

# Life on the subsistence borderline : Switzerland's working poor

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Life on the subsistence borderline

# Switzerland's working poor

**It is estimated that almost 410,000 people in Switzerland are living below subsistence level despite being fully employed. How should the social phenomenon of the "working poor" be addressed?**

**W**ith more and more low-wage sectors appearing in the Swiss job market, a central credo of Swiss social values is being undermined: being in work no longer safeguards against poverty. This is partic-

*Lukas M. Schneider*

ularly alarming, given that Switzerland still ranks among the highest-income nations in the world.

The past few years have seen a significant rise in what sociologists refer to as "the working poor". A study by the charity Caritas Switzerland entitled "Trotz Einkommen kein Auskommen" ("In work but out of pocket") showed that three-quarters of the country's working poor are Swiss nationals employed in the hotel, cleaning and retail sectors. According to Caritas, the reason for the low average wages paid by these sectors is a weak union presence coupled with the absence of a general agreement on terms and conditions of employment, as well as unfavourable working conditions such as those governing casual labour.

## Minimum wage – the right solution?

Acute need sets in when a person on the poverty line loses his job. Since unemployment benefits amount at most to 80 percent of the insured wage, the daily allowance is correspondingly lower. The working poor are therefore forced to apply for welfare assistance.

In an age of globalisation and increased local competition, the working poor have little hope of enlarging their wage packet. At the end of 1998 Caritas drew up proposals aimed at improving the material lot of such persons. Specifically, the charity proposes the introduction of a legally defined minimum wage. As a second social measure it recommends extending supplementary benefits to include the working poor. What do the various political

bodies in Switzerland think of these recommendations?

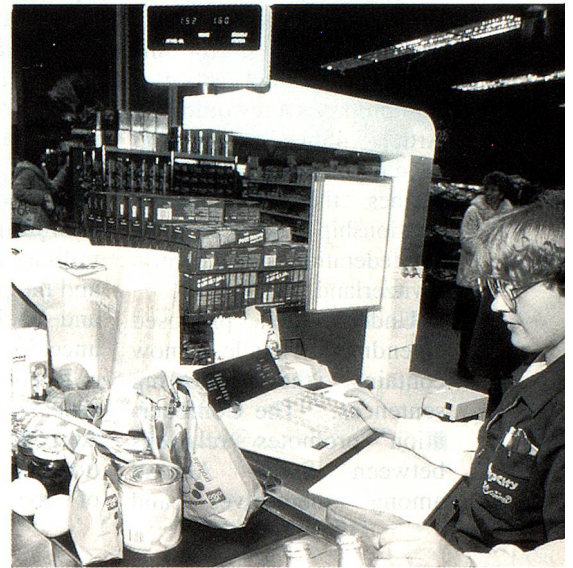
## Skepticism on the right

The Swiss Trades Association gives Caritas' proposals short shrift, labelling them as "presumptuous" and "unrealistic political demands". Likewise the Swiss People's Party (SVP) finds them difficult to accept. National Councillor Toni Bortoluzzi recommends cutting down on payslip deductions instead, arguing that a reduction in social insurance contributions would increase purchasing power on the part of employees, too.

Most members of the Liberal Democratic Party (FDP) are also skeptical. General Secretary Johannes Matyassy is against a legal minimum wage. In his opinion, the market should continue to determine income levels. Instead of extending supplementary benefits, he is in favour of improving the use of existing sociopolitical instruments. In the longer term Matyassy believes that the lot of the working poor will be improved by permanent further training. "The concept of lifelong learning applies just as much to the working poor. Provided, of course, that our education system remains egalitarian."

Within the democratic camp, the Christian Democratic Party (CVP) shows the most sympathy towards the introduction of a minimum wage, declaring that the right to a secure livelihood is enshrined in the Federal Consti-

*The debate on the working poor is gathering impact. A new General Agreement on Employment (GAE) has come into force for the hotel and catering industry. This nationwide agreement covers all businesses engaged in providing services for the general public in the hotel and catering field. All employees in this sector are now entitled to a minimum monthly wage. In addition the agreement provides for the phased introduction of a 13-month salary based on length of service.*  
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**The cashier's work is hectic. Yet her job is one of the lowest-paid in the country. (Photo: Keystone)**

tution. "Every person who works in this country should receive a wage on which he can reasonably live," says National Councillor Rosmarie Zapfl-Helbling. At the same time she cites the problem of quantification. Given an incomplete database, Switzerland is not as capable as other European states of accurately defining a class of working poor.

## Consensus on the left

On the left of the party spectrum, Caritas' recommendations have found broad acceptance. Social Democrat (SP) National Councillor Alexander Tschäppät identifies the basic problem as a lack of equilibrium in the social partners. In his opinion a first step towards improvement could be made "if employers once more took their responsibilities seriously and paid reasonable wages at reasonable conditions." Cécile Bühlmann, National Councillor for the Green Party of Switzerland, finds it alarming that more and more young people with children are entering the poverty level. SP National Councillor Jacqueline Fehr views the increase in child benefits as an effective hedge against poverty. Finally, Jura State Councillor Pierre-Alain Gentil (SP) sums up his opinion in a pointed statement: "Either Switzerland stays socially conscious, or it disappears." ■