



# Perceptions of fairness in New Zealand

## Phase 1 report

NZIER report to the New Zealand Treasury

August 2024

## About NZIER

---

New Zealand Institute of Economic Research (NZIER) is an independent, not-for-profit economic consultancy that has been informing and encouraging debate on issues affecting Aotearoa New Zealand, for more than 65 years.

Our core values of independence and promoting better outcomes for all New Zealanders are the driving force behind why we exist and how we work today. Our purpose is to help our clients and members make better business and policy decisions and to provide valuable insights and leadership on important public issues affecting our future.

We are unique in that we reinvest our returns into public good research for the betterment of Aotearoa New Zealand.

Our expert team is based in Auckland and Wellington and operates across all sectors of the New Zealand economy. They combine their sector knowledge with the application of robust economic logic, models and data and understanding of the linkages between government and business to help our clients and tackle complex issues.

## Authorship

---

This paper was prepared at NZIER by Adrian Katz and Sarah Hogan.

It was quality approved by Jason Shoebridge.

The assistance of Sarah Spring and Barry Milne is gratefully acknowledged.

How to cite this document:

NZIER. 2024. Perceptions of fairness in New Zealand: Phase 1 report. A report for the New Zealand Treasury.



## Key points

---

NZIER has been working in partnership with Koi Tū: The Centre for Informed Futures and the New Zealand Treasury on a research project to better understand what New Zealanders think about fairness.

In Phase 1, NZIER ran a stated preference survey using a nationally representative sample of 1,000 participants to provide an initial view of what fairness means to New Zealanders. In Phase 2, Koi Tū built on the survey results using a deliberative format to develop a more nuanced understanding of the variety of views.

This report presents the results from Phase 1.

### What does fairness mean to New Zealanders?

- More than four-fifths of New Zealanders agree that fairness is about equal opportunities and reward for effort, individual rights and freedoms, and social, legal and political equality.
- People are more likely to agree with process-based conceptions of fairness than outcomes-based conceptions.
- People disagree about whether fairness means prioritising those who are worse off.
- Three-fifths say responsibility for fairness lies first with government, and two-fifths say it lies first with individuals.

### How fair is life for New Zealanders?

- New Zealanders disagree about how fair life is, with half saying life is fair for them and a quarter saying it is unfair.
- People tend to think life is less fair for others than for themselves.
- Half say life is less fair today than 30 years ago, and a quarter say it is more fair.

### Are perceptions of fairness grounded in reality?

- Overall, New Zealanders seem to have a poor understanding of the level of economic inequality in New Zealand, as measured by the share of wealth going to the top 20%.
- However, people tend not to change their views about how fair life is when presented with official statistics about economic inequality.

### What types of outcomes are important for fairness?

- Most New Zealanders feel that quality of life and access to opportunities and services are more important for fairness than income or wealth.
- People tend to think that differences in income and wealth are more unfair than differences in access to opportunities and services and quality of life.



## How do people think about the fairness of economic inequality?

- When asked what the most important factor is for assessing the fairness of a change in economic inequality, the most common response was equal opportunities.
- In the context of fairness as it relates to economic inequality, people seem to put more emphasis on ensuring everyone has enough and prioritising those who are worse off than others, with less emphasis on respecting rights and freedoms.
- People generally agree that economic inequality harms those who are worst off, means that not everyone has enough, and makes society less well off.
- People disagree about whether economic inequality is a consequence of people with equal opportunities making different choices or a sign that opportunities are unequal.

# Contents

---

- 1 Introduction .....1
  - 1.1 Background .....1
  - 1.2 Purpose .....1
  - 1.3 The meaning of fairness.....1
- 2 Conceptual framework .....2
  - 2.1 Conceptions of fairness .....2
  - 2.2 Currency of fairness .....3
- 3 Survey design .....4
  - 3.1 Sample .....4
  - 3.2 Format.....4
  - 3.3 Questions .....4
- 4 Results .....6
  - 4.1 Conceptions of fairness and responsibility for fairness .....6
  - 4.2 Perceptions of fairness .....9
  - 4.3 Currency of fairness .....13
  - 4.4 Relationship between fairness and economic inequality .....15
  - 4.5 Comments.....20

## Appendices

- Appendix A Demographics ..... 21

## Figures

- Figure 1 How much do the following seven statements fit with the way you think about fairness? .....7
- Figure 2 Whose job is it to make society in New Zealand more fair? .....8
- Figure 3 How fair is life in New Zealand for you and for others?.....9
- Figure 4 How fair is life for most New Zealanders today compared to 30 years ago? .....10
- Figure 5 What share of ... belongs to the top 20% of highest ... households in New Zealand? .....11
- Figure 6 How does this change your views about how fair life is in New Zealand? .....12
- Figure 7 In general, what is more important for fairness?.....13
- Figure 8 How fair are the following five issues in New Zealand today? .....14
- Figure 9 When would a change in income or wealth inequality be fair?.....15
- Figure 10 Do you think there is a connection between the level of inequality and...?.....17
- Figure 11 How is the level of inequality connected to...? .....18
- Figure 12 In which of the following age groups do you belong? .....21
- Figure 13 What is your gender? .....21
- Figure 14 Which ethnic group or groups do you belong to?.....22
- Figure 15 Where do you usually live? .....22
- Figure 16 What is your highest education qualification?.....23
- Figure 17 What is your employment status? .....23
- Figure 18 Do you own a home in New Zealand, including jointly or in a family trust?.....24

## Tables

- Table 1 Conceptions of fairness .....2



|   |    |
|---|----|
| Table 2 Descriptions of the conceptions used in the survey.....                       | 6  |
| Table 3 Descriptions of the conceptions used in relation to economic inequality ..... | 15 |
| Table 4 Five point scale .....  | 18 |

# 1 Introduction

---

## 1.1 Background

NZIER has been working in partnership with Koi Tū: The Centre for Informed Futures, and the New Zealand Treasury, on a research project to reach a better understanding of what New Zealanders think about fairness.

## 1.2 Purpose

The research project aims to address the following research questions:

- What does fairness mean to New Zealanders?
- What economic conditions drive perceptions of fairness?
- To what extent are New Zealanders' perceptions of fairness grounded in reality?

Answering these questions will support public sector agencies to provide advice on the distributional and equity implications of policy choices. This project will also raise awareness in the general public of different perspectives on fairness and economic inequality, supporting more informed public discussion.

The research project consists of two phases:

- Phase 1, which took place from December 2023 to April 2024, involved a stated preference survey using a representative sample to develop an initial understanding of what fairness means to New Zealanders.
- Phase 2, which took place from April 2024 to June 2024, built on the survey results using a deliberative approach to develop a more nuanced understanding of the variety of perceptions of fairness.

This report presents the results from Phase 1.

## 1.3 The meaning of fairness

In our research, we treat the term 'fairness' as roughly equivalent to 'equity' and 'justice'. We prefer to use the word 'fairness' as we consider it the most neutral term. We focus on fairness in relation to how social and economic outcomes (such as income, wealth, quality of life, and access to services and opportunities) are distributed in society, but we recognise that fairness can also relate to how the law is administered or how disputes are resolved.

## 2 Conceptual framework

To understand why people think life in New Zealand is fair or unfair, there are four questions we need to answer:

- 1 How do they think social and economic outcomes should be distributed across society? (the conception of fairness)
- 2 What types of outcomes do they think are most important for fairness? (the currency of fairness)
- 3 How do they think social and economic outcomes are currently distributed?
- 4 What are their views about the connections or causal relationships between economic inequality and fairness (according to the different conceptions)?

Questions 1 and 2 are normative questions, which means they involve value-based judgements about how the world should be, and questions 3 and 4 are positive questions, which means they involve fact-based judgements about how the world is. We can determine whether people's answers to question 3 are correct by comparing them to official statistics, but verifying answers to question 4 is more difficult and contentious (even though it is also an empirical matter).

This section sets out our conceptual framework for thinking about the conception and currency of fairness.

### 2.1 Conceptions of fairness

Our research project is underpinned by seven standard conceptions of fairness from political theory outlined by the Treasury in previous analysis for the first Wellbeing Report *Te Tai Waiora*. (see Table 1).

We developed simplified definitions to use in the survey, to make the conceptions as intuitive as possible (see Table 2 and Table 3).

**Table 1 Conceptions of fairness**

| Conception         | Treasury description  |
|--------------------|---|
| Utilitarianism     | The goal should be to maximise the total, aggregate amount of wellbeing in society; how this wellbeing is distributed across different people doesn't matter, except insofar as it impacts on the aggregate amount.   |
| Maximin            | What matters most is the absolute position of the people who are worst off (and not how badly they are off compared to others). Inequality of things such as income or wealth is only permissible if it is to the greatest benefit of the least advantaged, for example, if it increases the amount of economic product that is redistributed to the worst off. |
| Prioritarianism    | Inequality of wellbeing itself is not necessarily a problem. What lies behind a concern with unequal wellbeing and economic inequality is an intuition that we ought to give weighted priority to those who are worst off.  |
| Sufficientarianism | Inequality of wellbeing itself is not necessarily a problem. What lies behind a concern with unequal wellbeing and economic inequality is a concern with poverty. We need to ensure that each and every person has enough, or sufficient, wellbeing.  |
| Libertarianism     | We should avoid trying to impose a particular distribution of outcomes (including wellbeing outcomes), and instead focus on the process that leads to those outcomes. If the actions  |





| Conception                | Treasury description  |
|---------------------------|---|
|                           | and processes that led to a given distribution of wellbeing were fair and just, then the distribution is fair and just.   |
| Luck egalitarianism       | Inequality of wellbeing could be the result of peoples' choices, or it could be caused by factors beyond their control. It is fair to let people experience the consequences (including impacts on their wellbeing) of their own choices, starting from a place of equal opportunity; but it is not fair or just to let them suffer for things that they could not control. |
| Relational egalitarianism | What matters, ultimately, is the moral equality of people, and this requires that we can relate to each other as social equals. Inequality of wellbeing and economic inequality is morally problematic when it impacts on people's ability to live in society as equals.  |

Source: [The Treasury. Equality, equity, and distributive justice \(AP 22/03\). 2022.](#)

The conceptions can be thought of as different views about what ultimately matters about fairness.

Some of the conceptions are outcomes-based, meaning they focus on the distribution of social and economic outcomes. These theories include utilitarianism, maximin, prioritarianism, and sufficientarianism.

Other conceptions are process-based, meaning they focus on the processes that result in the distribution of social and economic outcomes rather than the results of those processes. Process-based theories include libertarianism and luck egalitarianism.

Relational egalitarianism is more difficult to categorise and could be thought of as focusing on social equality as an outcome, or on the importance of equal treatment in legal, political, and social institutions.

## 2.2 Currency of fairness

The currency of fairness refers to the social or economic outcome that is most important for people's perceptions of fairness. We considered five types of outcomes:

- income
- wealth
- access to opportunities and services
- quality of life
- rights and freedoms.

We used the term 'quality of life' instead of 'utility', 'welfare', and 'wellbeing' because it is more familiar and is less likely to be associated with political views.

Although rights and freedoms are not usually thought of as outcomes, we included this as an option for those more concerned with process than outcomes (such as those who hold a libertarian conception of fairness).

In some parts of the survey, our questions focused on economic outcomes – income and wealth. Perceptions of fairness might vary according to the type of 'currency' being discussed, and we were particularly interested in understanding perceptions of fairness in relation to economic outcomes.

## 3 Survey design

---

This section describes how the survey was conducted.

### 3.1 Sample

The survey used a nationally representative sample of 1,000 participants. Sample demographics are summarised in Appendix A.

Survey participants were recruited online from a consumer panel of over 100,000 members who regularly complete surveys and are compensated for their time through Flybuys rewards. Nationally representative quotas were used for age, gender, and region. Each panel member was screened and profiled to support fast and accurate recruitment to surveys. This approach provides for a high response rate and reaches a representative cross-section of New Zealand households, including many groups who may be hard to reach through alternative survey methods.

Surveys sometimes require an additional recruitment ‘boost’ to increase Māori responses and achieve a nationally representative sample based on Māori and non-Māori ethnicity. For this survey, there was a sufficiently high Māori response rate (19%) using age, gender and region quotas so additional efforts to recruit Māori participants were not required.

Because younger adults are less likely to be members of consumer panels, the survey approach included asking members to share the survey with younger adults within their households. This previously tested and proven approach supports a representative age distribution.

### 3.2 Format

The survey was run from 25 March to 3 April 2024 by Consumer Link (part of Kantar New Zealand). It was a web-based survey. It consisted of around 30 questions and took an average of 12 minutes to complete.

### 3.3 Questions

The survey questions were designed by NZIER in collaboration with the Treasury and Koi Tū.

In the first part of the survey, participants were asked demographic questions, including age, gender, ethnicity, region, educational attainment, employment status, home ownership, disability and income.

The second part of the survey asked participants how much they agreed with each conception of fairness. The conceptions were described using simple language to make them easier for the general public to understand. Participants were also asked who is most responsible for fairness – individuals, government, or other groups or institutions.

In the third part of the survey, participants were asked about their perceptions of fairness in New Zealand, including how fair life is for them, for others and compared to 30 years ago. Participants were also asked to estimate the value of a simple measure of income and wealth inequality, and – when presented with the value reported by official New Zealand statistics – were asked to state if it changed their views.



The fourth part of the survey focused on which types of outcomes matter most for fairness – i.e., the ‘currency of fairness’. First, participants were asked to rank the importance of up to five different types of outcomes: income, wealth, access to opportunities and services, quality of life, and rights and freedoms. Next, participants were asked how to rate how fair each type of outcome is in New Zealand.

The fifth and final part of the survey aimed to understand people’s views about the relationship between fairness and economic inequality. Participants were asked which of the seven conceptions is most important for assessing the fairness of a change in income or wealth inequality. Participants were then asked questions about whether and how the level of inequality is connected to the conceptions, such as how well-off society is overall or whether everyone has enough.

## 4 Results

---

This section provides a summary of the survey results. It includes charts presenting the overall responses. The text below the charts interprets the results and highlights areas where there were statistically significant differences between the results for specific groups (i.e. gender, age, ethnicity, region and educational attainment) and the overall sample at the 5% significance level.

### 4.1 Conceptions of fairness and responsibility for fairness

#### 4.1.1 Conceptions of fairness

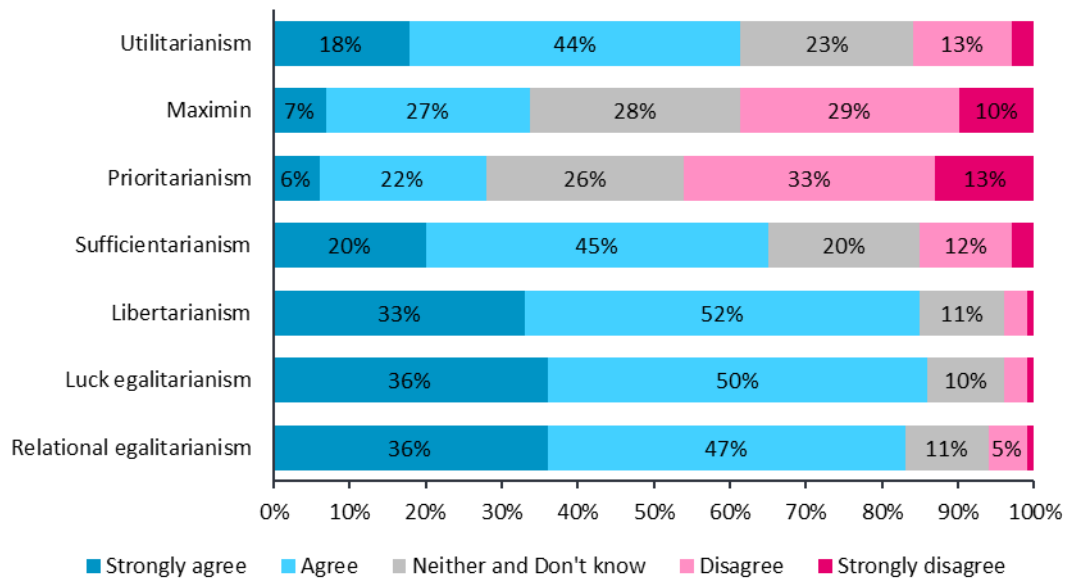
Participants were asked how much they agreed with the seven conceptions. Table 2 shows the text used to describe the conceptions in this question and Figure 1 presents the results.

**Table 2 Descriptions of the conceptions used in the survey**

| Conception                | What does fairness mean?  |
|---------------------------|---|
| Utilitarianism            | Fairness means society as a whole is as well off as possible                          |
| Maximin                   | Fairness means the situation of the worst-off people is as good as it can be          |
| Prioritarianism           | Fairness means worse off people have priority over better off people                  |
| Sufficientarianism        | Fairness means everyone has enough  |
| Libertarianism            | Fairness means respecting individual rights and freedoms                              |
| Luck egalitarianism       | Fairness means people have equal opportunities and are rewarded for effort or choices |
| Relational egalitarianism | Fairness means people are treated as social, legal and political equals               |

Source: NZIER

**Figure 1 How much do the following seven statements fit with the way you think about fairness?**



Source: NZIER

The conception with the highest level of agreement<sup>1</sup> was luck egalitarianism (86%), followed by libertarianism (85%) and relational egalitarianism (83%). People were very unlikely to disagree with these three conceptions. The conception with the highest level of disagreement was prioritarianism (46%), followed by maximin (39%). People were more likely to disagree than agree with these two conceptions.

These results indicate a high level of consensus among New Zealanders that fairness is about equal opportunities and reward for effort, individual rights and freedoms, and social, legal and political equality. People disagree about whether fairness means giving more weight to those who are worse off. People are more likely to agree with process-based conceptions of fairness than outcomes-based conceptions.

Statistically significant differences for specific groups compared with the overall sample were:

- Men were more likely to agree with maximin and to strongly agree with prioritarianism, and women were more likely to agree with sufficientarianism and strongly agree with libertarianism.
- People aged 18–29 were more likely to agree with prioritarianism and less likely to strongly agree with libertarianism, luck egalitarianism, and relational egalitarianism than other age groups. People aged 40–49 were more likely to strongly agree with libertarianism. People aged 60+ were less likely to agree with utilitarianism, more likely to disagree with maximin, and less likely to agree with prioritarianism.
- Māori were less likely to agree (and more likely to strongly disagree) with maximin and more likely to agree with luck egalitarianism.

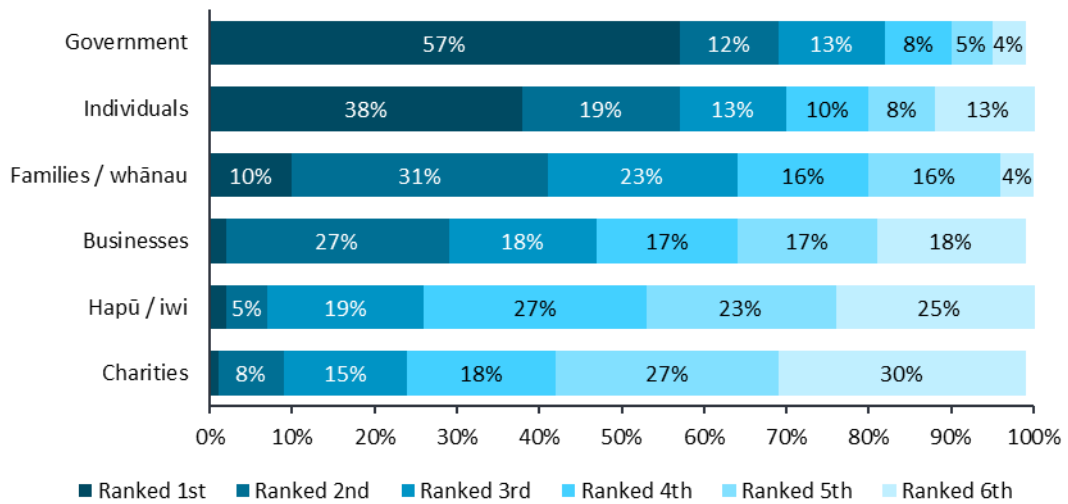
<sup>1</sup> 'Agreement' here is defined as agree or strongly agree; 'disagreement' is defined as disagree or strongly disagree.

- People in Auckland were more likely to agree (and less likely to strongly disagree) with maximin and less likely to strongly agree with libertarianism. People in Wellington were more likely to agree (and less likely to disagree) with prioritarianism. They were also more likely to disagree with luck egalitarianism. People in the rest of the North Island were more likely to disagree with utilitarianism and maximin.
- People with a bachelor's degree or higher were more likely to agree with maximin.

#### 4.1.2 Responsibility for fairness

Figure 2 shows how participants ranked different groups or institutions when asked who is responsible for making society more fair.

**Figure 2 Whose job is it to make society in New Zealand more fair?**



Source: NZIER

Three-fifths of participants (57%) ranked government first, two-fifths (38%) ranked individuals first, and a tenth (10%) ranked families/whānau first. The median rank for each group or institution was 1 for government, 2 for individuals, 3 for families/whānau, 4 for businesses and hapū/iwi, and 5 for charities and community organisations.

These results indicate that people tend to think that responsibility for fairness lies first with government and then with individuals.

The overall ranking was the same across all groups. Statistically significant differences for specific groups compared with the overall sample were:

- Women were more likely to rank government first, and men were more likely to rank families/whānau first.
- People aged 18–29 were less likely to rank individuals first and more likely to rank businesses and charities first.
- Māori were less likely to rank families/whānau first.
- People in Auckland were more likely to rank businesses first.

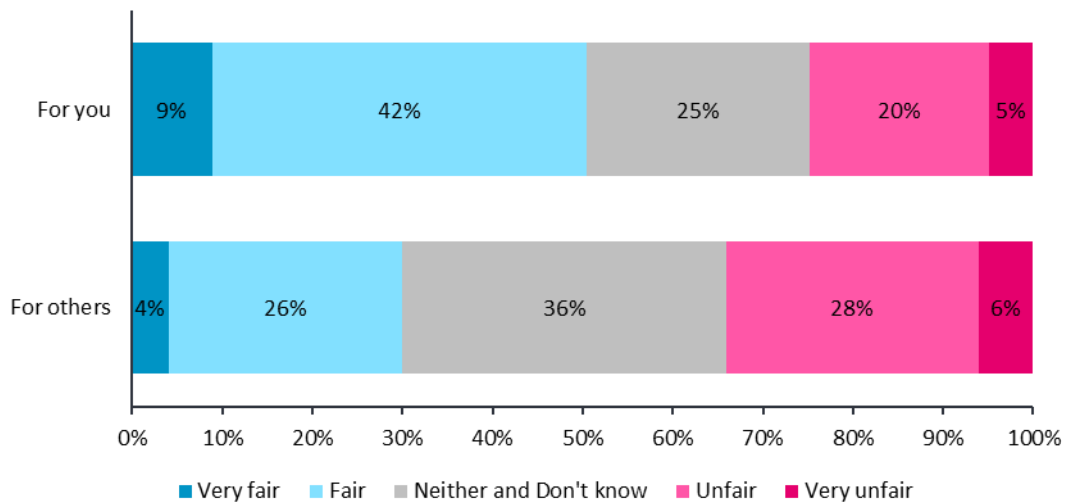


## 4.2 Perceptions of fairness

### 4.2.1 Fairness for themselves and others

Figure 3 shows how fair participants say life is for themselves and others.

**Figure 3 How fair is life in New Zealand for you and for others?**



Source: NZIER

Half of the participants (51%) said life is fair for them, and a quarter (25%) said it is unfair. And a third (30%) said life is fair for others, but around a third (34%) said it is unfair.

These results indicate that although there is a lack of consensus about how fair life is in New Zealand, people are more likely to think life is fair for them and neither fair nor unfair for others.

Statistically significant differences for specific groups compared with the overall sample were:

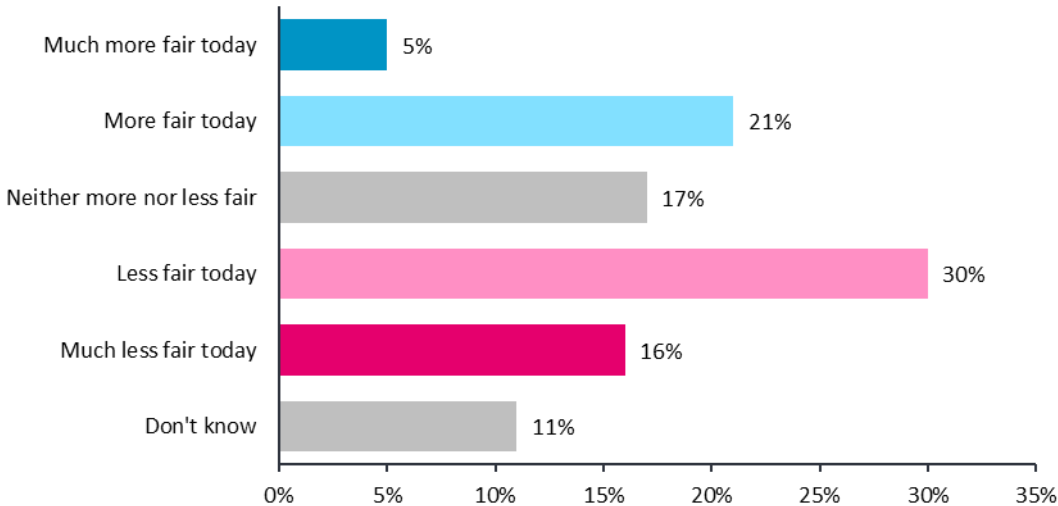
- Women were less likely to say life is fair (and more likely to say that life is unfair) for both them and for others.
- People aged 18–29 were more likely to say life is very fair for others (and less likely to say it is unfair). People aged 30–39 were less likely to say life is fair for themselves (and more likely to say it is very unfair). People aged 60+ were more likely to say life is fair or very fair for themselves.
- Māori were less likely to say that life is very fair both for themselves and for others.
- Region does not have a statistically significant effect on how fair people say life is for themselves. People in Auckland were less likely to say life is unfair for others.
- People with a bachelor's degree or higher were more likely to say life is very fair for themselves. Educational attainment did not have a statistically significant effect on how fair people say life is for others.



**4.2.2 Fairness compared to the past**

Figure 4 shows how fair participants think life is compared to the past.

**Figure 4 How fair is life for most New Zealanders today compared to 30 years ago?**



Source: NZIER

A quarter (26%) of participants said that life is more fair today than 30 years ago, and half (50%) said that life is less fair.

This result indicates that New Zealanders do not generally agree about whether life is more or less fair compared to 30 years ago, but they are more likely to say it is less fair.

Statistically significant differences for specific groups compared with the overall sample:

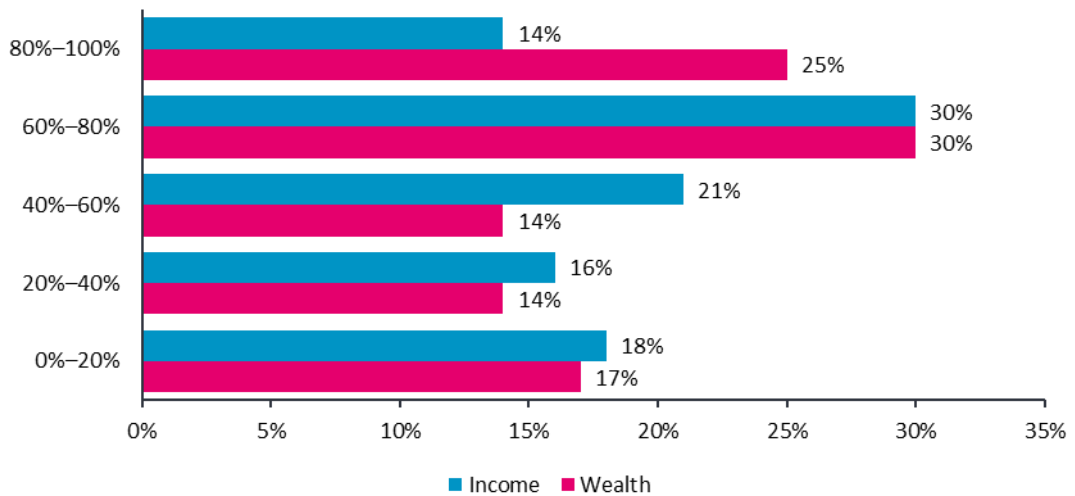
- Gender did not have a statistically significant effect.
- People aged 18–29 were more likely to think life is more fair today and less likely to think life is less fair. People aged 50–59 and 60+ were more likely to think life is less fair today.
- Māori were more likely to think life is much less fair today.
- People in Auckland were less likely to think that life is less fair today, and people in the rest of the North Island (excluding Auckland and Wellington) were more likely to think life is less fair today.
- People with a bachelor’s degree or higher were more likely to think life is more fair today.

**4.2.3 Perceptions of income and wealth inequality**

Participants were asked to estimate how much income goes to the top 20% highest income households (income statistic) and how much wealth belongs to the top 20% highest wealth households (wealth statistic). Figure 5 presents the results.



**Figure 5 What share of ... belongs to the top 20% of highest ... households in New Zealand?**



Source: NZIER

The median estimate for the income statistic was 40–60%, and the median estimate for the wealth statistic was 60–80%. (The actual values of these statistics are shown in section 4.2.4 below). For both statistics, each of the six ranges was selected by 14% of people or more, indicating that a large proportion of respondents may have been guessing.

This indicates that New Zealanders either are not aware of the level of income or wealth inequality or have difficulty understanding statistics about income and wealth distributions.

Statistically significant differences for specific groups compared with the overall sample:

- Men were more likely to estimate 80–100% (and less likely to estimate 40–60%) for both statistics.
- People aged 18–29 were less likely to estimate an income statistic of 80–100%. In general, older people tended to make higher estimates than younger people, although the differences were not statistically significant.
- Ethnicity did not have a significant effect on the income statistic. Māori were more likely to estimate 80–100% for the wealth statistic.
- People in Wellington were more likely to estimate an income statistic of 80–100%. People in Auckland were more likely to estimate a wealth statistic of 0–20%, and people in the rest of the North Island (excluding Auckland and Wellington) were less likely.
- People with a school qualification or no qualification were less likely to estimate an income or wealth statistic of 80–100%.

#### 4.2.4 Effect of information

According to official New Zealand statistics, the top 20% of the highest-income households earn 38% of total income,<sup>2</sup> and the top 20% of the highest-wealth households hold 69% of

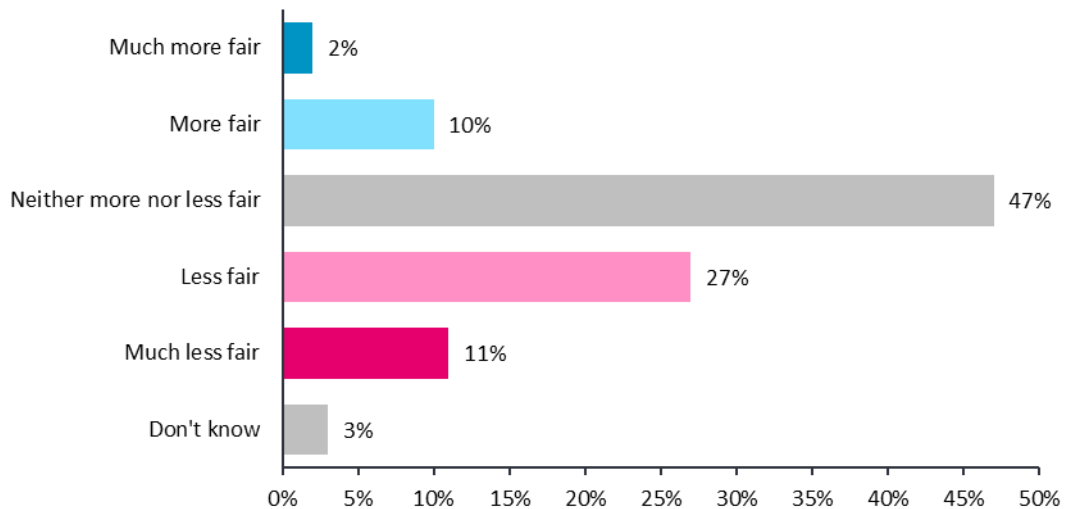
<sup>2</sup> [Stats NZ. Household income and housing-cost statistics: Year ended June 2022.](#)



total wealth.<sup>3</sup> A sixth (16%) of participants correctly estimated the income statistic. As there were six options, this is consistent with guessing at random. A third (30%) correctly estimated the wealth statistic, which may indicate some knowledge of the wealth distribution. Participants were more likely to overestimate the income statistic, but were equally likely to overestimate and underestimate the wealth statistic.

After being presented with the official statistics, participants were asked how this changed their views about how fair life is.

**Figure 6 How does this change your views about how fair life is in New Zealand?**



Source: NZIER

Half of the participants changed their views (50%), and half did not (47%). Those who changed their views were more likely to think life is less fair than more fair (38% vs 12%).

Statistically significant differences for specific groups compared with the overall sample were:

- Men were more likely to change their views to think life was more fair, and women were more likely to think life was much less fair.
- People aged 18–29 were more likely to say change their views to think life was more fair, and people aged 50–59 were more likely to think life was less fair.
- Māori were more likely to say change their views to think life was much less fair.
- People in Auckland were more likely change their views to think life was more fair.
- People with a bachelor’s degree or higher were more likely to change their views to say life was more fair.

<sup>3</sup> [Stats NZ. Household net worth statistics: Year ended 2021.](#)

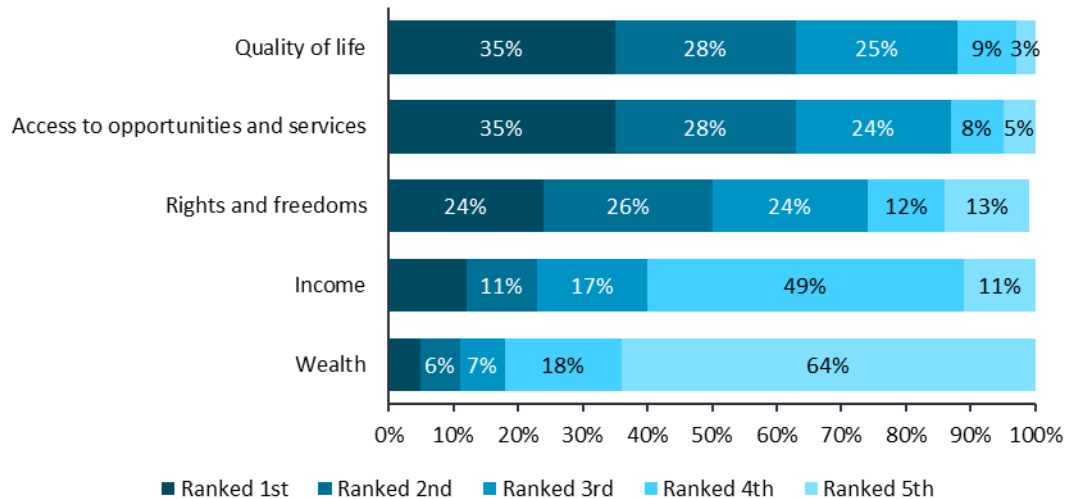


### 4.3 Currency of fairness

#### 4.3.1 Importance of currency

Figure 7 shows how participants ranked different types of outcomes when asked which are more important for fairness.

**Figure 7 In general, what is more important for fairness?**



Source: NZIER

Over a third (35%) of participants ranked quality of life first, over a third (35%) ranked access to opportunities first, and around a quarter (24%) ranked rights and freedoms first. The median rank for each type of outcome is 2 for quality of life, 2 for access to opportunities and services, 3 for rights and freedoms, 4 for income and 5 for wealth.

This shows that people tend to think that quality of life and access to opportunities and services are more important for fairness than income and wealth.

Statistically significant differences for specific groups compared with the overall sample:

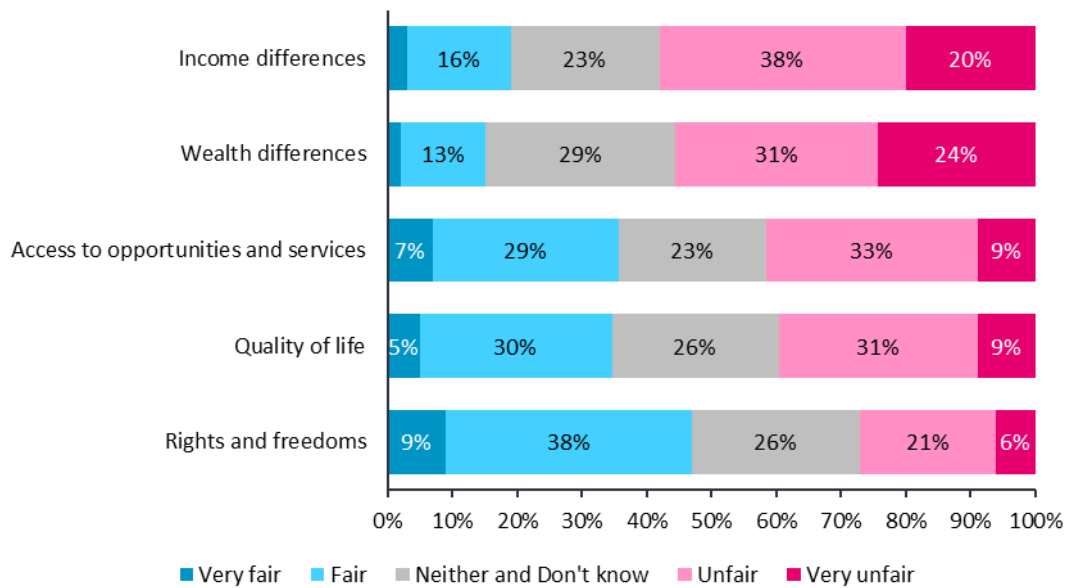
- Women were more likely to rank access to opportunities and services first and wealth last.
- People aged 18–29 were more likely to rank income and wealth first. People aged 60+ were more likely to rank wealth last.
- Māori were more likely to rank wealth last.
- People in Auckland were more likely to rank income and wealth first. People in Canterbury were more likely to rank quality of life first.
- People with a bachelor’s degree or higher were more likely to rank access to opportunities and services first and less likely to rank quality of life first.

#### 4.3.2 Fairness of currency

Figure 8 shows how fair participants thought each type of outcome was.



**Figure 8 How fair are the following five issues in New Zealand today?**



Source: NZIER

Three-fifths of participants thought income or wealth differences were unfair (58% and 55%, respectively). People were roughly as likely to say that access to opportunities and quality of life were fair as unfair. Over a quarter (27%) thought rights and freedoms were unfair.

These results indicate a lack of consensus about how fair each type of outcome is; people are more likely to think that income and wealth differences are unfair compared to access to opportunities and services, quality of life, and rights and freedoms.

Statistically significant differences for specific groups compared with the overall sample:

- Men were more likely to think that each type of outcome was fair or very fair, and women were more likely to think it was unfair or very unfair.
- People aged 18–29 were more likely to think that income differences were fair. People aged 50–59 were less likely to think that income differences were fair and more likely to think that access to opportunities and services was unfair. People aged 60+ were less likely to think that wealth differences are very unfair and more likely to think that access to opportunities and services was unfair.
- Māori were more likely to think that each type of outcome was fair or very fair, and non-Māori were more likely to think it was fair.
- People in Auckland were more likely to think that each type of outcome was fair or very fair.
- People in the North Island but not in Auckland or Wellington were more likely to say that income differences and quality of life are unfair. People in Canterbury were more likely to say wealth differences were unfair and less likely to say that access to opportunities was fair.



- People with no post-school qualifications were more likely to say income differences are very unfair, and people with a bachelor’s degree or higher were more likely to say rights and freedoms are fair.

## 4.4 Relationship between fairness and economic inequality

### 4.4.1 Most important conception

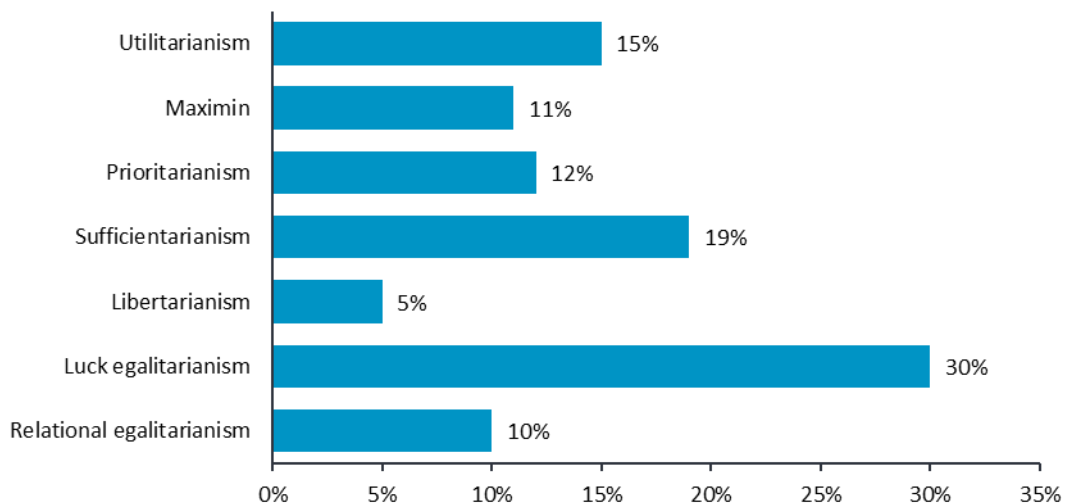
Participants were asked which of the seven conceptions were most important when determining whether a change in income or wealth inequality is fair. Table 3 shows the text used to describe the conceptions in this question, and Figure 9 presents the results.

**Table 3 Descriptions of the conceptions used in relation to economic inequality**

| Conception                | When would a change in income or wealth inequality be fair?            |
|---------------------------|--|
| Utilitarianism            | It makes society better off overall                                    |
| Maximin                   | It helps those who are worst off                                       |
| Prioritarianism           | It helps worse off people more than better off people                  |
| Sufficientarianism        | It means there are fewer people who don't have enough                  |
| Libertarianism            | The change respects individual rights and freedoms                     |
| Luck egalitarianism       | People have equal opportunities to benefit from the change             |
| Relational egalitarianism | It means people are treated more as social, legal and political equals |

Source: NZIER

**Figure 9 When would a change in income or wealth inequality be fair?**



Source: NZIER

A third (30%) of participants selected a response aligning with luck egalitarianism, and a fifth (19%) selected a response reflecting sufficientarianism.



These results indicate that there is a wide variety of views about which features are most relevant for assessing the fairness of a change in income or wealth inequality. Most commonly, the key feature is whether people have equal opportunities to benefit from the change.

Comparing these results with the general results about conceptions of fairness (Figure 1) suggests that – when asked about fairness in relation to economic inequality rather than fairness in general – people are:

- more likely to think that fairness requires ensuring everyone has enough and giving more weight to those who are worse off
- less likely to think it requires respecting rights and freedoms and treating people as social, legal and political equals.

Statistically significant differences for specific groups compared with the overall sample were:

- Women were more likely to choose the response reflecting sufficientarianism.
- People aged 30–39 were more likely to choose the maximin response, and people aged 40–49 were more likely to choose the response reflecting utilitarianism.
- There was no statistically significant difference between Māori and non-Māori responses.
- People in Canterbury were more likely to choose the response reflecting sufficientarianism.

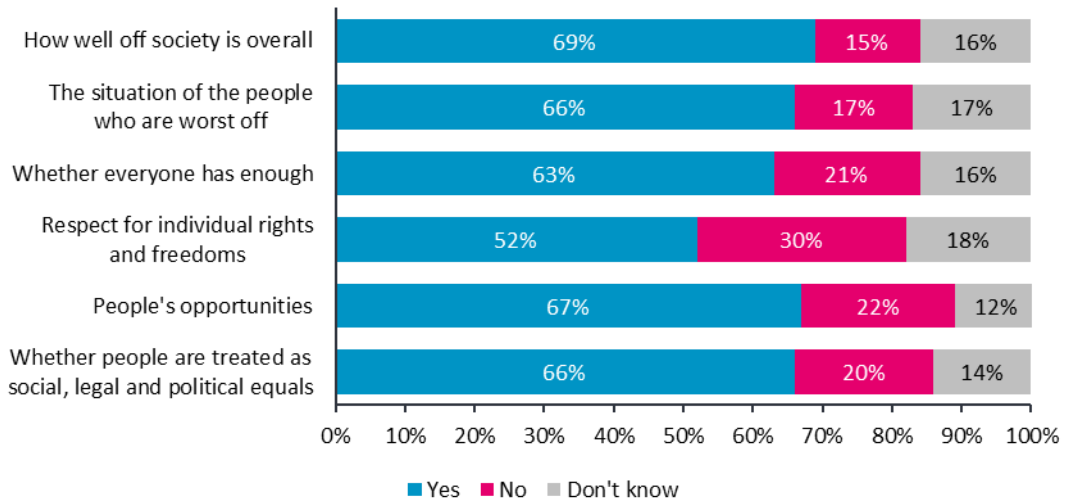
#### **4.4.2 Existence of connection**

Participants were asked for their views on whether there is a connection between the level of inequality and each of the seven conceptions of fairness. Although the existence of these connections is – in principle – an empirical matter, it is difficult to determine and open to debate.

Figure 10 presents the results.



**Figure 10 Do you think there is a connection between the level of inequality and...?**



Source: NZIER

In general, around two-thirds (63–69%) of respondents saw a connection between the level of inequality and each feature of society. However, just half (52%) of respondents saw a connection between inequality and respect for individual rights and freedoms.

This indicates that, although there is a wide variety of views about which features are most relevant for assessing fairness, people generally agree that the potentially relevant features are affected by (or affect) the level of inequality.

Statistically significant differences for specific groups compared with the overall sample:

- Men were more likely not to see a connection with how well-off society is overall, the situation of the worst off, and whether everyone has enough. Women were more likely to see a connection with people’s opportunities.
- People aged 18–29 were more likely to see a connection with respect for individual rights and freedoms, and people aged 60+ were less likely to see a connection with the situation of the people who are worst off, respect for individual rights and freedoms, and people’s opportunities.
- Māori were more likely to see a connection with the situation of the people who are worst off, whether everyone has enough, and people’s opportunities.
- Region did not have a statistically significant effect.
- People with a bachelor’s degree or higher were more likely to see a connection between how well-off society is overall, respect for individual rights and freedom, and people’s opportunities.

#### 4.4.3 Nature of connection

Participants who said there was a connection were then asked about the nature of the connection. They were asked to place their views on a five-point scale between two alternatives. Table 4 shows how the scales were defined and Figure 7 presents the results.

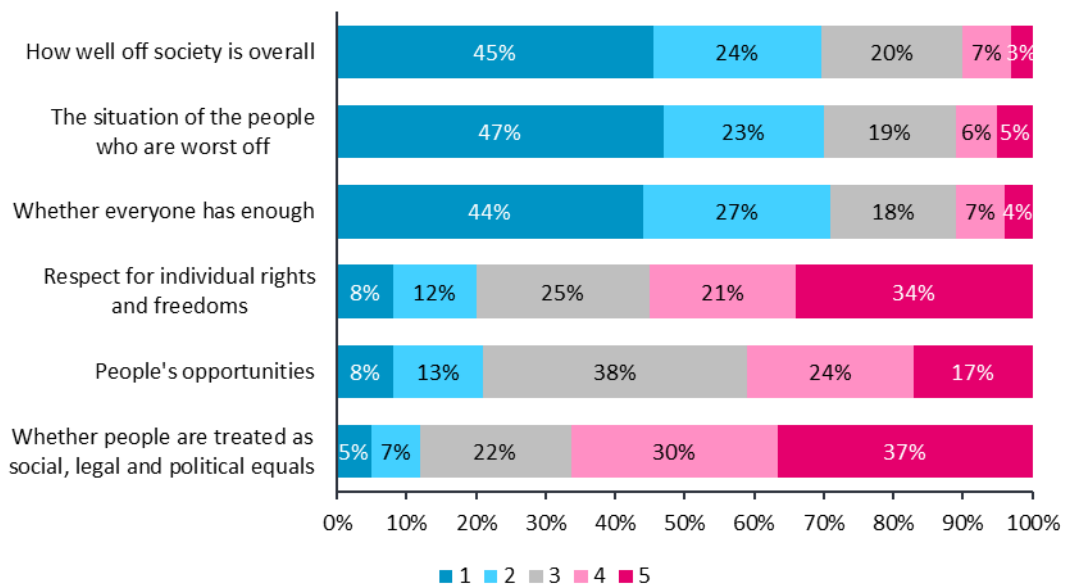


**Table 4 Five point scale**

| Feature  | 1  | ... | 5  |
|--|--|-----|--|
| How well off society is overall                                  | Less inequality would make society better off overall  | ... | More inequality would make society better off overall  |
| The situation of the people who are worst off                    | Less inequality would help those who are worst off   | ... | More inequality would help those who are worst off   |
| Whether everyone has enough                                      | Less inequality would help ensure everyone has enough  | ... | More inequality would help ensure everyone has enough  |
| Respect for individual rights and freedoms                       | Inequality results from respecting individual rights and freedoms  | ... | Inequality results from failing to respect individual rights and freedoms  |
| People's opportunities   | People have equal opportunities, so those with more income and wealth have earned it                         | ... | People do not have equal opportunities, so those with more income and wealth have not earned it                                |
| Whether people are treated as social, legal and political equals | People are treated as social, legal and political equals, and differences in income and wealth do not matter | ... | People are not treated as social, legal and political equals, and differences in income and wealth are a major reason for that |

Source: NZIER

**Figure 11 How is the level of inequality connected to...?**



Source: NZIER

Just under half of respondents said that less inequality would make society better off overall (45%), help those who are worst off (47%), and help ensure everyone has enough (44%). A third (34%) said that inequality results from failing to respect individual rights and freedoms, a third (37%) said that income and wealth differences are a major reason for social, legal and political inequality, and a sixth (17%) said that people do not have equal opportunities so those with more income and wealth have not earned it.





People tend to think that inequality has a negative effect on how well off society is, the situation of the people who are worst off, and whether everyone has enough. Although many people think that having equal opportunities is important for fairness, there is disagreement about whether inequality is a result of equal opportunities or a sign that opportunities are unequal.

Statistically significant differences for specific groups compared with the overall sample:

- Women were more likely to say that:
  - less inequality would help ensure everyone has enough
  - people are not treated as social, legal and political equals, and differences in income and wealth are a major reason for that.
- People aged 18–29 were less likely to say that:
  - less inequality would make society better off overall
  - people are not treated as social, legal and political equals, and differences in income and wealth are a major reason for that.
- People aged 30–39 were more likely to say that:
  - more inequality would help those who are worst off
  - more inequality would help ensure everyone has enough
  - people do not have equal opportunities, so those with more income and wealth have not earned it.
- People aged 40–49 were more likely to say that less inequality would help those who are worst off.
- Māori are more likely to say that:
  - less inequality would help those who are worst off
  - less inequality would help ensure everyone has enough
  - inequality results from failing to respect individual rights and freedoms
  - people are not treated as social, legal and political equals, and differences in income and wealth are a major reason for that.
- People in Auckland were less likely to say that:
  - less inequality would make society better off overall
  - less inequality would help those who are worst off
  - people are not treated as social, legal and political equals, and differences in income and wealth are a major reason for that
  - less inequality would help ensure everyone has enough.
- People in Auckland were also more likely to say that people have equal opportunities, so those with more income and wealth have earned it.
- People in the South Island (excluding Canterbury) were more likely to say that:
  - less inequality would help those who are worst off



- inequality results from failing to respect individual rights and freedoms.
- People with a bachelor’s degree or higher were more likely to say that:
  - less inequality would make society better off overall
  - less inequality would help ensure everyone has enough.

## 4.5 Comments

At the end of the survey, participants were given an opportunity to provide comments. The comments covered a variety of additional themes, including concerns about:

- the gap between the rich and the poor being too large and that inequality
- the poor paying too much tax and the rich not paying enough
- corruption and certain groups having too much influence
- perceived preferential treatment for certain groups
- the size of government or the wastefulness of government spending
- poverty and access to opportunities and services (including housing, education, and food)
- the benefit system discouraging people from working hard.

Some people said the questions were challenging and hard to understand, and others said they found the survey interesting and thought-provoking. Some expressed gratitude for the opportunity to share their views.



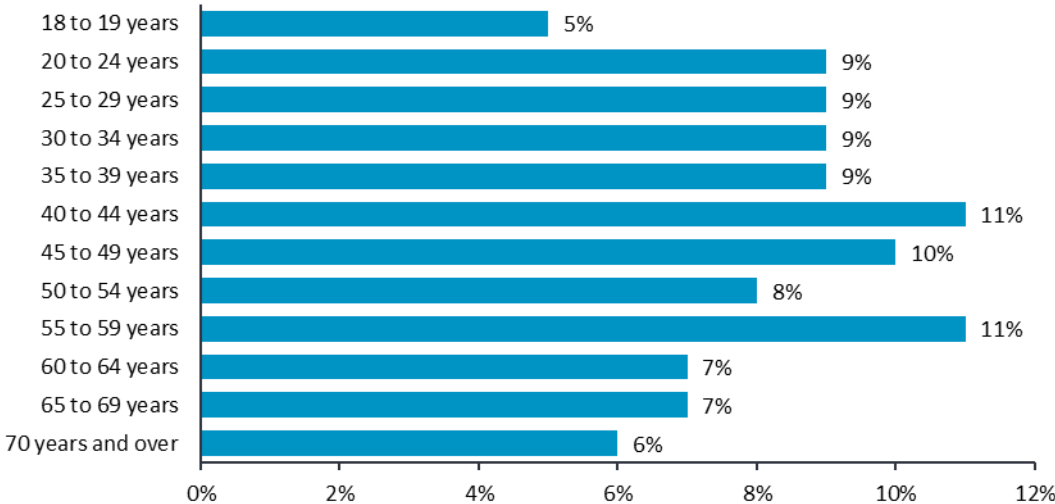
# Appendix A Demographics

This appendix outlines the demographics of the survey participants.

## A.1 Age

Figure 12 presents participants broken down by age group.

Figure 12 In which of the following age groups do you belong?

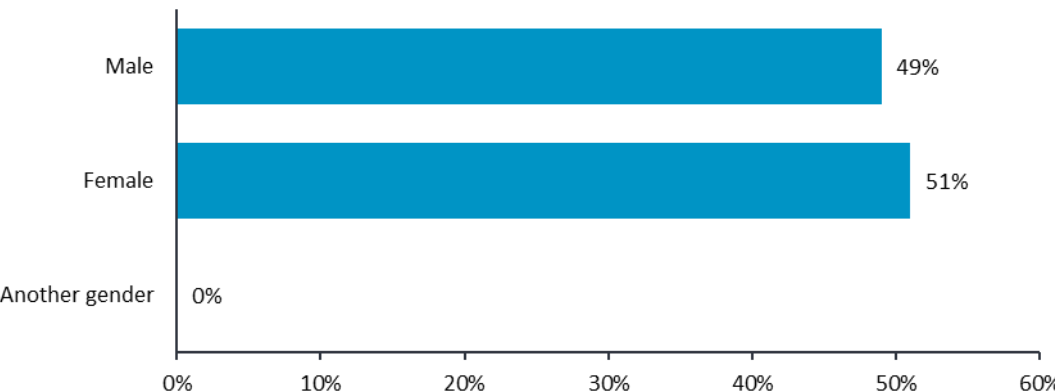


Source: NZIER

## A.2 Gender

Figure 13 presents participants broken down by gender.

Figure 13 What is your gender?

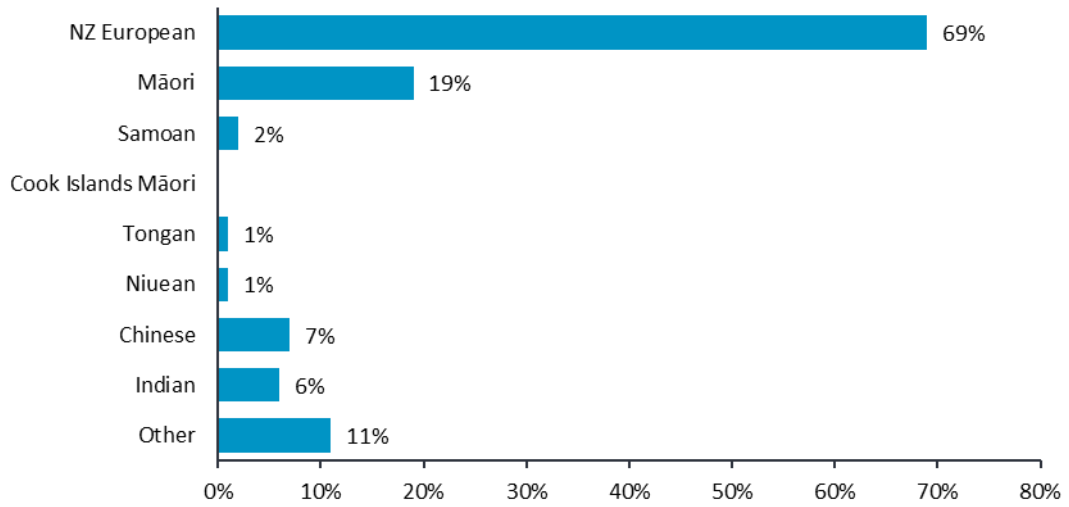


Source: NZIER

## A.3 Ethnicity

Figure 14 presents participants broken down by ethnic group.

**Figure 14 Which ethnic group or groups do you belong to?**

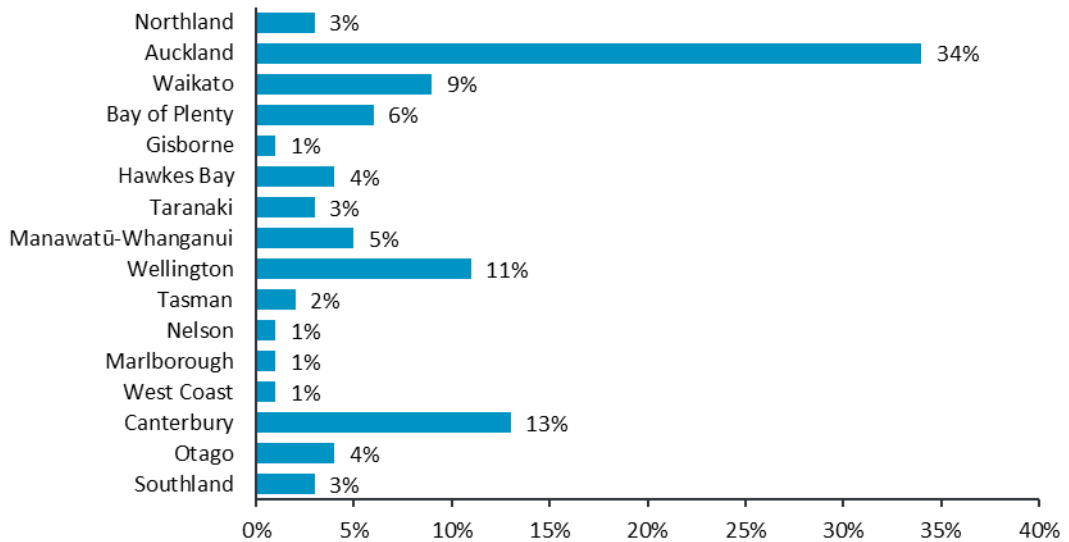


Source: NZIER

#### **A.4 Region**

Figure 15 presents participants broken down by region.

**Figure 15 Where do you usually live?**



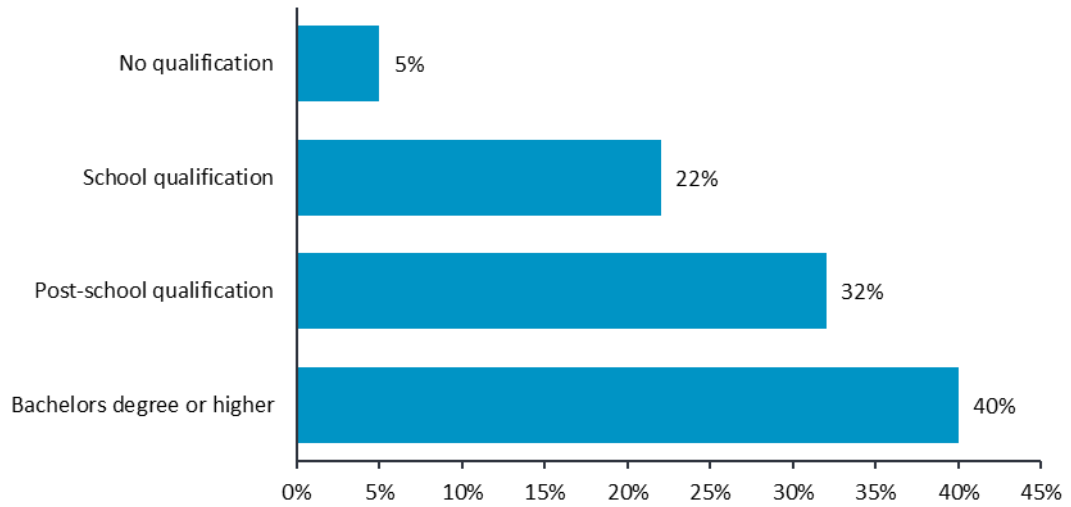
Source: NZIER

#### **A.5 Educational achievement**

Figure 16 presents participants broken down by educational achievement.



**Figure 16 What is your highest education qualification?**

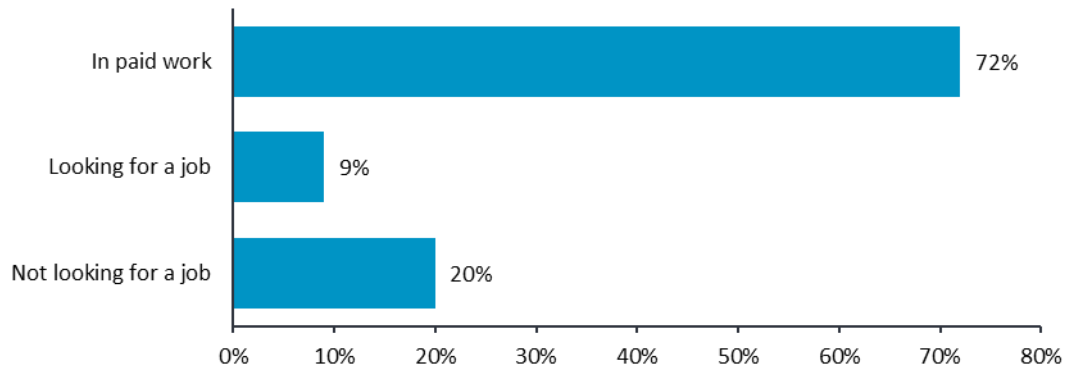


Source: NZIER

## **A.6 Employment status**

Figure 17 presents participants broken down by employment status.

**Figure 17 What is your employment status?**



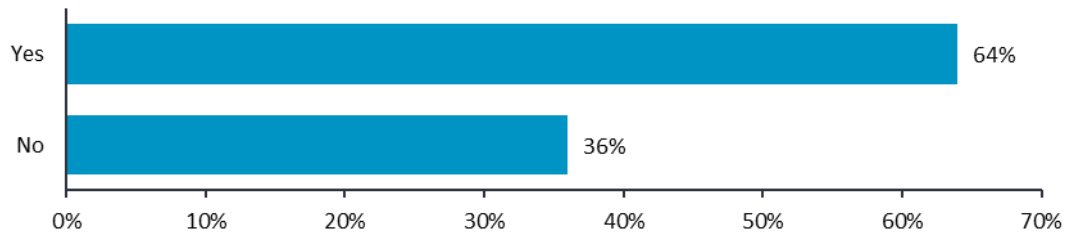
Source: NZIER

## **A.7 Home ownership**

Figure 18 presents participants broken down by home ownership status.



**Figure 18 Do you own a home in New Zealand, including jointly or in a family trust?**



Source: NZIER

