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## **Strategies in poverty reduction in Switzerland from a political perspective**

### **Status quo**

Some 590,000 people in Switzerland are affected by poverty. For many, particularly underachievers or low-skilled workers, participation in the labour market is made difficult as their manpower is not in demand and as jobs are being outsourced. The continuing unemployment has thus given rise to an increasing number of people being squeezed out of the regular labour market. Often, poverty and unemployment go hand in hand with social marginalisation, stigmatisation and a variety of problems. Against the backdrop of activating social policy and of the political trend to reduce social services expenditure, pressure on the unemployed to find their way back into the labour market is rising simultaneously. Social firms, which try to achieve rehabilitation by means of productive work geared towards the market, are located in this setting.

### **Paper**

On the basis of two practical topics, the paper will illustrate poverty reduction strategies from a political perspective. One focus of the considerations is the call for a general income insurance. On the other hand, the creation of a statutory basis for social firms will be discussed.

- **General income insurance:** as a principle, those capable of work are supposed to be able to support themselves and their children thanks to dignified working conditions and wages that secure their livelihood. As this cannot be guaranteed at all times, welfare state institutions are required to step in with wage compensations in the case of a loss of income. All insurances designed to cover temporary losses of income are to be subsumed in only one general income insurance (parenthood included). As regards retirement provisions, the focus is to be shifted from pension funds to the old-age insurance system, AHV (Alters- und Hinterlassenenversicherung) so that the AHV will finally achieve the constitutional objective of adequately satisfying the existential needs in old age.
- **Social firms:** social firms are part of the poverty reduction strategy. In practice, however, only a minority of people finds its way back into the regular labour market. Chances diminish severely in economically difficult times in particular.

The creation of a legislation (or legal form) for social firms, as it has already been established in many European countries, may contribute to clarifying the identity of these firms. In particular, questions will be discussed that help answer the relationship to the state and the regular labour market, working conditions, and the inclusion of those affected.