction of income inequality.

Table 1: Support for the three definitions of a 'fair society'

	Definition of a 'fair society' (per cent)		
	Classical liberal	Meritocratic	Egalitarian
Strongly agree	16	36	11
Tend to agree	44	49	23
Neither	14	8	11
Tend to disagree	20	6	37
Strongly disagree	6	1	18

Source: Second CIS/ACNielsen opinion survey (August 2003). N=467.

Classical liberal: 'In a fair society, people's incomes should depend on how much other people value the services they provide'.

Meritocratic: 'In a fair society, people's incomes should depend on how hard they work and how talented they are'.

Egalitarian: 'In a fair society, nobody should get an income a lot bigger or a lot smaller than anybody else gets'.

The assumption drawn by so many social policy commentators, that a 'fair go' necessarily translates into popular support for greater income equality, is badly shaken by these results. It is certainly true that if you ask a cross-section of the Australian public whether they support greater equality of income and wealth distribution, many will say that they do.[22] But if you put an egalitarian option to them *together with the competing meritocratic*

and classical liberal options, this support drops dramatically.

What is also disturbing for those who equate popular support for a 'fair go' with egalitarianism is that even the one-third of people who support an egalitarian definition nearly always combine it with support for one or both of the other two conceptions of fairness (even though these are logically incompatible with egalitarianism). Only 1 in 20 Australians thinks fairness is *solely* to do with achieving more equal outcomes (Table 2).[23]

Table 2: Support for multiple fairness principles

Per cent of population agreeing with:	
Classical liberal only	2
Meritocracy only	24
Egalitarianism only	5
Liberal + meritocracy	36
Liberal + egalitarian	3
Meritocracy + egalitarian	7
All three	19
Does not agree with any	5

Source: Second CIS/ACNielsen opinion survey (August 2003). N=467.

These findings suggest that when egalitarian intellectuals appeal to the Australian belief in the 'fair go' to justify their arguments for greater equality of income and wealth, they are misrepresenting popular conceptions of what fairness means. It is true that most Australians think that 'fairness' is an important criterion of public policy, but this no longer means (if it ever did) that they want income differences flattened. This has significant policy implications, not least in respect of taxation.

A 'fair go' for taxpayers

Egalitarian intellectuals generally favour increasing taxes on higher earners, and they seem to imagine that popular support for the 'fair go' ideal means that most ordinary Australians agree with them. Peter Saunders, for example, asserts that higher taxes would make a 'positive contribution to social justice', and he believes that the public supports

him.[24] But the CIS/ACNielsen survey suggests he is wrong.

When they are told how much tax is paid by people earning gross annual incomes of $30,000, $60,000 and $120,000, very few Australians think it would be 'fair' to raise these tax levels even further. Indeed, Table 3 shows that substantial numbers of people think the current levels of income tax are unfair, not because they are too low, but because they are too high. Even when asked to consider tax levied on high income earners, fewer than 10% of the public think they pay too little, while 45% think they pay too much.

Table 3: Fairness and unfairness of current income tax levies

	Single Person's Annual Income (per cent)		
	$30,000	$60,000	$120,000
Tax paid is unfair (too high)	41	46	45
Tax paid is fair & reasonable	58	51	45
Tax paid is unfair (too low)	1	3	9

Source: Second CIS/ACNielsen opinion survey (August 2003). N=466 (low), 464 (medium), 466 (high).

Low: 'A single person with no dependents who earns $30,000 a year loses about 20% of this ($5,830) in taxes and levies. In your view is this tax deduction (a) Unfair (they should pay less); (b) Fair and reasonable; (c) Unfair (they should pay more)?'

Medium: 'A single person with no dependents who earns $60,000 a year loses about 30% of this ($17,080) in taxes and levies. In your view is this tax deduction (a) Unfair (they should pay less); (b) Fair and reasonable; (c) Unfair (they should pay more)?'

High: 'A single person with no dependents who earns $120,000 a year loses about 40% of this ($46,780) in taxes and levies. In your view is this tax deduction (a) Unfair (they should pay less); (b) Fair and reasonable; (c) Unfair (they should pay more)?'

Far from lending support to the egalitarian conception of fairness, these results seem to offer credibility to the classical liberal idea that people should be allowed to keep what they legitimately earn. Many Australians do think taxation is unfair, but unlike the social affairs intellectuals, they think people are paying too much rather than too little.

Conclusion

All Western liberal democracies recognise the importance of the principle of 'fairness', but Australia probably emphasises it more than most. Our belief in the 'fair go' has evolved to become part of our national culture, even though it is not entirely clear what this term means.

In the mid-19th century, a 'fair go' seems to have referred mainly to the importance of opening up opportunities so that everyone could compete. It was consistent with what today we think of as a meritocratic ideal. In the early decades of federation, however, governments increasingly pursued a national agenda intended to blur social divisions and build a strong sense of belonging and sameness, and the 'fair go' ideal in this period came to be identified with the political manipulation of distributional outcomes associated with an egalitarian ethic. This national interventionist strategy has, however, been in retreat for 30 years or more (although it remains relatively strong in the area of social policy), and survey evidence demonstrates that most Australians today have a much broader understanding of 'fairness' than mere egalitarianism.

The 'fair go' today still recognises the ideal of equalising outcomes, but it also encompasses the competing ideals of meritocracy (reward for effort and talent) and fair exchange (the liberal principle of the right to private property provided it has been acquired in accordance with the rule of law). The egalitarian definition of fairness, which is taken for granted by the social policy intelligentsia as the *only* relevant definition,[25] does not therefore do justice to what most Australians mean by a 'fair go' in the contemporary period. Indeed, if our social affairs intellectuals and pressure groups ever got their way, and taxes and welfare benefits were both raised even higher than they are at present in order to narrow what they call the 'income gap,'[26] the result would be the very opposite of what most Australians think a 'fair go' entails.