WORKING POOR IN SWITZERLAND
(A LEGAL ANALYSIS OF THE SITUATION SINCE 2010)

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Introduction

The concept of working poverty is a puzzling one. How may one be poor while still at work? This is indeed disconcerting, as work is usually seen as a way out of poverty. Nevertheless, it is a fact that many workers are today unable to make ends meet. Even though these people are working, they are not able to reach an adequate standard of living and to fully participate in social life.

The notion of working poverty first appeared in the United States of America in the 1960’s and was at first thought to be solely an Anglo-Saxon problem. This is not the case: working poverty is a worldwide phenomenon. And in a world where globalization, competition and deregulation take place every day on the labour market, one may expect that it will not disappear by itself, quite the opposite.

In Switzerland, the problem of working poverty has only fairly recently been brought to light on the national level. In the 1990’s, certain studies were conducted which tended to show that work is not an effective barrier against poverty and a 1998 study undertaken by Caritas helped to clarify the issue of working poverty. Later on, a 2004 study on social assistance’s adequacy and capability of solving working poverty in Switzerland conducted by S. Kutzner, U. Mäder and C. Knöpfel described the problem as a social phenomenon closely related to the situation prevailing in the labour market as well as in the socio-political field.

More recently, studies have focused on working poverty’s relation to low wages as well as with the Swiss welfare state. Caritas has also published its “New Manual on Poverty in

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1 CAZENAVE, p. 199.
2 “In 2015, an estimated 327 million employed people were living in extreme poverty” (i.e. below the $1.90 a day threshold) according to the International Labour Organisation’s report World Employment Social Outlook: Trends 2016, p. 19. See also HUG, p. 29-32.
3 The most cited one is the following study: LEU ROBERT/ BURRI STEFAN/ PRIESTER TOM, Lebensqualität und Armut in der Schweiz, Bern und Stuttgart 1997.
4 STREULI/BAUER, p. 5.
7 KUTZNER/MAÄDER/KNÖPFEL, p. 39.
9 HUG.
Switzerland”\(^{10}\), which describes, measures and explains poverty while also addressing the situation of the working poor.

In its 2010 recommendations, the Committee on Economic, Social and Cultural Rights asked Switzerland to focus on the situation of the working poor and to take measures to address the problem\(^{11}\). In this research, which has been prepared in the framework of the Human Rights Clinic at the University of Basel\(^ {12}\) on behalf of FIAN Switzerland\(^{13}\), we will look at what measures have been taken by the Confederation since 2010 to support the working poor and what still needs to be done.

Poverty in Switzerland is primarily dealt with at the cantonal level. However, a study led by Fabio Losa and Emiliano Soldini analyzing working poverty across Swiss regions has shown that working poverty has essentially the same nature and affects the same types of groups, lending support to the fact that it might be wise to tackle the problem at a national level\(^ {14}\). The fact that the “working poor” constitute the largest sub-group of the population considered as poor in Switzerland goes to show that working poverty is a central problem which must be addressed\(^ {15}\) and which should not be considered as being separate from the global issue of poverty\(^ {16}\).

Our research was conducted on the basis of statistical data provided by the Swiss Federal Statistical Office in addition to normative documents, comments of the Committee on Economic, Social and Cultural Rights and the International Labour Organization as well as related literature on the topic. We also were provided with help from experts in the field and had the opportunity to interview Gabriela Felder, Carlo Knöpfl and Ueli Mäder.

In the first chapter, we will define "working poverty" and examine the situation in Switzerland on the basis of the available Swiss statistics. We will also scrutinize which human rights and labour standards are violated in cases concerning working poverty. In the second chapter, we will discuss which measures could be taken to overcome working poverty and which measures have actually been implemented in Switzerland since 2010. We will end

\(^{10}\) Knöpfl Carlo / Schuwey Claudia, Nouveau manuel sur la pauvreté en Suisse (Lucerne 2014).
\(^{15}\) Hug, p. 22.
\(^{16}\) Andress/Lohmann, p. 287.
our study by summarizing which measures should still be taken in order to solve the problem of working poverty in Switzerland.

I. An Overview of Working Poverty in Switzerland

1. Definition of Poverty and Working Poverty

Switzerland is often recognized as being one of the richest countries in the world and one that enjoys the highest living standards. Nevertheless, even though it is not immediately apparent, indigence is still a reality in this country. In 2014, it was determined that income poverty affected 6.6% out of the total Swiss population, about a quarter of which were considered to be working poor (123,000 persons)\(^{17}\).

1.1. What Does It Mean to Be Poor in Switzerland?

Poverty depends on a social, cultural and political context; therefore, the notion of what poverty is can vary widely between countries. A person considered destitute in Bangladesh cannot be compared to a deprived person in Switzerland. This renders a universal definition of poverty difficult.

Poverty is often characterized by a shortage of financial resources as well as a lack of participation in social life. As a multidimensional phenomenon, poverty is often linked to multiple deprivations in different interconnected fields. For example, a person with a low level of education and a low paid job will have more risks of finding him or herself in financial distress. This may then have an impact in other areas such as nutrition, health, housing and social integration, which in turn has repercussions on the general well-being of the person and on his or her ability to work efficiently and thus to earn a living. This is why poverty may be seen as a vicious circle.

It is harder for people in need to pursue hobbies and to be fully integrated in society. This is not only bad for the individual, but also for the whole social body as it represents higher costs in terms of healthcare and social security. At the same time, this situation also poses an ethical problem, which involves denying some people a right to the same living standards enjoyed by others as well as preventing them from being able to contribute to society's development.

\(^{17}\) FSO, Results from 2007 to 2014, p. 1.
Poverty may take various forms. There are different approaches to apprehend the concept of poverty. A distinction is commonly drawn between absolute and relative poverty. Absolute poverty relates to a lack of access to the most basic needs in order to survive, such as food, water, clothing, shelter, essential medicines, and relative poverty expresses an inability to enjoy a minimum participation in society by taking into account the general standard of living in a certain society. The Swiss Federal Statistic Office also makes use of the absolute poverty threshold and the relative poverty threshold.

1.1.1. Absolute Poverty Threshold

The absolute poverty threshold\(^{18}\) is mainly of interest in order to understand the statistics we will be analyzing further on. The *minimum social subsistence level* defined by the Swiss Conference on Social Welfare’s\(^{19}\) Guidelines\(^{20}\) is used to calculate the *poverty rate* in Switzerland. The *minimum social subsistence level* takes into account a person’s basic essential needs as well as a minimum participation in social life. This minimum level determines a fixed amount of money per person necessary to buy food, clothes and other basic goods, to meet housing costs as well as 100 CHF for every person aged 16 or over for additional expenses\(^{21}\).

In 2014, the poverty line was CHF 2219 per month on average for an individual and CHF 4031 per month for two adults with two children\(^{22}\).

As the general living conditions of the Swiss population finds itself at a higher level than the absolute poverty threshold, we will now turn our attention to that which is most relevant when considering the working poor phenomenon in Switzerland, namely, the concept of relative poverty.

1.1.2. Relative Poverty Threshold

The relative poverty threshold is used by the Swiss Federal Statistical Office to calculate the *at-risk-of-poverty rate* in Switzerland.

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\(^{18}\) The absolute poverty threshold in Switzerland does not relate to the concept of absolute poverty on the international level or the 1.25$/day poverty measure of the World Bank.

\(^{19}\) Conférence Suisse des institutions d’action sociale (CSIAS)/Schweizerische Konferenz für Sozialhilfe (SKOS)

\(^{20}\) These guidelines are recommendations. They must be transposed into cantonal legislation to be of binding nature.

\(^{21}\) FSO, Results from 2007 to 2014, p. 1.

\(^{22}\) Ibid., p. 2.
Poverty is here defined in comparison with the general standard of living of people in Switzerland. People are considered at risk of poverty when they are not able to benefit from the same goods and services as the majority of the population. Because it does not only depend on the individual’s economic situation but also takes into consideration the prevailing standard of living in a given country, this threshold helps to understand poverty as a form of social inequality.\(^{23}\)

The relative poverty threshold usually finds itself at a level above the absolute poverty threshold in industrialized countries.\(^{24}\) In Switzerland the at-risk-of-poverty rate has been fixed at 60% of the median equivalised household income.\(^{25}\) The at-risk-of-poverty threshold was in 2014 CHF 2458 for an individual person and CHF 5163 for two adults with two children.\(^{26}\) This means that a person living in a household whose income finds itself under this median value is at risk of facing poverty.

1.2. What Does It Mean to Be Working Poor in Switzerland?

Within the framework of this study, we shall refer to the definition of the working poor given by the Swiss Federal Statistical Office. It defines the working poor as “people aged 18 or over who had a full-time or part-time job for more than half of the calendar year and who live in a poor household.”\(^{27}\) This definition relates to those households that live below the absolute poverty threshold, as defined by the Swiss Federal Statistic Office.\(^{28}\)

1.3. How Many «Working Poor» Are There in Switzerland?

As an introduction, one should first and foremost highlight the lack of statistical data on the subject of the working poor in Switzerland in comparison to other countries.\(^{29}\)

Since the year 2007, the Swiss Federal Statistical Office publishes poverty statistics on the basis of the Statistics on Income and Living Conditions survey (SILC). Unlike the previous statistics on poverty, founded on the Swiss Labour Force Survey (SLFS), which only included persons aged from 20 up to 59 years old, today's available data gives us information on poverty in terms of income of the entire population residing permanently in private

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\(^{23}\) Ibid., p. 1; Knöpfel/Schuwey, p. 33.

\(^{24}\) Knöpfel/Schuwey, p. 33.

\(^{25}\) Ibid.

\(^{26}\) FSO, Results from 2007 to 2014, p. 2.


\(^{28}\) For a general discussion on the definition of working poverty, see Hug p. 33 ff.

\(^{29}\) For example, official statistics on poverty exist in the United States since the 1960's. See Knöpfel/Schuwey, p. 17.
households, including people of 18 years of age and over.

Here we will focus on the latest statistics based on the SILC, which has been conducted in over 30 European countries and therefore enables comparisons between Switzerland and these countries\(^{30}\).

On the federal level, the latest statistics concerning the working poor in Switzerland dates from 2014. It is important to note that since 2014 the sample for the SILC survey is drawn from the new sample frame for the person and household survey (SRPH), which allows, for example, people without a landline phone to take part in the survey\(^{31}\). Also, the weighting model has been improved\(^{32}\). Due to the fact that the methodology has changed, the statistics we are going to rely upon may not be compared to the previous year’s data\(^{33}\).

According to the Swiss Federal Statistical Office, 6.6% of the population in Switzerland was living in a household where the disposable income\(^{34}\) was inferior to the threshold of absolute poverty in 2014\(^{35}\). Additionally, about half a million people had an income that barely exceeded the threshold of absolute poverty.

Among the 530,000 persons (one out of fifteen people) concerned by poverty, 123,000 persons were employed (working poor)\(^{36}\). This goes to show that about a quarter of the persons affected by income poverty in Switzerland are engaged in a professional activity and that 3.3% of employed people in Switzerland were considered to be working poor\(^{37}\). Moreover when considering the relative poverty threshold, 13.5% of the entire population


\(^{31}\) Ibid.

\(^{32}\) Ibid.

\(^{33}\) Ibid.

\(^{34}\) The disposable income is calculated by subtracting compulsory expenditures such as social insurance contributions, taxes, basic health insurance premiums and other regular transfers to other households (alimonies, for example) from the gross household income which is made up of all the incomes of the members of a given household (income from employment and self-employment, income from property as well as pensions, social transfers and transfers received from other households, etc.). See FSO, Results from 2007 to 2014, p. 2 ; OFS, Inégalité des revenus, p. 36 ; KNÖPFEL/SCHUWEY, p. 53.

\(^{35}\) FSO, Results from 2007 to 2014, p. 1.

\(^{36}\) Ibid.

\(^{37}\) Ibid. p. 4.
and 7% of the working population were at risk of poverty.

Graphic 1: Evolution of poverty indicators among employed persons

As the graphic above clearly shows, poverty among the active population has had a tendency to decline since 2007. Nevertheless, as the statistics methodology has changed between 2013 and 2014 and as we do not have any up-to-date statistics as we speak, it is hard to give a reliable appreciation of how the situation of the working poor has evolved since 2013.

1.4. What Are the Most Vulnerable Groups?

As we can see on the second graphic (on page 11), the risk of being working poor mostly affects single-parents with children as well as people living alone.

When considering the situation of employment, people who are not employed all year round face a much bigger risk of being income poor in comparison to people who are employed throughout the year (7,2% compared with 2,9% correspondingly)\textsuperscript{39}. A further distinction is made among people employed throughout the year: workers that work mainly part time are twice as likely to be under the poverty line than those working full-time (4,5% part-time


\textsuperscript{39} FSO, Results from 2007 to 2014, p. 4.
compared with 2.2% full-time working poor\textsuperscript{40}. This may be explained by the fact that part-time jobs usually offer more unfavourable salaries and employment conditions than full-time jobs\textsuperscript{41}.

Generally speaking, employees have less probability of being income poor than people that are self-employed (2.7% compared to 7.0%)\textsuperscript{42}. This may be simply explained by the fact that to be employed and thus to receive a regular salary usually represents a certain financial security that may prevent people from falling under the poverty line. Also, employees with a supervisory function are almost three times less likely to be working poor than those who do not exercise such a function (1.3% compared to 3.3%).

There are also some aggravating factors that when combined to other characteristics increase the probability of income poverty such as the gender, age, level of education or nationality of a person as well as the household size and household labour supply\textsuperscript{43}.

First of all, women are generally more concerned by poverty than men. This can be explained by the fact that many women still stay at home to take care of children, that they tend to work part-time and that they do not receive the same salaries as men\textsuperscript{44}. Women are also more often single parents than men\textsuperscript{45}.

Second, as regards age, people between 18 and 24 years old are more prone to income poverty than other groups of age in the population. This is most certainly due to the fact that young people often lack experience and qualification or are still students and cannot work full-time. The risk of being working poor then decreases with age\textsuperscript{46}.

Third, the level of education plays an important role in determining the types of jobs that one can choose from\textsuperscript{47} and the less education a person receives, the more risk he or she will have of being working poor.

Statistics have shown that people who do not pursue their studies beyond the compulsory education level have almost twice the likelihood of being poor as those who have an upper secondary qualification (12.6% compared with 6.8%)\textsuperscript{48}. Moreover, those who have obtained

\textsuperscript{40} Ibid.
\textsuperscript{41} STREULI/BAUER, p. 18.
\textsuperscript{42} FSO, Results from 2007 to 2014, p. 4.
\textsuperscript{43} KNÖPFEL/SCHUWEY, p.115; LOSA/SOLDINI, p. 24.
\textsuperscript{44} STREULI/BAUER, p. 13.
\textsuperscript{45} FSO, Results from 2007 to 2014, p. 3.
\textsuperscript{46} LIECHTI/KNÖPFEL, pp. 31-33.
\textsuperscript{47} LIECHTI/KNÖPFEL, p. 77 ; HUG, p. 56.
\textsuperscript{48} FSO, Results from 2007 to 2014, p. 3.
a diploma from a university are the least impacted by poverty (4.1%)\textsuperscript{49}. It has also been shown that people having attended training courses run less risk of being part of the working poor\textsuperscript{50}.

Fourth, the household size and the number of children also influence the risk of being working poor, which ties in to the fact that having children leads to direct and indirect costs and represents a poverty risk\textsuperscript{51}. Single parents with one or more children are the most vulnerable, followed by parents with three or more children.

Fifth, the lesser there are members of a household that work, the more this increases the risk that the household will be affected by poverty. Households where only one person is employed are more than three times more likely to be poverty stricken than households where two people are employed (5.7% compared with 1.7\%)\textsuperscript{52}.

Finally, with regard to nationality, foreign nationals are more likely to be at-risk of poverty than Swiss nationals. This is not so much due to their legal status as to their recognized level of education, related professional activity and family situation\textsuperscript{53}. Indeed, they often haven’t carried out a post-compulsory education, are predominantly employed in industries such as construction, hotels and restaurants, manufacturing, public health and often live in households with several children\textsuperscript{54}.

To sum up, working poverty mostly affects women, foreign nationals, people of a young age as well as single-parent households, households with several children, people with a low level of education and part-time workers. The main reasons for being working poor are related on the one hand to the job one exercises (wage, part-time/full-time work) which is also related to the education level and, on the other hand, to the household in which one lives (presence of children, number of people employed).

\textsuperscript{49} Ibid.
\textsuperscript{50} \textsc{Streuli/Bauer}, p. 17.
\textsuperscript{51} Ibid., p. 14.
\textsuperscript{52} FSO, Results from 2007 to 2014, p. 3.
\textsuperscript{53} \textsc{Hug}, p. 55.
\textsuperscript{54} \textsc{Streuli/Bauer}, p. 16; \textsc{Hug}, p. 55.
Graphic 2: Poverty rates among employed according to various characteristics

Poverty rates among employed persons according to various characteristics, 2014

The household variables concern people living in households with these characteristics. Employed persons are defined here as persons aged 18 or over who were self-employed or employed for more than half of the months in the year before the survey (most frequent activity status). Atypical working hours include working at night and at the weekend, as well as variable working hours imposed by others. Only subgroups with at least 200 observations in the sample and a confidence interval of a maximum of ±10% are shown. The confidence interval is used to determine whether the observed differences between two values are statistically significant.

Example: The poverty rate of employees was 2.7% (± 0.4), that of the self-employed 7.0% (± 1.6). The confidence intervals of these two groups were 2.3% to 3.1% and 5.2% to 8.8% and do not overlap. The difference observed is therefore statistically significant.

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55 FSO - Statistics on Income and Living Conditions.
1.5 Human Rights Based Approach to Working Poverty Reduction

We advocate that working poor are right holders and that the Swiss government is the primary duty bearer, which should guarantee that their rights are fulfilled. Using a human rights based approach to working poverty reduction, we will try to give an overview of the fundamental human rights that Switzerland has committed itself to respect, protect and fulfil and which abuses cause working poverty in the country. We will also look at the decent work standard defined by the International Labour Organization (ILO) which relates to the human right to work. In the next chapter, we will discuss how Switzerland has acted to fulfil these rights.

The objective is not to gather all relevant provisions that may apply to improve the socio-economic situation of the working poor in general but to focus on the provisions that we find essential. When considering the relevant legal provisions that provide support for the case of the working poor, it is important to bear in mind that working poor and people living in poverty generally speaking are right holders, even though it is difficult for them to make their voices heard, and that the non-fulfilment or violation of human rights can be both “a cause and a consequence of working poverty”\(^\text{56}\).

Here are some of the most relevant provisions arising out of the Universal Declaration of Human Rights (UDHR) and the International Covenant on Economic, Social and Cultural Rights (ICESCR)\(^\text{57}\) as well as labour rights guarantees defined by the ILO.

First of all, every person, including working poor, has the right to social security\(^\text{58}\). In Switzerland, this right is guaranteed by Article 12 and 115 of the Constitution. The social security system is divided into five different sub-sections which are old-age, survivors' and invalidity insurance (three-pillar system), protection against the consequences of illness and accidents, income compensation allowances in case of service and in case of maternity, unemployment insurance and family allowances\(^\text{59}\). Among the working poor that benefit from social assistance single mothers with children, foreigners and part-time workers are more represented than others\(^\text{60}\).

In spite of this multi-faceted social security net, the main problem in Switzerland is that many

\(^\text{56}\) Arbour, p. 5.

\(^\text{57}\) Switzerland is a party member to the ICESCR since the 18\(^{th}\) of June 1992 and the treaty entered into force on the 18\(^{th}\) of September 1992.

\(^\text{58}\) Art. 22 of the UDHR and Art. 9 and 10 of the ICESCR.


\(^\text{60}\) Kutzner/Mäder/Knopfel, p. 232.
working poor, who could have access to social security, do not claim their rights. This may be explained by the fact that they are not aware they could benefit from social security, face administrative difficulties or have a negative perception of a social security system and would be ashamed to benefit from it.

Secondly, working poor have the right to work, to enjoy just and favourable conditions of work and the right to form and join trade unions. The human right to work is essential in preventing and fighting poverty because having the possibility to work and to obtain a salary is usually necessary in order to be able to enjoy the rights to food, clothing or shelter but also to live a socially integrated life. In Switzerland, while an unemployment rate remains rather low, finding a job is often not as challenging as finding a job that offers just and favourable work conditions.

The right to just and favourable conditions of work, an important corollary of the right to work, is recognized in a separate article in the ICESCR which gives the working poor in particular a right to “a remuneration which provides all workers, as a minimum, with: fair wages and equal remuneration for work of equal value without distinction of any kind (...), a decent living for themselves and their families (...), safe and healthy working conditions, equal opportunities for everyone to be promoted (...), rest, leisure and reasonable limitation of working hours and periodic holidays with pay, as well as remuneration for public holidays” (art. 7 ICESCR).

The components of the right to just and favourable conditions of work have been clarified by the Committee on Economic, Social and Cultural Rights as well as by the International Labour Organization’s Conventions and Labour Standards. Most notably, the concept of

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62 KNÖPFEL/SCHUWEY, p. 42.  
63 Art. 23 of the UDHR and Art. 6 of the ICESCR.  
64 Art. 23 of the UDHR and Art. 7 of the ICESCR.  
65 Art. 23 of the UDHR and Art. 8 of the ICESCR.  
66 In 2015, the unemployment rate among the active population in Switzerland was of 3.3%. – http://www.bfs.admin.ch/bfs/portal/fr/index/themen/03/03/blank/key/registrierte_arbeitslose/entwicklung.html (accessed 23/08/2016).  
67 The elements listed here are included in Art. 7 of the ICESCR and are non-exhaustive. For example, the Committee on Economic, Social and Cultural Rights has indicated that other factors, such as prohibition of forced labour, social and economic exploitation of children and young persons, freedom from violence and harassment as well as paid maternity, paternity and parental leaves may fall under the scope of this article. See the CESCR General Comment No. 23 (2016) on the right to just and favourable conditions of work, para. 6.  
68 See the CESCR General Comment No. 23 (2016) on the right to just and favourable conditions of work, para. 5 ff.  
69 In particular the Minimum Wage Fixing Convention (No. 131, 1970) and the Equal Remuneration Convention (No. 100, 1951). Switzerland has ratified Convention No. 100 in 1972 but still hasn’t ratified Convention No. 131.
*decent work* developed by the International Labour Organization (ILO) is of particular relevance. Indeed, the ILO has identified ten substantive elements that define *decent work*\(^\text{71}\). All these elements, apart from the right to a fair wage, have been implemented in Swiss legislation\(^\text{72}\).

The notion of “adequate” earning or “fair” wage has been described as non-static\(^\text{73}\) and as “a wage from full-time work that allows people to lead a decent life considered acceptable by society”\(^\text{74}\). Fair wages are of capital importance in order to fulfil working poor's rights to just and favourable conditions of work and to an adequate standard of living and should, therefore, be guaranteed by Swiss legislation.

In addition, the right to form and join trade unions\(^\text{75}\) is essential for the realization of the right to just and favourable conditions of work. Indeed, having the right to form and join trade unions as well as having the right to strike\(^\text{76}\) may help workers to be heard by their employers and to obtain (or keep enjoying) a secure access to just and favourable conditions of work.

Thirdly, working poor have the right to education\(^\text{77}\). Guaranteeing the right to education is important to prevent and reduce working poverty because helping working poor to obtain more qualifications will then enable them to find a work that is better paid. Generally speaking, Switzerland respects, protects and fulfilts the right to education as enshrined in the Covenant. The problem lies more in the fact that people coming from poor families do not always have a chance to get a higher education or to access training programs.

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\(^\text{71}\) The ten elements defining decent work are “employment opportunities (access to a quality job), adequate earnings and productive work, decent working time, combining work, family and personal life, work that should be abolished (child and forced labour), stability and security of work, equal opportunity and treatment in employment, safe work environment, social security, and social dialogue, employers' and workers' representation.” ILO, Decent Work Indicators, p. 15.

\(^\text{72}\) See in particular Art. 4(2) and 41 of the Swiss Federal Constitution, Art. 319 ff. of the Code of Obligations as well as the ILO Convention concerning the Abolition of Forced Labour (No. 105) that Switzerland has ratified in 1958.

\(^\text{73}\) Because “it depends on a range of non-exhaustive objective criteria, reflecting not only the output of the work but also the responsibilities of the worker, the level of skill and education required to perform the work, the impact of the work on the health and safety of the worker, specific hardships related to the work and the impact on the worker’s personal and family life.” See the CESCR General Comment No. 23 (2016) on the right to just and favourable conditions of work, para. 10.


\(^\text{75}\) Art. 23(4) of the UDHR and Art. 8 of the ICESCR. See also Art. 11 of the European Convention on Human Rights.

\(^\text{76}\) Art. 8(1)(d) of the ICESCR.

\(^\text{77}\) Art. 26 of the UDHR; Art. 13 and 14 of the ICESCR.
Finally, working poor have the right to an adequate standard of living\textsuperscript{78} “including food, clothing and housing and to the continuous improvement of living conditions”\textsuperscript{79}. This right is a social right that requires the realization of a number of other rights such as the right to education, the right to work or the right to social security in order to be fulfilled. The right to an adequate standard of living should be a high priority in Switzerland where the living standard is one of the highest in the world. Thus, workers should be able to provide for themselves and their families with adequate food, water and sanitation, health, clothing and housing. Nevertheless, this right is infringed for workers in Switzerland who suffer from poverty.

After having discussed the phenomenon of working poverty in Switzerland and having given an overview of the fundamental human rights, which partial or complete non-fulfilment causes working poverty, we will now outline different essential measures, which should be taken in order to overcome working poverty and guarantee the realization of these human rights.

\textsuperscript{78} Art. 25 of the UDHR and Art. 11 of the ICESCR.

\textsuperscript{79} Art. 11(1) of the ICESCR.
II. Measures Against Working Poverty on the National Level

Working poverty is a complex phenomenon. Many actions can be undertaken to rectify the situation the working poor face as a consequence of the violation of their previously analysed basic rights. In this chapter, we will first define certain key areas where measures could be taken, such as monitoring, providing decent labour conditions, as well as tax, social, housing, education and family guarantees. We will then examine what has been done by the Swiss Confederation in the last 6 years.

1. What Could Be Done to Put an End to Working Poverty?

1.1 Monitoring

In order to put an end to working poverty by the creation and implementation of adequate measures, it is necessary, first, to identify the problem, make it visible and look at its evolution over time. When defining who should be considered as working poor, it is important to make use of a broad definition in order not to leave anyone excluded from being helped. It is then essential to dispose of reliable data providing an effective overview of the situation of the working poor and its development. This is part of the work of the Federal Statistical Office, which has conducted studies on poverty in Switzerland since the late nineties.

Unfortunately, as seen in the first chapter, statistics from the year 2014 are not comparable to statistics from previous years and this prevents us from having a suitable outline of how the working poor’s situation has evolved in recent years. Also, the statistical sample used by the Federal Statistical Office for their statistics (approximately 7’000 households) is not comprehensive enough and, therefore, does not allow trustworthy observations about certain groups of working poor. Additionally, it does not provide for data on working poverty at the

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80 In our interview on the 14th of June 2016, Professor Ueli Mäder suggested, for example, that children be included in the definition of working poor.
81 This also goes against the recommendation number 17 of the CESC, who has asked Switzerland to provide for comparative statistical data compiled on an annual basis over the five years prior to it’s next report. The Federal Statistical Office is working on ameliorating the comparability of statistics but this should only be completed in 2017. For an overview of the official numbers of working poverty in Switzerland in the past years see HUG, pp. 26-29.
82 CARITAS, Quelle politique de lutte contre la pauvreté pour la Suisse?, p. 4
cantonal level, which is problematic because cantons often do not have any statistics on working poverty.\footnote{Ibid.}

After having brought into clearer focus the contours of the problem with monitoring working poverty in Switzerland, we will turn to the other essential measures to overcome working poverty, e.g. fundamental labour rights guarantees.

### 1.2. The Labour Rights Guarantees

The right to a fair minimum wage represent a key measure to fight against low wages, wage dumping as well as wage inequalities, thus helping working poor to earn enough money for enjoying a decent standard of living. The International Labour Organization (ILO) defines a fair minimum wage as “the minimum amount of remuneration that an employer is required to pay wage earners for the work performed during a given period, which cannot be reduced by collective agreement or an individual contract”\footnote{How to define a minimum wage? – http://www.ilo.org/global/topics/wages/minimum-wages/definition/lang--en/index.htm (accessed 23/08/2016).}. The importance of guaranteeing fair minimum wages is demonstrated by the fact that wages represent around 70 per cent of household income in European countries.\footnote{ILO, Global Wage Report 2014/15, p. 35.}

Minimum wages may be set in law, collective agreements or private employment contracts.\footnote{It may be noted that these alternatives are not mutually exclusive. See the declaration of the Co-President of the inter-professional trade union Unia, p. 1. – http://www.unia.ch/fileadmin/user_upload/Arbeitswelt-AZ/GAV/AW-GAV-cct_ambrosetti-letems.pdf (accessed 23/08/2016).}

In Switzerland, the setting of wages is based upon the principles of contractual, economical and labour-union liberty. There exists no national minimum wage defined in the Swiss legislation that apply to all workers in Switzerland\footnote{An initiative seeking to introduce a national minimum wage was refused in 2014. See chapter 2.2.} and the state does not interfere in the decision process leading to the definition of salaries. This implies that trade unions take on great importance in negotiating minimum wages with employers.

When fixing a minimum wage in a collective agreement, it is important that both the fundamental rights of a person and “the general level of wages in the country, the costs of living, social security benefits, and the relative living standards of other social groups”\footnote{Art. 3(a) of the ILO’s Minimum Wage Fixing Convention.} as well as “the requirements of economic development, levels of productivity and the
desirability of attaining and maintaining a high level of employment be taken into account in accordance with the ILO standards.

Collective agreements may either apply to a specific company or to industries as a whole. Because the Swiss Confederation only has the jurisdiction to extend the scope of a given collective agreement to all concerned industries in the same field when the parties to the agreement make such a demand or when there are repeated abuses with regard to wages and working hours and provided that the general conditions are met, we stress the importance for workers to join trade unions and participate in the creation or preservation of collective agreements determining decent working conditions as well as fair wages.

The minimum wage’s efficiency in combating wage inequality “depends on the proportion of workers covered by collective agreements and on the position of these workers in the wage distribution.” The ILO estimated the Swiss trade union density rate at 18.6% in 2014 and the collective bargaining coverage rate at 39.8% in 2009. This goes to show that there is still work that needs to be done in this field and that trade unions should organize themselves in the best possible way in order to be able to negotiate better wages for workers.

Along with the basic right to a fair minimum wage, other labour rights, such as the right to job security and equal employment, decent work conditions as well as the right to rest and leisure are of capital importance. Also, employers should make an effort to make the working schedules of their employees compatible with family life and childcare.

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89 Art. 3(b) of the ILO’s Minimum Wage fixing Convention.
90 There exist collective agreements that either apply nationwide in sectors such as in the hotel and catering business or at the regional level, as, for example, in the case of domestic work.
91 Art. 7(1) of the Federal Law Permitting the Extension of the Scope of Application of the Collective Agreement (Loi fédérale permettant d'étendre le champ d'application de la convention collective de travail / Bundesgesetz über die Allgemeinverbindlicherklärung von Gesamtarbeitsverträgen).
92 Art. 1 of the Federal Law Permitting the Extension of the Scope of Application of the Collective Agreement.
93 Art. 1a of the Federal Law Permitting the Extension of the Scope of Application of the Collective Agreement.
94 Art. 2 of the Federal Law Permitting the Extension of the Scope of Application of the Collective Agreement.
95 The effectiveness of minimum wages in combating working poverty is discussed in part 2.2.
97 ILO, Stat Database Country profiles Switzerland, Trade unions and collective bargaining – http://www.ilo.org/ilostat/faces/home/statisticaldata/ContryProfileId? afrLoop=213697624463749#%40%3F_afrLoop%3D213697624463749%26adf.ctrl-state%3Diya9y4e27e_158 (accessed 23/08/2016). The trade union density rate “conveys the number of union members who are employees as a percentage of the total number of employees”. It excludes “union members who are not in paid employment (self-employed, unemployed, retired, etc.)”. (Trade unions density rate - 2014). The collective bargaining coverage rate “conveys the number of employees whose pay and/or conditions of employment are determined by one or more collective agreement(s) as a percentage of the total number of employees”. It takes into account “the possibility that some workers do not have the right to bargain collectively over wages (e.g. workers in the public services who have their wages determined by state regulation or other methods involving consultation)” (Collective bargaining coverage rate - 2009).
98 According to Professor Ueli Mäder, trade unions that are the most organized are the ones who benefit from better minimum wages.
To sum up, legal guarantees of fair minimum wages for every worker and the fulfilment of associated labour rights are essential in helping the working poor to attain an adequate standard of living. However, because working poverty cannot only be resumed to the problem of low income, the guarantee of fair minimum wages should be combined with favourable tax, social, housing, education and family policies. Some of them we will analyze now.

1.3 The Tax, Social, Housing, Education and Family Policies

Working poor are poor not only because their basic labour rights are not guaranteed, but also because they must face expenses with regard to taxes, food, clothing, housing, healthcare and sometimes children. Their ability to cope with this financial burden and to enjoy an adequate standard of living is, therefore, not only dependent on the wage they receive.

For example, working poor can sometimes be deterred from increasing their work hours because it might imply that they will have to pay higher taxes or lose their right to means-tested benefits (so called “poverty trap”). This implies that the tax and social system should be revised in order to prevent that the positive effects of a rise in labour income isn’t neutralized by a rise in taxes or by the suppression of certain social benefits (referred to as the “threshold effect”).

Furthermore, the creation of a federal law for social assistance and a social minimum would be an important step in the fight against working poverty, as a number of working poor benefit from social assistance. Indeed, the definition of a social minimum in the Guidelines of the Swiss Conference on Social Welfare is not of binding nature for Cantons. A mandatory social minimum on the national level would prevent decisions reducing the scope of social support, as, for example, the decision to diminish assistance to young adults and families of six people and over taken in 2015. Additionally, the fact that the scope of social support given to people in need vary greatly between cantons, is in contradiction with the principle of equality of treatment.

The elaboration and implementation of a national legal framework, which would define a binding method of calculating the social minimum and help coordinate the components of

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100 See the study of the Swiss Conference on Social Welfare, Knupfer/Pfister/Bieri page 9 ff.
101 Art. 1, 7, 21(2) of the UDHR, Art. 8 of the Swiss Federal Constitution.
social security\textsuperscript{102} as well as their relation with other means-tested benefits (such as training-allowances or family top-ups), would be an adequate response to this problem. As the jurisdiction for social assistance is at the cantonal level\textsuperscript{103}, the creation of federal legislature would imply the modification of the Constitution in order to give a jurisdiction to the Confederation.

As regard to social assistance in general, the amounts transferred to beneficiaries could also be gradually reduced instead of ending as soon as the person has the necessary financial resources and thus does not fulfil the conditions to benefit from social assistance anymore; this would help to provide for a smoother transition from a life with assistance into a life without assistance. Also, working poor who do not have the financial resources to hire a legal representative for claiming their rights to social assistance should be given free legal advice on the matter of defending these rights. In Switzerland, social assistance is subsidiary to all other types of benefits and is the last social safety net that may assist the working poor in attaining a social minimum when all other options have been exhausted and should therefore not be seen as a mechanism providing for a long term solution to the issue of working poverty\textsuperscript{104}.

The right to adequate housing, which is a core component of the right to an adequate standard of living\textsuperscript{105}, is a precondition to the enjoyment of other rights such as the right to work, the right to social security and to education\textsuperscript{106}. In Switzerland, the right to adequate housing is promoted by the Confederation through funding and technical support, but the main responsibility for its fulfilment lies at the cantonal and communal level. This notwithstanding, a recent study on housing and poverty in Switzerland found that “housing was inadequate for 83.5 percent of poor households and 57.1 percent of financially insecure individuals” and that inadequate housing was “four times more common among the

\textsuperscript{103} See Art. 12 and 115 of the Swiss Federal Constitution. See also Art. 12 (1) of the Federal Law on Assistance (Loi Fédérale sur la compétence en matière d’Assistance des personnes dans le besoin / Bundesgesetz über die Zuständigkeit für die Unterstützung Bedürftiger).
\textsuperscript{104} KUTZNER/MÄDER/KNÖPFEL, p. 50.
\textsuperscript{105} Art. 11 of the ICESCR.
\textsuperscript{106} For a discussion on the right to adequate housing, see the UN report “The Right to Adequate Housing” – http://www.ohchr.org/Documents/Publications/FS21_rev_1_Housing_en.pdf (accessed 22/08/2016).
financially disadvantaged than in the overall population\textsuperscript{107}. This goes to show that the right to adequate housing is not fully guaranteed in Switzerland, where the main problem remains the high costs involved\textsuperscript{108}. Further steps should be taken to secure an access to adequate housing for the working poor population.

It appears that working poor are also disadvantaged compared to the rest of the population due to the high costs of health insurance premiums, which have been constantly on the rise during the last ten years\textsuperscript{109}. In this respect, one can question if the right to health (Article 12 al. 1 and 2 lit. d of the CESCR\textsuperscript{110}) is truly respected, protected and fulfilled in Switzerland. Individual reductions of health insurance premiums for people with a modest background\textsuperscript{111} have been put under pressure as many cantons have reduced budgets they allocate for these reductions\textsuperscript{112}. This situation should be changed. Also, for children and young adults in training with low or medium incomes, one could recommend that they be abolished\textsuperscript{113} – instead of being only reduced up to 50\%\textsuperscript{114}. Moreover, the fact that dental care costs are not covered by an obligatory health insurance is a major problem for people living in poverty, as most of them will skip a visit to the dentist – thus sometimes endangering their health – in order to save a bit of money. An initiative to include dental care costs in healthcare insurance is currently underway\textsuperscript{115}. One could also suggest that a national healthcare insurance be created\textsuperscript{116}. This could be seen as a solution to the problem of high cost of health insurance premiums\textsuperscript{117}, although the Federal Council has rejected this idea\textsuperscript{118}.


\textsuperscript{108} According to the study of the National Program for Prevention and Fight Against Poverty, around 30\% of household income is used to cover housing expenses.

\textsuperscript{109} In 2016, there has been a 4\% average rise in the costs of health insurance premiums. See: SAUVAIN, p. 354.

\textsuperscript{110} In which State Parties to the ICESCR “recognize the right of everyone to the enjoyment of the highest attainable standard of physical and mental health” (Art. 12(1) ICESCR) as well as agree to the “creation of conditions which would assure to all medical service and medical attention in the event of sickness.” (Art. 12(2)(d) ICESCR).

\textsuperscript{111} Art. 65 al. 1 of the Swiss Health Insurance Act.

\textsuperscript{112} Zurich and Basel-City are the only Cantons that have increased the amounts allocated for these reductions.

\textsuperscript{113} This idea was expressed by Professor Carlo Knöpfel during our interview on the 27th of June 2016.

\textsuperscript{114} Art. 65 al. 1bis of the Swiss Health Insurance Act.

\textsuperscript{115} Initiative to include dental health costs in healthcare insurance – http://initiative-dentaire.ch.


\textsuperscript{117} This initiative had the objective of adapting health insurance premiums to the economic capacity (income and fortune) of its members while also reducing the cost of premiums for people with lower income. See the arguments of the founders of the initiative in 2007, p. 11. – http://www bk.admin.ch/themen/pore/ova/20070311/index.html?lang=fr&download=M3wBPgDB 8uil6Du36W enojQ1NT7jaXZnqWfVp7Yhmfhnapmmcc7Zi6rZnqCkkIR7g5uBbKbXrZ6lhuDZz8mMps2gpKfo (accessed 23/08/2016).
Measures concerning education and training are of capital importance to prevent and bring an end to working poverty and the Swiss Confederation is responsible for taking action in this field\textsuperscript{119}. Working poor that wish to follow training courses with the view to acquiring more skills and finding a better paid job as well as children with difficulties in school should be supported and encouraged to exercise their right to education.

It is also important to emphasize that helping working poor families is an essential step in fighting present but also future poverty. Studies have shown that children coming from poor families often remain in precarious situations throughout their lifetime\textsuperscript{120}. Children are a major poverty factor because they increase the total amount of household costs,\textsuperscript{121} while also making it more difficult for parents to work full time. Indeed, the parent who has custody of the child will tend to work part time or cease working. This is also linked to the fact that nurseries are expensive and do not always have opening hours suitable for parents who have irregular working schedules or work at night. For these reasons, measures should be taken to assure that families are able to obtain the necessary financial resources to cover their living expenses and thus be able to enjoy their right to an adequate standard of living.

Family policy in Switzerland is mainly in the competence of the cantons and municipalities but the Confederation has nevertheless introduced certain measures during the past years while refusing others\textsuperscript{122}. As we will see in chapter 2\textsuperscript{123}, the \textit{National Program for Prevention and Fight Against Poverty} is currently evaluating the efficiency of family policy measures\textsuperscript{124}. Also, minimum children allowances have been defined at the national level\textsuperscript{125} and now amount to 200 CHF per month for each child and 250 CHF per month for children that are


\textsuperscript{119} The Confederation has the jurisdiction for the regulation of continuing education and training according to Art. 64a of the Swiss Federal Constitution.

\textsuperscript{120} CARITAS, Quelle politique, p. 14.

\textsuperscript{121} “A child costs 14’412 Swiss Francs per year for a single-parent family and 11’304 Swiss Francs a year for a couple. For a couple with two or three children, these costs add up to 18’096 and 21’852 Francs a year respectively.” See: Caritas, Quelle politique, p. 13.

\textsuperscript{122} For an overview of the distribution of jurisdictions between the Cantons and the Confederation regarding family policy, see: Rapport du Conseil fédéral, Politique familiale, p. 2 ff. An initiative with the objective of adding an article in the Federal Constitution giving more jurisdiction to the Confederation and cantons with regard to family policy was refused on the 3\textsuperscript{rd} march 2013. http://www.bsv.admin.ch/dokumentation/gesetzgebung/00092/03236/index.html?lang=fr (accessed 23/08/2016).

\textsuperscript{123} See Chapter 2.1.2.

\textsuperscript{124} According to Ms. Gabriela Felder, director of the \textit{National Program for Prevention and Fight Against Poverty}, the results will be discussed during a national conference that will take place on the 22 November 2016 in Bienne. (Interview with Ms. Felder on the 7th of July 2016.)

still in school or in training\(^\text{126}\). According to Article 2 of the Federal Act for Family Benefits\(^\text{127}\), these type of allowances are cash benefits and are given to families with the objective of partially compensating the expenses related to the children in the household. The creation of such a compensation mechanism is certainly a step in the right direction, but it would be more productive to raise the amount of financial support given for children in working poor families\(^\text{128}\) as well as to exempt them from taxes\(^\text{129}\).

Most importantly, the creation on the national level of top-ups for families with low revenues\(^\text{130}\) is a key measure which could be implemented. These type of benefits can be very effective in fighting working poverty – as an important number of working poor are families with children – and have also proven to be a potential substitute to social assistance. They have already been successfully introduced in the cantons of Ticino (1997), Solothurn\(^\text{131}\) (2010), Vaud (2011) and Geneva (2012)\(^\text{132}\). The idea of introducing benefits for families at the federal level has been the subject of ongoing discussion for many years. In the year 2000, Jacqueline Fehr and Lucrezia Meier-Schatz launched parliamentary initiatives\(^\text{133}\) suggesting the introduction of such benefits. Eleven years later and after numerous debates, their propositions were refused by the National Council with the argument that this would be a breach in the cantonal competences and that social benefits had been improved in the meantime. In 2013, member of Parliament Yvonne Feri made a motion\(^\text{134}\) asking once again for the introduction of these benefits, but they were again refused in March 2015. Looking forward, one may hope that this type of measure will one day be accepted on the federal level.

\(^{126}\) This measure has forced 18 cantons to increase budgets for children allowances in order to respect the national minimum defined by the Federal Act for Family Benefits.

\(^{127}\) Loi Fédérale sur les Allocations Familiales / Bundesgesetz über die Familienzulagen. This law was adopted in 2008 and entered into force in 2009.

\(^{128}\) A proposition could be to index the allowances to the income the parents receive.

\(^{129}\) An initiative with this objective was refused by a majority of the Swiss population and Cantons on the 8\(^{\text{th}}\) of March 2015. – http://www.bfs.admin.ch/bfs/portal/fr/index/themen/17/03/blank/key/2013/011.html (accessed 23/08/2016).

\(^{130}\) These type of top-ups should not be mistaken with old-age and survivor's insurance or invalidity insurance (AHV/AVS, IV/AI) top-ups.

\(^{131}\) A survey was made in Solothurn to evaluate the effectiveness of these type of benefits. This survey shows that 69% of beneficiaries said that their financial situation had improved although still remaining tense and that 36% saw an improvement in their social relations. See this report for more detail: Office Fédéral des Assurances sociales, Sécurité sociale, CHSS 6/2014, pp. 320-321.

\(^{132}\) CARITAS, Quelle politique, p. 4.


There is also a need for measures promoting the reconciliation of work and family life in Switzerland. This is particularly the case for single-parent families who are among the most vulnerable groups and who face the most difficulties in combining a full or part-time job with raising children. For example, there is an urgent need for more childcare places as the parent's demand is much higher than the offer coming from various institutions. On this matter, the Federal Law on Financial Support for Childcare\(^{135}\), an incentive program whose objective is to create more childcare places has been extended by the Parliament on the 26\(^{th}\) of September 2015 until the 31\(^{st}\) of January 2019 and was given a 120 million Swiss Francs budget. This measure seems to be effective as 50'600 new childcare places have been created since 2003, which corresponds to the doubling of the number of childcare places\(^{136}\). Even though the Confederation took action to rise the number of childcare centres, there is still a lack of institutions that provide for adequate childcare at affordable costs and with flexible schedules that take into consideration those parents whose working hours are irregular or at night.

Likewise, the introduction in the Swiss legal system of a paternity or parental leave would also move towards a better accommodation of work and family life and help promote gender equality\(^{137}\). Although there have been a few parliamentary motions to this effect, the Federal Council stated that today priority had to be given to the creation and improvement of childcare places\(^{138}\).

As we can see, there are numerous measures that could contribute to bring working poverty to an end while also fulfilling the working poor’s human right to work, to just and favourable conditions of work as well as their right to social security, education and to an adequate standard of living. In the next chapter, using a chronological approach, we will demonstrate what has been done at the national level in Switzerland to help the working poor since 2010.

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135 Loi fédérale sur les aides financières à l’accueil extra-familial pour enfants / Bundesgesetz über Finanzhilfen für familienergänzende Kinderbetreuung.
136 For an assessment of the program see: OFAS, Aides financières à l’accueil extra-familial pour enfants.
137 As of today, Art. 329f of the Swiss Code of Obligations guarantees a minimum leave of 14 weeks to the mother while the father may take an ordinary leave in conformity with Art. 329(3) of the Swiss Code of Obligations.
2. How Has Switzerland Tackled the Problem of the Working Poor Since 2010?

2.1. How Did the Confederation Get Involved in the Fight Against Poverty?

The bringing to light on the national level of the problem of the working poor in Switzerland first started in the nineties. During these years, various organizations asked the Confederation to take action against poverty and social exclusion\textsuperscript{139}. Yet, the decisive impulse for the Confederation to become involved in poverty reduction came from a motion from the National Council’s Commission on Social Security and Public Health\textsuperscript{140} in January 2006 asking the government to address the problem of poverty in Switzerland and to organize a national conference on the subject.

This request was granted by the Federal Council, which published a report on the 31\textsuperscript{st} of March 2010 on the \textit{Swiss Global Strategy for the Fight Against Poverty}.

Since most cantons either have only a few elements of a cantonal strategy to fight poverty, no strategy at all, or are in the process of elaborating one, the importance of having an effective national strategy to fight poverty can hardly be overestimated\textsuperscript{141}.

2.1.1 The Swiss Global Strategy for the Fight Against Poverty (2010-2014)

This \textit{Swiss Global Strategy for the Fight Against Poverty} is an important benchmark because the Confederation recognizes it has a role to play in supporting those in poverty. The strategy was defined by representatives coming from the federal government, cantons, municipalities and cities as well as from the Swiss Conference of the Welfare Ministers of the Cantons\textsuperscript{142} and from the Swiss Conference for Social Welfare\textsuperscript{143}. It contains six thematic sections that concern children living in poor families, the transition from school to training and then to work, families, long-term unemployment, the elderly and the threshold effects of means-tested benefits\textsuperscript{144}.

\textsuperscript{139} Programme national de prévention et de lutte contre pauvreté, p. 4
\textsuperscript{140} Commission de la Sécurité Sociale et de la Santé Publique du Conseil National (CSSS).
\textsuperscript{141} Berne is the only canton, which disposes of a full cantonal strategy to fight poverty. For an overview of the situation at the cantonal level, see the report from CARITAS, Quelle politique, p.7
\textsuperscript{142} Conférence des Directrices et des Directeurs Cantonaux des Affaires Sociales (CDAS).
\textsuperscript{143} Conférence Suisse des Institutions d’Action Sociale (CSIAS).
\textsuperscript{144} See the Federal Council’s report on the Swiss Global Strategy for the Fight Against Poverty, pp. 3-4.
In the 2010 report on the *Swiss Global Strategy for the Fight Against Poverty*, the Federal Council acknowledges that working poor households need to be supported by additional contributions. Particular attention is given to children coming from working poor households. The Federal Council stresses the importance for the cantons to develop childcare institutions that respond to the needs of the parents and to evaluate if there exists adequate support for underprivileged children in school. The fact that the higher an education a person attains, the lower the risk he or she will be part of the working poor is underlined and measures to help and encourage education are discussed. The relation between long term unemployment and poverty is explained and measures to prevent unemployment are discussed. As for means-tested benefits, the report highlights the problem of threshold effects, lack of coordination between means-tested benefits and differences between cantons, i.e. three problems we have discussed in part 1.3 of this study.

With regards to the commitment of the Confederation in the framework of the *Swiss Global Strategy for the Fight Against Poverty*, three fields have been chosen as matters of priority: the favouring of equal opportunities for all with regards to training, the improvement of measures helping people's reintegration into the workforce and the fight against family poverty.

The *Swiss Global Strategy for the Fight Against Poverty* was later discussed during the National Conference *Fight Together Against Poverty*, which took place on the 9th of November 2010. This conference brought together individuals concerned by poverty, non-governmental organizations engaged in the battle against neediness in Switzerland as well as representatives of cantons, municipalities and cities. During this conference, it was recognized that poverty, as a multidimensional problem, calls for various measures and involves every level of the federal system. Supplementary benefits for families and the improvement of institutional collaboration for the insertion and reinsertion in the labour market were discussed. The Confederation, cantons and municipalities representatives

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145 For example, to help them with their homework and to prevent them from dropping out of school.
146 *Swiss Global Strategy for the Fight Against Poverty*, p. 40.
147 Ibid., p. 66 ff.
148 Ibid., p. 71 ff. The subject of strategies against unemployment does nevertheless not fall in the scope of our study as working poor are not considered as unemployed.
149 Ibid., p. 89 ff.
150 Ibid., p. 125-126.
agreed to commit themselves to draft every two years a report addressing the results of the *Global Strategy for the Fight Against Poverty*\(^\text{152}\).

The *Swiss Global Strategy for the Fight Against Poverty* lays the foundation for measures contributing to the fulfilment of the right to education, to social security as well as the right to an adequate standard of living of the working poor. If the issue of working poverty is not directly targeted it is nevertheless included because, as we have seen, working poverty is a subcategory of poverty.

It is necessary to mention also the *Skilled Workers Initiative*\(^\text{153}\) which was launched in 2011 and has training and education as one of its main goals to achieve a better equilibrium in the repartition of competences on the labour market\(^\text{154}\). The conditions of access to scholarships have also been improved\(^\text{155}\).


On the 21\(^\text{st}\) of September 2012, the Federal Council assigned the Federal Department of Home Affairs with a task of developing a program to define how the Confederation could be involved in the fight against poverty, given its limited jurisdiction in this field. In a round table convened by the Federal Counsellor, Alain Berset, which took place on the 19\(^\text{th}\) of November 2012, actors in the social field assessed the current situation and discussed future measures that should be taken\(^\text{156}\). It was pointed out that people concerned by working poverty did not feel that their situation was improving. In particular, the need for a better coordination among the organizations and institutions acting to help those in poverty as well as between the national and regional levels was underlined.


\(^{153}\) Initiative sur le personnel qualifié. URL : https://www.personnelqualifie-suisse.ch/fr/


\(^{155}\) The access to scholarships – which is mainly a cantonal competence – has been dealt with by a cross-cantonal agreement which entered into force on the 1\(^\text{st}\) March 2013 and has the objective of harmonizing current cantonal legislations on the granting of scholarships. This measure is a good step forward in stopping the unequal treatment that was ongoing (the conditions to benefit from a scholarship and its scope depended on the place of residence) and in promoting the right to education as guaranteed by Art. 13 and 14 of the ICESCR.

\(^{156}\) The following documents were used as a basis for discussion.


In response to these concerns, the Federal Council adopted the *National Program for Prevention and Fight Against Poverty* on the 15th of Mai 2013. Beginning officially in 2014, it was accorded a budget of 9 million Swiss francs and intended to last until the end of year 2018. This national program should be seen as a symbolic milestone because it is the first time the Swiss Confederation has accepted to take active responsibility in this domain.

The *National Program for Prevention and Fight Against Poverty* has four different fields of action. The first is to help children as well as adults to get an educational background by promoting equality of chances for all, the second concerns social and professional integration of those in poverty, the third is about living conditions of families and other persons in need (particularly with regard to access to information and adequate housing) and the fourth is the elaboration of a strategy to monitor poverty. According to Ms. Gabriela Felder, director of the *National Program for Prevention and Fight Against Poverty*, there are no measures targeted directly at reducing working poverty but the working poor should be seen as an addressee of the program because working poverty is part of the general phenomenon of poverty.\(^{157}\)

Due to the division of jurisdictions in Switzerland, cantons bear the primary responsibility for measures reducing poverty. The program has thereby the main objective to support cantons, municipalities and non-governmental organisations in their task of eliminating poverty by facilitating the exchange of information as well as implementing measures of coordination and development, by defining and advertising “good practices” as well as releasing relevant information for the people living in poverty. The 9 million CHF budget is mainly used to conduct studies and innovative research in the four different fields of action as well as to organize events and conferences.\(^{158}\) Additionally, it may be used to support projects in the field of education and training (i.e. early incentives, choices and first steps in the professional field as well as remedial training), which constitute the most important aspects of the program.

According to some experts, although the *National Program for the Prevention and Fight Against Poverty* aims at laying foundations for effective anti-poverty policies, it is not efficiently fighting poverty because it is not directly carrying out actions on the ground but rather conducting general observations. According to Caritas, for example, this program is mainly reporting on the state of poverty in Switzerland and possesses too limited financial

\(^{157}\) Based on the interview with Ms. Felder on the 7th of July 2016.

\(^{158}\) This information was provided to us by Ms. Felder in the interview with her on the 7th of July 2016.
As the program will end in 2018, it would be interesting to evaluate the effects it has produced at that moment and see if it will be able to introduce and institutionalize effective measures for reducing poverty. This notwithstanding, one may regret that the working poor population is not given more attention in this program.

### 2.2. Legislative Initiatives Against Working Poverty in Switzerland

In this section, we will observe a few of the most important legislative initiatives which have been proposed on the national level since 2010 with the objective of securing the right to just and favourable conditions of work as well as the right to an adequate standard of living and discuss their relevance in solving the problem of working poverty.

An initiative “1:12 – for fair wages”, submitted in April 2011 by the Young Socialists Party, was rejected on the 24th of November 2013. The objective of the initiative was to add an article in the Constitution demanding that the employee with the highest salary could not earn more than twelve times as much as the employee with the lowest salary in the same company. In recent years, high salaries in Switzerland have increased to a far greater extent when compared to average salaries. That is why there is a need for a more equal distribution of wages as asked for by the ILO’s *Global Wage Report*, which underlines that wages are “a major determinant of changes in inequality”. Although the type of measure proposed in this initiative may be effective in reducing inequality in the labour market and in promoting just and favourable remuneration as expressed in Article 23 of the UDHR and Article 7 of the ICESCR, its effects on reducing working poverty is uncertain. In fact, an independent study conducted by the “KOF Swiss Economic Institute of the Federal Institute of Technology” in Zurich concluded that it was not possible to say in advance which type of effects on distribution, costs and efficiency this initiative might have due to the lack of experience with this type of measure.

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159 CARITAS, Quelle politique, p. 3

160 The preliminary results of the National Program for the Prevention and Fight Against Poverty will be discussed during the next *National Conference Against Poverty* on the 22 of November 2016.

161 For example, the subject of working poverty could have been designated as one of the main themes in the framework of this program.

162 This initiative was launched less than 9 months after the success of the initiative “against unfair remunerations”. – http://www.ejpd.admin.ch/ejpd/fr/home/aktuell/abstimmungen/2013-03-03.html (accessed 23/08/2016).


Also with the view of promoting just and fair wages, an initiative “For the Protection of Fair Salaries” of the Swiss Federation of Trade Union launched in 2012 and rejected on the 18th of Mai 2014 had the objective of introducing in the Constitution a minimum salary of 22 Swiss francs per hour for all workers in Switzerland (which corresponds to 4’000 Swiss francs a month) indexed on the evolution of wages and prices in the country. The Confederation and cantons were also to be given the duty to adopt measures protecting salaries and to promote the inclusion of minimum salaries in collective agreements. One may note that there are arguments for and against the initiative. On the one hand, the introduction of a minimum salary in federal law – collective agreements left aside – has been said to have negative effects on the enjoyment of the right to work (this assertion was refuted by the ILO). Some studies have shown that a better remunerated activity doesn’t always lead to an increase in the disposable income (because by having a higher salary some households may then lose their right to certain social benefits and thus find themselves in a worse situation than before the wage raise). On the other hand, it can be argued that such a measure would prevent wage dumping and would be useful as collective agreements do not always guarantee fair remuneration and do not encompass all professions on the national level. An intervention on the part of the Confederation would, therefore, be welcome on this matter.

Guaranteeing a minimum salary necessary for leading a decent life to all workers would assure the fulfilment of the working poor’s right to a fair wage as well as the right to an adequate standard of living. Nevertheless, it should be pointed out that the introduction of a minimum salary would be more effective for certain categories of working poor than others. Indeed, if this type of measure could doubtlessly help single working poor persons who are not able to reach the social minimum through their work, it’s effect on families is uncertain, as they face more financial expenses than the former due to the presence of children and would still need to receive other types of support. It is therefore required that such a measure be combined with the other types of support in the tax, social and family fields. It is

\[165\] Such an indexation corresponds to the standards set by the ILO. See in particular Art. 3 of the Convention concerning Minimum Wage Fixing (No. 131), which Switzerland has not ratified.


necessary to note that even though this initiative failed, some companies\textsuperscript{169} have nonetheless augmented their employees’ wages.

The federal initiative for an “\textit{Unconditional Basic Income}” whose objective was to add an article to the Constitution\textsuperscript{170} was rejected on the 5\textsuperscript{th} of June 2016. This initiative would have provided for an unconditional monthly income covering basic needs to every Swiss citizen regardless of their employment status in order to “enable the whole population to live a dignified existence and participate in public life”\textsuperscript{171}. Funding sources and precise amount of basic income was left to be decided in future legislation. The Federal Council opposed the initiative, arguing that it would have negative consequences for the Swiss economy and the social security system, that its funding would be problematic and that it would have a negative impact on social cohesion\textsuperscript{172}. For many, this initiative seemed unrealistic. Leaving aside these debatable questions, one may argue that such an unconditional income would help raise the income of all persons over the poverty line\textsuperscript{173} and help fulfil the working poor population’s right to an adequate standard of living.

All of these initiatives, if accepted, may have contributed to ensure better respect for the working poor’s rights to just and favourable conditions of work and to a decent standard of living. Let us hope that there will be future initiatives with the objective of securing these human rights and that they will not be turned down by the Swiss population.

\textsuperscript{169} Such as Aldi, Lidl, H&M and Bata.
\textsuperscript{171} See para. 2 of the (new) Art. 110a of the Constitution, as proposed by the initiative. – \url{http://basicincome-initiative.ch/initiative/} (accessed 23/08/2016).
\textsuperscript{173} HUG, p. 517.
Conclusion

In its fight against working poverty, the Swiss Confederation has mainly focused on the monitoring and improvement of measures to help families and to promote education, training as well as insertion in the labour market. It has done so by conducting studies, conferences and ameliorating the coordination between the different actors in the field. It appears nevertheless that there remain a number of measures that could be taken in the fields of labour, social security, housing, education, healthcare and family to reduce working poverty.

(1) In order to enable workers to benefit from jobs which provide a fair wage as well as just and favourable work conditions some measures are necessary in the labour market. Most notably, a minimum wage could be fixed at the national level. Also, trade unions should organize themselves in the best way possible to be able to negotiate adequate wages and decent working conditions for workers. The Confederation should actively take part in this process by extending sectoral or regional collective agreements to the national level and by creating standard employment contracts in fields where wages are particularly low.

(2) In the field of taxation, measures should be taken to guarantee that working poor are not financially penalized when they increase their working hours.

(3) The creation of a national framework law for social assistance guaranteeing an adequate and compulsory social minimum is necessary in order to unify cantonal practices and bring to an end unequal treatment of the working poor.

(4) To ensure the enjoyment of the right to adequate housing to the working poor, the Swiss Confederation should not only encourage the construction of low-cost housing, but also establish a mandatory percentage of social housing to be built in every canton. The Confederation should also fight more seriously against abusive rents.

(5) Switzerland should stress the importance of targeting poor workers and provide them with an access to adequate education. It should also continue encouraging education and training in the framework of the National Program for Prevention and Fight Against Poverty and the Skilled Workers Initiative while paying more attention to the working poor population.

(6) Measures should be taken to motivate healthcare insurance companies to lower premiums, the high cost of which is being a major expenditure item for working poor households. A national healthcare insurance system could also be created.
(7) In order to reduce the number of working poor families with children, compensation measures, such as higher children allowances exempt from taxes, the creation of top-ups on the national level, as well as measures necessary for the reconciliation of work and family life, such as affordable childcare places, should be taken.

As a conclusion, one should salute the Confederation's decision to participate in the fight against poverty. It should nevertheless be stressed that more concrete policies need to be implemented in order to really help the working poor population. Most importantly a compulsory social minimum, fair wages as well as top-ups for destitute families should be determined.
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