

From compliance to engagement: rethinking the use of conditionality in our social security system

Policy briefing | Tom Pollard | August 2023

Summary

There has been growing political concern and criticism about benefits sanctions in recent years. As well as causing severe hardship for those affected, driving many to rely on emergency support such as food banks, sanctions are rightly seen to epitomise the often punitive nature of our social security system. This has led to scrutiny of the effectiveness of sanctions, with a focus on what happens to people who are subject to them.¹

However, despite being the mechanism that drives sanctions, conditionality (i.e. the setting of requirements people must meet in order to retain their full benefit rates) has received much less scrutiny. Indeed, the need for conditionality is generally presented as both politically and practically necessary to maintain the integrity and accountability of the social security system. When challenged over the effectiveness of sanctions, the DWP has responded that they are necessary to ensure the effectiveness of conditionality.

As a result, the scope for policy debate and development in this space is very narrow. Sanctions could (and should) be made less severe or long lasting, and conditionality could be more 'personalised' to reflect someone's specific circumstances. These changes may reduce the incidence and impact of sanctions, which would be an important and welcome step forward. However, they would do little to address the wider negative impacts of conditionality.

While around 6% (over 100,000 people) of those eligible for a sanction are subject to one at any given time, the threat of sanctions causes stress and anxiety to many more. This undermines any sense of current or future financial security that people are able to draw from the, already inadequate, benefits they receive. But conditionality also fundamentally compromises the quality of people's relationship with employment support – driving compliance when what is needed is genuine engagement. This leads to poor experiences and poor outcomes.

This paper sets out why the current system of conditionality is both ineffective and damaging, and how an alternative approach could be better not only for people's financial security and wellbeing but also their prospects of finding well-paid, secure and fulfilling employment.

¹ Work and Pensions Select Committee (2023). *Inquiry on the effectiveness of sanctions*. Retrieved from <https://committees.parliament.uk/work/7649/effectiveness-of-sanctions/>

The case against a conditionality-centric system

The central role conditionality plays in the relationship between people on out-of-work benefits and the provision of employment support is indicative of the principles and priorities that have shaped the design of the system. Maintaining accountability and integrity (or at least particular interpretations of these concepts) is seen to be of the utmost importance, and is achieved through trying to push people from benefits into any job as quickly as possible.

In this context, ‘accountability’ is taken to mean that people are not able to ‘get away with’ receiving benefits without trying to find work. As the current Secretary of State for Work and Pensions has explained, “conditionality makes clear what is expected in return for the support [claimants] receive” and benefit sanctions are “the consequences of noncompliance”.² ‘Integrity’ is taken to mean that the public purse is protected by trying to minimise the amount of time someone spends in receipt of out-of-work benefits.

The corollary of prioritising these principles is that other potential objectives are harder to achieve. Most obviously, actual and perceived financial security are compromised, which can inhibit people’s cognitive bandwidth, planning and decision-making.³ This, combined with the demand to meet prescriptive expectations, drives a response of compliance rather than genuine engagement.⁴ It is vital to recognise that compliance and engagement are very distinct concepts, with broad implications for the effectiveness of policy – the table below sets out our understanding of key differences between the two:

	Compliance	Engagement
<i>How it is achieved</i>	Demanded of people under the threat of punishment	Fostered through building trusting relationships
<i>Balance of power</i>	All the power is held by the person demanding compliance	Power is shared more equally between the two parties
<i>What it looks like</i>	Uniform expectations, set by those in position of power	Personalised plan of action, developed through collaboration
<i>What it feels like</i>	Demeaning and constraining for the person on the receiving end	Can be empowering for both parties in the relationship
<i>What it achieves</i>	People are likely to do enough to avoid punishment but little more	Holds the potential to support people to stretch themselves

² May 2023 letter from the Secretary of State for Work and Pensions to the Chair of the Work and Pensions Select Committee [‘claimants’ is the term used elsewhere in the letter to describe people on out-of-work benefits]. Retrieved from <https://committees.parliament.uk/publications/39887/documents/194392/default/>

³ Mullainathan, S., & Shafir, E. (2013). *Scarcity: Why having too little means so much*. Picador.

⁴ Geiger, B. B. (2017). Benefits conditionality for disabled people: stylised facts from a review of international evidence and practice. *Journal of Poverty and Social Justice*, 25(2), 107-128. Retrieved from <https://bristoluniversitypressdigital.com/view/journals/jpsj/25/2/article-p107.xml>

A conditionality-centric system prioritises achieving a minimum floor of compliance, but fails to recognise that doing so also creates a low ceiling on the quality of engagement that can be achieved. We know that effective ‘helping relationships’ are critically dependent on trust and rapport,⁵ but these are fundamentally undermined if the threat of punishment for noncompliance is constantly hanging over and colouring this relationship.⁶ This leads to poor outcomes in terms of employment and people’s experience, health and wellbeing.⁷

There is growing recognition of the need for public services to be relational – working alongside people to empower them. Within education, health and social care, professionals are encouraged to try to foster genuine engagement rather than relying on compliance. Similarly, more enlightened workplaces understand the value of employee engagement for productivity and retention. In stark contrast, our system of social security and employment support is highly transactional and effectively built around financial coercion.

Conditionality in our current labour market

Two key current labour market challenges demonstrate the limitations of a conditionality-centric, compliance-driven approach to employment support. The first of these is the growing number of people who feel unable to work because of health conditions and disabilities; the second is a proliferation of low-paid, poor quality and insecure work.

DWP has a poor record of supporting ill and disabled people into employment. Since many are exempt from conditionality, DWP has an institutional mental block about how to try to help this group in the absence of its primary policy lever.⁸ Evidence from Employment and Support Allowance suggests that only around 4% of those exempt from conditionality due to disabilities or health conditions move into employment each year.⁹ However, even for those ill and disabled people who are subject to some degree of conditionality, employment outcomes have only been marginally higher. Many also report that the expectations placed on them are inappropriate and lead to a worsening of their health.¹⁰

Focusing on genuine engagement rather than compliance is the only path to achieving more positive employment outcomes for this group while protecting people’s health and wellbeing.

⁵ Graßmann, C., Schölmerich, F., & Schermuly, C. C. (2020). The relationship between working alliance and client outcomes in coaching: A meta-analysis. *Human Relations*, 73(1), 35–58. Retrieved from <https://doi.org/10.1177/0018726718819725>

⁶ Sheehan, K. & Burns, T. (2011). Perceived Coercion and the Therapeutic Relationship: A Neglected Association? *Psychiatric Services*. 62. 471-6. Retrieved from <http://dx.doi.org/10.1176/appi.ps.62.5.471>

⁷ Welfare Conditionality Project (2018). *Final Findings Report*. University of York. Retrieved from http://www.welfareconditionality.ac.uk/wp-content/uploads/2018/06/40475_Welfare-Conditionality_Report_complete-v3.pdf

⁸ Pollard, T. (2018). *Pathways from Poverty: A case for institutional reform*. Demos. Retrieved from <https://demos.co.uk/research/pathways-from-poverty/>

⁹ DWP (2016). *Work, health and disability green paper: data pack*. Retrieved from <https://www.gov.uk/government/statistics/work-health-and-disability-green-paper-data-pack>

¹⁰ Hale, C (2014). *Fulfilling potential? ESA and the fate of the work-related activity group*. Mind and The Centre for Welfare Reform. Retrieved from <https://citizen-network.org/library/fulfilling-potential.html>

Employment support delivered by services without recourse to conditionality are more effective at building the trust and rapport necessary to understand the specific barriers to employment people in this group face and help them to overcome these.¹¹ A more supportive and less threatening environment may encourage more people who are not subject to conditionality in the current system to engage with services. It may also create a safer space in which people could consider whether work is desirable and possible for them without this feeling so high stakes and tied up in questions of benefit eligibility.¹²

Under the current system of conditionality, a higher percentage of claimants who don't face additional barriers move off benefits and into work, but the type of jobs people typically end up in are low-paid, low-skilled, insecure and often part-time.¹³ This is consistent with DWP's stated 'ABC' approach of encouraging people into 'Any job' on the basis that this will in turn lead to a 'Better job' and then a fuller 'Career', but there is little evidence that the B or C are materialising for most people.¹⁴ The combination of inadequate social security rates and the pressure of conditionality give people very little power or capacity to hold out for better work, or more exploitative employers much incentive to offer it. Better employers may even steer clear of looking for employees via the Jobcentre because they know they are often effectively being forced to apply rather than doing so through choice.¹⁵

Supporting people into jobs that provide financial security, interest, fulfilment and opportunities for progression requires genuine engagement. This is particularly true for those facing additional barriers to work. This process may involve building someone's confidence, supporting them through knock-backs, and helping them to learn new skills and repurpose existing experience. Pressuring people through inflexible conditionality and inadequate social security to apply for any job going, in order to get off of benefits as quickly as possible, undermines any such efforts.

Designing a system to maximise engagement

Over the coming months, NEF will be exploring how our system of employment support could be redesigned around a central priority of maximising genuine engagement, as a path to

¹¹ Pollard, T. & Tjoa, P. (2020). *This Isn't Working: reimagining employment support for people facing complex disadvantage*. New Local. Retrieved from <https://www.newlocal.org.uk/publications/this-isnt-working/>

¹² Recent analysis from the Office for Budget Responsibility suggests that the prospect of being subject to conditionality pushes people towards wanting to be placed in benefit categories that are exempt from conditionality (see: OBR (2023). *Fiscal risks and sustainability* https://obr.uk/docs/dlm_uploads/Fiscal_risks_and_sustainability_report_July_2023.pdf)

¹³ Hoynes, H., Joyce, R. & Waters, T. (2023). Benefits and Tax Credits. *The IFS Deaton Review of Inequalities*. Retrieved from <https://ifs.org.uk/publications/benefits-and-tax-credits> Codreanu, M. & Waters, T. (2023). *Do work search requirements work? Evidence from a UK reform targeting single parents*. IFS. Retrieved from <https://ifs.org.uk/publications/do-work-search-requirements-work-evidence-uk-reform-targeting-single-parents> Haapanala, H. (2021). Carrots or sticks? A multilevel analysis of active labour market policies and non-standard employment in Europe. *Social Policy & Administration* 1-18. Retrieved from <https://onlinelibrary.wiley.com/doi/pdf/10.1111/spol.12770>

¹⁴ Jones, K. & Kumar, A. (2022). *Idleness*. Agenda Publishing.

¹⁵ Jones, K. & Carson, C. (2023). *Universal Credit and Employers: Exploring the Demand Side of UK Active Labour Market Policy*. Manchester Metropolitan University. Retrieved from <https://www.mmu.ac.uk/sites/default/files/2023-01/UniversalCreditandEmployersFinalReportJan2023.pdf>

increasing and improving employment outcomes while protecting people's health and wellbeing.

Any attempt to reimagine the existing system involving a move away from its conditionality-centric approach will inevitably face knee-jerk criticism that doing so would undermine accountability and integrity. However, we want to challenge the current conceptions of these principles and argue that more progressive interpretations are entirely compatible with an approach that prioritises engagement over compliance.

Rather than a narrow focus on whether someone is meeting prescriptive requirements, accountability should instead encompass the extent to which both those receiving and providing support are engaging in an attempt to achieve agreed goals. The integrity of the system isn't best served by a short-term focus on moving people off benefits and into any job as quickly as possible, but through supporting people towards sustainable and rewarding work that provides long-term financial security and opportunities for progression.

Conditionality as a backstop

Within the current system, the relationship-defining opening gambit of someone's interactions with a Jobcentre is a conversation about the 'consequences of noncompliance'.¹⁶ The evident and manifest power imbalance in the development of a 'claimant commitment' undermines any intent for it to be genuinely collaborative.

Transposed to an alternative (and highly relevant) setting of a workplace, few line managers would use their first meeting with a new recruit to set out potential scenarios that could lead to them being sacked. Beyond the feelings of insecurity and defensiveness this would invoke, it would also be a missed opportunity to lay the foundations of a trusting and engaged relationship that would support the new recruit to thrive in their role.

An alternative approach, looking to maximise the opportunity for genuine engagement, could have a default assumption of no conditionality when someone first comes into contact with employment support. An initial period of support would focus on trying to build a trusting relationship and a shared understanding of the person's goals, what it might take to achieve them, and what barriers are standing in the way. For some, their goal will be an immediate return to work, for others it will be about addressing barriers to employment.

If after a given period of time (say 3-6 months), the Jobcentre work coach (or equivalent staff member in an alternative setting) felt they'd made extensive attempts to engage with an individual but with no response, a review process could begin.¹⁷ This could start with another,

¹⁶ Language reflects that used in the May 2023 letter from the Secretary of State for Work and Pensions to the Chair of the Work and Pensions Select Committee. Retrieved from <https://committees.parliament.uk/publications/39887/documents/194392/default/>

¹⁷ Sarah O'Connor of the Financial Times has written about how plans to allow a window of time with no conditionality were considered in Germany, as part of a general shift there towards engagement over compliance. See <https://www.ft.com/content/dd4e0455-e3eb-469b-b2b5-9bdb0082f2ab>

more senior member of staff attempting to establish contact and explore why there had been no engagement. If no good cause is found, and there are no mitigating circumstances such as a health condition or disability, conditionality could potentially be invoked to require the person to attend an appointment to discuss the support available.

In this way, the accountability that conditionality is currently seen to provide would not be removed from the system but would become a backstop to be invoked when required. This would leave much more space for genuine engagement to flourish, in contrast to the current approach which smothers engagement through the blanket application of conditionality.

To return to the workplace analogy, this approach aligns more closely with what most employees would expect and experience: while someone might be aware of disciplinary procedures, the threat of these would remain implicit unless they needed to be invoked for a specific reason. In most cases, this would involve a gradual shift towards more formal disciplinary steps, in order to try to allow space for a more amicable resolution to any issues.

Incentives, measurement and experimentation

As well as opening up space for more genuine engagement with employment support services, making conditionality a backstop rather than a default would allow better measurement, understanding and improvement of the quality of this engagement.

If the initial onus for fostering engagement falls on those providing support, it will be possible to evaluate how well they are fulfilling this role. In simple terms, this could simply involve monitoring how successful staff are at engaging their 'caseload' with meetings and other communication. However, it could extend to measuring the quality of their relationships through something like the 'working alliance' scale, which has been shown to be predictive of positive outcomes in a range of settings, including employment support.¹⁸

This shift could also allow for testing and learning around broader communications, in collaboration with those they are targeted at, to see what works best in terms of encouraging engagement - by type (e.g. email/phone/letter) but also content and tone. Just as businesses try to attract and retain customers, DWP would be pushed to think more about what sort of brand and service would engage people in different circumstances. They may well conclude that support would be better offered in alternative settings, given the relational baggage attached to Jobcentres. Giving people more choice and control over the support they receive may lead to unexpected pathways into work and new evidence about what works for different groups and why.

¹⁸ Catty, J. et al (2008). Predictors of employment for people with severe mental illness: results of an international six-centre randomised controlled trial. *The British Journal of Psychiatry*, 192(3); Ravn, R. L. and Bredgaard, T. (2020). Retrieved from <https://pubmed.ncbi.nlm.nih.gov/18310585/> Relationships Matter – The Impact of Working Alliances in Employment Services, *Social Policy and Society*, 20, 3, 418–435. Retrieved from <https://www.cambridge.org/core/journals/social-policy-and-society/article/abs/relationships-matter-the-impact-of-working-alliances-in-employment-services/D96BEC85BE2C263C77E5562227AC4638>

A new relationship between providers and service users

For Jobcentre work coaches (or equivalent staff in other settings), an approach that prioritised engagement would likely feel less fraught and confrontational than the current system. It would ease the tension in their role between providing support and policing the benefits system by significantly shifting the emphasis from the latter to the former, reducing the amount of time they have to spend on administration. Our proposed approach would encourage staff to be more autonomous and creative in their efforts to achieve genuine engagement and build reciprocal relationships with the people they are supporting.

People in receipt of support would experience a more equal and trusting relationship, with less pressure and threat, more space and time to figure out what they want to do and what they need to get there, and a greater degree of financial and psychological security. With a greater say and stake in the relationship, they would be more likely to receive support that is tailored to their needs and aspirations, and mindful of their barriers and concerns. This would stand in stark contrast to current experiences of homogeneous ‘claimant commitments’ that are ‘explained’ to people before they are asked to ‘accept’ them.¹⁹ If people felt ownership over their support plans, they would also be more dedicated to fulfilling the commitments and objectives set out in these plans. This would allow support to harness people’s intrinsic motivations (i.e. things people want to do for their own sake) rather than crowding these out with a focus on extrinsic motivations (i.e. seeking reward or avoiding punishment).²⁰

Making the transition from compliance to engagement

We hope this paper helps to open up a debate about how conditionality is used in the social security system and the potential benefits of shifting from an approach that prioritises compliance to one that aims to foster genuine engagement. Although traditional narratives and theories are deeply entrenched, there is a growing realisation that the current system is failing to support people into well-paid, fulfilling and secure work, particularly those facing additional barriers such as health conditions or disabilities.

Any attempt to address these challenges by making tweaks to the current system is destined to fail. The relationship between the DWP and the people it is supposed to support needs a complete reset. Even the shift to make conditionality a backstop would require time and effort to overcome the dynamics of the existing relationship – the lack of trust among those needing support and the culture and practice of those providing it. Reforms will need to go wider than

¹⁹ Language reflective of that used in DWP’s questions about the ‘claimant commitment’ in their survey of “claimant experience”: DWP (2018). *Universal Credit Full Service Survey*. Retrieved from https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/714842/universal-credit-full-service-claimant-survey.pdf

²⁰ Deci EL, Koestner R, Ryan RM. (1999). A meta-analytic review of experiments examining the effects of extrinsic rewards on intrinsic motivation. *Psychol Bull.* Nov;125(6):627-68. Retrieved from <https://pubmed.ncbi.nlm.nih.gov/10589297/>

simply how conditionality is applied, as centrally important as it is, and may well require a shift away from DWP being the primary provider of support.

Over the coming months, NEF will be building on the ideas explored in this paper, and the response it provokes, through further research, analysis and policy development. We will also be thinking about the longer-term work required to achieve the shift we want to see, including:

- Building a wider consensus on the need to reset the relationship between the state and people it supports through social security and developing a stronger understanding of the components of policy and practice this would require.
- Deliberative work with people engaged with the current system, along with a wider pool of relevant stakeholders, to explore what an alternative approach could look like and how engagement and reciprocity could be fostered without conditionality.
- Calling on central government to commission a root-and-branch review of conditionality, building in a strong element of deliberation with citizens and considering trialling of alternative approaches that could be undertaken.

This will form part of a wider set of reforms to social security that NEF is advocating for through our [Living Income campaign](#) to guarantee everyone a decent level of financial security.

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