**Poverty in Switzerland**

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**Budowski, M., Tillmann, R., & Bergman, M. (2002). Poverty, Stratification, and Gender in Switzerland.**

From both a microeconomic and macroeconomic perspective, Switzerland is one of the top countries in the standard of living and GDP per capita. Switzerland’s poor tend to better off compared to the poor in other countries, they are still considered to be in poverty in Switzerland. Poverty here is defined as someone who lacks common living standard items. With Switzerland's high cost of living, not everyone can afford that. 17% of the population were reported to that they are unable to fulfill their common living standard. 6.8% of households are considered to be in poverty.

The author viewed poverty in Switzerland to be caused by inequality social stratification, and gender. Households, where women are the main income contributor, are considered to be poor, not poor: vulnerable to poverty, or not poor: risen out of poverty. The trend here is when a household is richer, the difference between the male and women income contribution difference gets smaller. Men are the main contributor for households falling in the not-poor categories. This difference between gender income and poverty also ties with the family arrangement. Traditionally women are most likely to be a housewife, and to carry out more family responsibility than men.

Poverty rates are also to vary between different workforce workers, data shows that non-manual workers are 2.5 to nearly 4 times more likely to be poor compared to manual workers. Lower education is less likely to find jobs compared to someone with higher education. Poverty rates are can be caused by more unknown and varies by individuals that are not covered in researcher done.

Inequalities in the workforce are made up of personal factors, like the example of Amartya Sen in her writing of Development as Freedom. Kander Mia went to work in a neighborhood and ended up being physically injured. Though his wife told him to stay away from this dangerous neighborhood, he still decided to go. He risks this danger because of the need for money, the need for this job. His low income does not give him the freedom to choose where he wants to work, he would do any work that will pay him. He needs this money, his family needs this money.

Women who hold more family responsibilities are limited to jobs they can work, due to factors (but not limited to) such as family arrangement. A woman might have to get off early and not work weekends due to having to take care of children. Lower education workers have less freedom when it comes to choosing the jobs they want to persuade, as some jobs might have a higher education requirement. Many of these inequalities that cause poverty are due to individual unfreedom that is not put into considerations when determining poverty.

**Leu, Robert & Burri, Stefan. (1999). Poverty in Switzerland. Swiss Journal of Economics and Statistics (SJES). 135. 303-328.**

Poverty definition can be approached as absolute poverty or relative poverty. Absolute poverty defines poverty as a lack of resources to the essential need for survival. Relative poverty defines poverty based on income distribution, percentage falling in a certain range will be considered to be in poverty. Poverty in this article to be approached from relative poverty as absolute poverty is based on assumption, and determination does not put the standard of living in the population into consideration.

With data from 1992 in Switzerland, using reported income, groups are sorted based on their age group, gender, family structure, citizenship, and language region. A single person per household that gets 980 SFr. Per month after unavoidable deduction is to be considered in poverty. The data shows that the age group with the highest proportion of poor (considered to be in poverty according to the definition of relative poverty), are people aged between 30-39. While it's almost 50-50 for women and men, women are still higher by 6.8 percent. It’s important to note that single parents are in the negative, meaning that the data gathered shows that single parents make less than the 980 SFr. mark. Swedish citizen has 73% of its population fall into poverty.

Switzerland has taken action to assess poverty, Switzerland Federal Pension Fund Law BVG is to provide help to the elderly living in the country, generally ones that are older than the age of 60. Poverty assessment in the older age group is improving, but poverty in the younger age group is still increasing. The younger age group is where we tend to see the highest poverty populations, they are also the main labor force workers. This writing was published in 1999, the information provided is only what the government has done up to that date. It is to be noted and further investigated what further action has been taken in recent years.

The data provided are used through the gathering of tax-reported information. It’s important to note that the data provided is insufficient to make a conclusion. Farmers and self-employed workers have more freedom in the taxable income that they report, their reported income can be lower than their actual income. This is also important to note is the difference between citizenship, Switzerland citizenship holders are more likely to be reported their income in the tax document. We are ignoring the undocumented aliens, who are most likely to be receiving pay under the table. Since they are not authorized to work in the country, they often would find jobs that will pay them without reporting this to the government. They are the portion that is being excluded from the collection of data. Poverty can’t be easily defined and measured. The data we have shown that poverty in the country does exist, but the number is underestimated.

**Misicka, S. (2020, February 24). *How Swiss welfare works*. https://www.swissinfo.ch/eng/poverty\_how-swiss-welfare-works/45575954.**

This website provides information for qualifications to receive welfare benefits in Switzerland. Any adults that make below the minimum income, and are legal residents of Switzerland, will qualify for welfare payment. An individual that demonstrates the need for social welfare payments is to receive a total of 2200CHF per month, and an additional 200 if one is to be carrying debt. 2200CHF are broken down by 1000CHF for clothing and food, 1000CHF for housing, and 200CHF for health insurance. While this may sound nice because you’re getting around the same amount as your income, for those making minimum income, there are many restrictions that are associated with this 2200 payment.

An individual that is currently receiving welfare payment is restricted to where they can live, vacation trips, and owning a car. For someone that are receiving these welfare payments are to live at the cheapest housing units available in their area, one is only allowed to own a car if they demonstrate the need for the need of a car to reach work or health-related reasons, and vacations need to be reported and approved by social welfare workers. Non-Switzerland citizens are qualifying for this welfare payment; however, they are then affected and cannot apply for citizenship for the next three years. These restrictions may sound awful and limiting individual freedom. These restrictions are put into place to encourage individuals to work and not to rely on just these payments.

Welfare payments are to help one in need to get back onto the track, which can be caused by many different factors. Possible factors are but are not limited to, loss of household main income, loss of a job, or medical illness. It is reported that most people that received welfare payments are back in track within a year, 20% still needs it for one to two year, and only 8% would need it for six or more years. These numbers show the efficiency of the welfare benefits that Switzerland's governments offer, how it has helped the family come out of poverty.

**Public Broadcasting Service. *Commanding Heights : Switzerland | on PBS*. PBS. https://www.pbs.org/wgbh/commandingheights/lo/countries/ch/ch\_full.html.**

From the statistic provided by Macrotrends.net, 1992-2000 is when the poverty rate changed the most. This website reports the economic situations in a certain time range from the early 1990s up till the early 2000s. Information provided by PBS is to be used as supporting evidence of the sudden increase in poverty as well as how poverty was overcome.

The view of development is expansive, there are many different ways one can approach development. Amartya Sen gives many different examples as to how development can be approach and why different countries develop differently. Every country is different in its way of living and physical location, just by simply looking at surface level data is not enough to see a countries development. To see the development of a country, Amartya Sen suggests looking at each point separately to fully understand the development. The same view should be applied when looking at the poverty of a country, as there are countless individual factors that are not taken into consideration when creating these data. Simply looking at just the poverty rate is not enough to see change and assessment to poverty. Policy and outside factors should also be put into considerations when seeing how poverty has improved over time. Poverty might be higher during the great recession, but that’s because the great recession is also affecting other countries.

A country's economy is supported by imports and exports, where other countries' economic wellbeing will also affect Switzerland. The recession in the late 1990s is an indicator of why poverty went up, employment rates were dropping. The unemployment rate going up also means an increase in poverty, as more people are losing their source of income. Information provided here and statistic provided by Macrotrends.net shows economic difficulties Switzerland has gone through and how they recovered from it.

***Switzerland Poverty Rate 1982-2021*. MacroTrends. https://www.macrotrends.net/countries/CHE/switzerland/poverty-rate.**

Statistic provided from this website shows the percentage of people that are considered to be in poverty from 1982 – 2017. Data are generated by using the Switzerland population at the year and determine what percentage of that population makes less than $5.50 USD per day, which is considered the poverty line in this study. From the graph, we can see the dramatic changes throughout the years. The dramatic change from 1992-2000 is a good time frame to look at, to see what caused poverty and how poverty was solved in the years. Unexpected raises and staying at a constant percentage can also be an indication of changes in the economy.