FRIBOURG UNIVERSITY DEPARTMENT OF SOCIAL WORK AND POLITICAL SCIENCES

### SOCRATES INTENSIVE PROGRAMME

CHILDREN, POVERTY AND SOCIAL DEPRIVATION IN THE EU : SUGGESTION AND POLICY RECOMMENDATIONS TO TACKLE CHILDREN'S SOCIAL EXCLUSION IN EUROPE

# PREPARATORY REPORT

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## **1. INTRODUCTION**

#### 1.1. The family's evolution in Switzerland

Two aspects characterize the evolution of the family structure in Switzerland during the second half of the 20th century. The first is the desire of families not to rely on public or private institutions anymore such as the State and the Church. The State is not meant to intervene in the family's private sphere; it is only supposed to intervene when the integrity or dignity of individuals, especially children, is in danger. The second characteristic is the increase of individualism among family members. This individualism implies that the family is not seen as a group anymore, but as a sum of individuals.

It is possible to consider these two phenomena as a desire for autonomy within society rather than an egotistic attitude. It is then possible to see autonomy as the basis for each individual to build his or her own identity.

In regard to the evolution of the family composition, one can notice three important changes. Firstly, marriage has become less frequent: since 1962 the number of weddings has declined. The index has gone from 80% in 1971 down to 60% in 1976. Secondly, the number of divorces has increased. Until 1966, the rate of divorces was not particularly important (11%). But since 1967 the rate has become significant: 13% for that year, it then went up to 29% in 1986 and finally in 2000, 40.5% of the population had divorced.<sup>1</sup> Finally, the fertility rate has been decreasing since 1970. At the end of the Second World War, the birth rate was 2.62 children per woman; in 2002, it was only 1.4 children per woman.

We believe that this evolution of the family unit has a direct impact on childhood poverty in Switzerland.

#### **1.2. Dimensions of childhood poverty**

One way to estimate the level of children's poverty in Switzerland is the use of two definitions of poverty, the absolute and relative poverty level.

The absolute poverty level corresponds to a level of income that allows the household to satisfy its basic needs. "Of course, the definition of basic needs depends heavily on the type of society"<sup>2</sup>. In Switzerland the basic needs tend to include: staple diet, clothes, lodging, health insurance and health care. In a country like Switzerland, where the standard of living is relatively high, absolute poverty is rarely encountered.

"The relative poverty level is set at 50% of a median income. [...] Such definition of poverty is more related to social exclusion and inequalities than to the satisfaction of needs"<sup>3</sup>, because it depends on the place, the time and the context in which the person is living. In Switzerland, one tends to use the relative poverty level definition when analysing the situation of children's poverty. Social and cultural exclusion is one of the main consequences of children's poverty in Switzerland.

<sup>&</sup>lt;sup>1</sup> KELLERHALS J. & WIDMER E., *Familles en Suisse : les nouveaux liens*, Collection Le savoir Suisse, Lausanne, 2005, p.15.

<sup>&</sup>lt;sup>2</sup> FALTER J.M., *Child Poverty in Switzerland*, Université de Genève, Fond national pour la Recherche, 2005, p. 4. <sup>3</sup> *Ibid.*, p. 4.

Children's poverty in Switzerland is found especially in six different categories of people: working poor, single-parent families, migrants, people with health problems, drug addicts, homeless people.

### **2. TARGET POPULATIONS**

In this presentation about childhood poverty in Switzerland, we have decided to describe three different categories of people who have to deal with a certain degree of poverty in their daily life. These are single-parent families, working poor and finally migrant families.

#### **2.1.Single-parent families**

The term "single-parent family" is used to describe households where there is only one parent. While the main causes of single-parent family are divorce and widowhood, an additional factor may be adolescent unwed mothers.

Depending upon the situation, there are different sources of income for these families. When the situation is the result of a divorce, the other parent has to pay a pension to the children and sometimes also to the mother according to the divorce judgment. When the situation is the result of one parent's death, the children and the surviving spouse receive a pension from the survivors' insurance. If the father does not recognize the child, the mother will not get any economic help. If the mother needs some social and/or economic assistance, the only solution is to claim social assistance<sup>4</sup>.

Despite the disparity of incomes, according to recent statistics, one out of four single-parent families is poor in Switzerland.<sup>5</sup> In addition, the more children they have, the greater the risk of poverty.<sup>6</sup> To summarize, one can affirm that living in a single parent family is a risk factor for poverty in childhood, especially when the mother is the householder.

In fact, the mother often cannot work full time and can not earn enough money, because she is alone to look after her children. Unfortunately, the daycares or private caretakers are too expensive and do not have enough places. One of the solutions to this problem is the "full day school". This policy will be explained later in this report.

#### 2.2.Working poor

The term "working poor" is used to describe a person living in a household in which at least one of the parents is regularly and legally employed. This person remains in poverty due to a low salary and the cost of living. In Switzerland, to be considered as working poor one has to spend at least 36 hours per week at work. In spite of their regular income they are under the official poverty level. In 2005, it was established that the working poor constituted approximately the 4.2% out of a total poverty rate of 8.5% of the population.<sup>7</sup> This implies that half of the poor households work.

Working poor are mainly found in four different professional sectors: restaurants or catering, hotel business, retail trade as well as work in private households. The causes are mostly the

<sup>&</sup>lt;sup>4</sup> <u>http://ec.europa.eu/employment\_social/missoc/2003/missoc\_215\_fr.htm</u>, 27.01.08.

<sup>&</sup>lt;sup>5</sup> http://www.presseportal.ch/fr/text/story.htx?nr=100549703, 20.12.07.

<sup>&</sup>lt;sup>6</sup> OFS, *Encyclopédie statistique de la Suisse*, Neuchâtel, OFS, 2007.

<sup>&</sup>lt;sup>7</sup> OFS, La pauvreté des personnes en âge de travailler. Taux de pauvreté et de working poor parmi les personnes âgées de 20 à 59 ans, en Suisse, entre 2000 et 2005, communiqué de presse, Neuchâtel, mars 2007, p. 6.

lack of qualification, the part-time work and the irregular schedule. There are also structural causes. The sector of retail trade is not legislated by a collective working agreement, which means that the employers fix salaries freely.

Households with several children are more affected by the working poor's problems. In Switzerland, 16,5% of the households with three children or more, are considered as working poor.<sup>8</sup> On the one hand, the children are victims of their parents' poverty, and on the other hand they can be the cause of it, because of all the expenses that children's care implies. The cause of poverty in households is not only the low salaries, but also that they can not work full time because of children's care. It has been noticed that divorced families are often the most touched by this phenomenon.

#### **2.3.Migrant families**

In Switzerland, the rate of foreigners amounts to 20.7%<sup>9</sup> of the population (this number doesn't include asylum seekers). Among all the workers, one out of five is foreign. This especially high rate can be explained by "the welcoming tradition" that Switzerland has built over history and the long and demanding naturalization procedures. Most of the foreigners established in Switzerland are from Europe, mainly from the West of the Balkans, Italy, Portugal and Germany.<sup>10</sup>

To be a foreigner is considered as a poverty risk factor: numerous reasons can explain that. Indeed, the foreigners' education level is statistically lower or not recognised. This implies, among other difficulties, that they have more precarious jobs than Swiss workers. Regarding the family structure, the majority of poor single-parent families are foreign.<sup>11</sup> These families are often larger than the typical Swiss households. Furthermore, they can have language difficulties and they often do not understand or don't know the characteristics of the social welfare system as well as their rights. The children of these foreign families are more frequently confronted with school difficulties than the Swiss pupils. This can be increased by language problems and/or parents who do not have the capacities to help them.

To tackle the issue of foreign children's poverty, one needs firstly to get the family over social and economical insecurity. Then, specific measures have to be implemented; these include an easier access to language courses, a facilitated naturalization process and above all an overall improvement of the integration of migrants.

#### **3. THREE IMPORTANT POLICY INITIATIVES**

Before analysing three different policy initiatives, which are or could be implemented to reduce poverty and protect poor people, it is necessary to understand the structure of the Swiss Confederation. Then, three policy initiatives will be presented: social assistance, family allowance and the full day school.

<sup>&</sup>lt;sup>8</sup> OFS, *op. cit.*, p. 7.

<sup>&</sup>lt;sup>9</sup> OFS, *Migration et intégration – Analyses : la population étrangère en Suisse*, Neuchâtel, OFS, 2006.

<sup>&</sup>lt;sup>10</sup> OFS, Immigration des personnes bien qualifiées, Neuchâtel, OFS, 2007.

<sup>&</sup>lt;sup>11</sup> KEHRLI C. & KNÖPFEL C., Manuel de la pauvreté en Suisse, Lucerne, Caritas, 2007, p. 92.

#### 3.1. Federalism and social assistance

#### **3.1.1.** Swiss Confederation

Switzerland has been a federal State since 1848 and has a federal structure with three different political levels: the confederation, the cantons and the communes.<sup>12</sup>

The Confederation is the name used to describe the State. There are three different powers in the Confederation: the executive (the Federal Council, consisting of the president assisted by 6 other federal Councillors), the legislative (the Federal Assembly) and the judiciary (the Federal Supreme Court). Switzerland is comprised of 26 states known as cantons, divided into communes. The communes are the smallest political unit of the state structure. Every canton and every commune have a certain autonomy. They have their own legal system and political authorities; this implies differences within the country that must not be neglected. In that sense, Switzerland is not a homogenous country.

#### **3.1.2.** Social assistance

The social assistance system and benefits are regulated by cantonal laws on social assistance, based on Articles 12 and 115 of the Swiss Federal Constitution. Even though it is based on the Federal Constitution, one actually finds 26 different jurisdictions which lead to inequalities. Furthermore cantons tend to delegate the organisation to the communes. To promote equal treatment on a national basis, the Swiss Conference for Social Institution (SKOS) proposes different guidelines.

Social assistance is provided to individuals and families who are not able to ensure that basic necessities are met. One of the goals is to encourage economic and professional independence.

Social assistance is based on several principles, among which subsidiarity. This principle implies that all the other measures have to be tried before being allowed to ask for assistance. There are other measures and other social insurances, such as: old-age and survivors insurances, disability insurances, unemployment insurances, and family allowance. Moreover, recent statistics show that the main categories taking advantage of social assistance are children and adolescent (0-17 years old). In fact, they represent 31% of the people getting social assistance. Most of them live in a single-parent family. In general, the risk of needing social assistance increases with the number of children in the family.

Two different kinds of help are available for these families. On the one hand there is financial help and on the other, different programmes are elaborated (for example: sponsoring or providing an apprenticeship for young adults, creating discussion groups to increase their social network, and developing different skills, such as responsibility, motivation, etc.).

One can acknowledge three facts: there is an increasing number of children and young adults demanding social assistance; secondly, social assistance was created as a temporary help but has become more and more a long term measure. Moreover young adults who benefit from it often do not have a professional training. Finally, the situation of the young adults shows us that one should react much earlier, preventively, which means already during schooling.

 $<sup>^{12}</sup>$  « Communes » is the Swiss word for district.

#### **3.2.Family allowances**

Family allowances are organized by the State to help families with children. These services are legislated by the social State, but each one of the 26 cantons has its own family insurance law and application. Family allowances and professional training allowances are the two State's main services. Both are intended for households with children. Family allowances are distributed to children from 0 to 16 years old. The professional training allowances are intended for the young people between 16 and 25 years old following an education. Furthermore, there are birth allowances, adoption allowances, maternity allowances and specific allowances in the domain of agriculture.

Family allowances complete the income of the household.<sup>13</sup> The purpose is to relieve a part of the financial expenses necessary to the care of children. Globally, they allow the households to take care of their children with dignity. They should be used to finance the costs of education, health, food, clothes... Their amount is between 90 and 190 euros per month and per child; this sum is not enough to cover all the children's needs.<sup>14</sup> They are attributed to all the households or parents who accommodate one or several children (host family, foster family, "normal" household). The beneficiaries are normally salaried workers. In some cantons, the non-working population can receive family allowances under certain conditions (fortune, years of residence in the canton, etc).

The family allowances are not calculated in the same way for people living in different areas of Switzerland. In most cases, the employer has to pay a contribution to a fund for his employee. This fund redistributes the money that each employee deserves according to the time he spends working and the number of children he has. Some people receive more than the amount of money planned by the canton's law, because they have extra clauses in their work contract. At present, the cantons do not need to guarantee a minimal amount.

Due to these inequalities and to improve the help to families, a new law was proposed and accepted by the citizens in 2006 to create a uniform standard of legislation. This new law is going to come into force in January 2009. The minimal family allowance will be 125 euros and the minimal professional training allowance will be 160 euros.<sup>15</sup> This new law will assure a minimum for workers and non-workers with modest income in Switzerland. That should improve the situation of some poor households.

#### **3.3.The full day school**

To increase the parents' volume of activity and consequently their salary, the State has developed different measures. Apart from the daycares and recruitment of child care takers, there is another measure which is already implemented in various parts of Switzerland: the full day school.

When a family with school-age children is in a situation of precariousness, both parents have to work to earn enough money for decent living conditions. Looking after children becomes a necessity outside of the school timetable. In fact, Swiss public schools – especially at the elementary level – usually do not have a full day programme. For instance the Swiss

<sup>&</sup>lt;sup>13</sup> http://www.ch.ch/private/00045/00048/00610/00616/index.html?lang=fr, 30.12.07.

<sup>&</sup>lt;sup>14</sup> Office fédéral des assurances sociales, *Genres et montants des allocations familiales*, OFAS, VERSION PROVISOIRE / Etat 18.12.07.

<sup>&</sup>lt;sup>15</sup> <u>http://www.bsv.admin.ch/themen/zulagen/00059/index.html?lang=fr</u>, 30.12.07.

elementary school does not start before 8 or 9 am. Moreover, there is almost always a break for lunch and the classes finish between 3 and 4 pm.

To allow parents and more importantly single-parent families work full time, the *Verein Tagesschulen Schweiz* (Swiss association for full day school) is introducing an extracurricular day care called "full day school". The children are taken care of for the lunch break and after school in the afternoon. They benefit from support by trained staff for their homework and have access to all the school services (school doctor, music courses, speech therapy etc). In this system, parental support and contribution is encouraged, though it is not an obligation. Furthermore, parents have the choice between leaving their children in the full day school the whole week or just a few days per week. At the present, this last formula is actually chosen by the majority. The full day school is quite customary in the German part of Switzerland, and is being introduced in the French part. As for the Italian part, they have a similarly system.

In Switzerland, schooling is under the cantons' responsibility; this is why there are so many differences between the different parts of the country. One of the major difficulties to implement such initiatives is that most of the communes in the country side do not have enough children to legitimize this kind of structure. What is more, this kind of solution is quite expensive for the cantons as well.

## **4.** CONCLUSION

This overwiew of childhood poverty in Switzerland does not claim to be comprehensive, but should allow an understanding of some general aspects to combat it. Furthermore, poverty is often due to an accumulation of risk factors. In Switzerland, precariousness is mainly relative and almost never absolute. Eventhough, the poverty rate is relatively low in comparision to other European countries; the Swiss welfare State does not neglect this phenomenon. Because of the relative autonomy of each canton, the social measures are not garanteed on a national base. On the other hand, this autonomy allows the cantons to developp and implent rapidly new social measures. The State can then benefit from the cantons' creativity.

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