



SKOS CSIAS COSAS

Schweizerische Konferenz für Sozialhilfe
Conférence suisse des institutions d'action sociale
Conferenza svizzera delle istituzioni dell'azione sociale
Conferenza svizra da l'agid sozial



Deutscher Verein
für öffentliche
und private Fürsorge e.V.



Comparing Policies Against Poverty – Switzerland, Germany, Austria

Report

ICSW Expert Meeting
30 September and 1 October 2010
Lucerne University of Applied Sciences and Arts – Social Work
Switzerland

English

SKOS
Monbijoustrasse 22
3011 Bern

1. Introduction

The second regional-language expert meeting within the scope of ICSW Europe took place on 30 September and 1 October 2010. This time the “Schweizerische Konferenz für Sozialhilfe” (SKOS, Swiss Conference for Social Welfare) invited guests to the “Hochschule für Sozialarbeit” (University of Applied Sciences and Arts – Social Work) in Lucerne. The seminar was held in cooperation with the “Deutscher Verein” (German Association) and the “Österreichisches Komitee für Soziale Arbeit” (Austrian Committee for Social Work). All three organisations are members of the ICSW.

The aim of these expert meetings is the international exchange of information and the discussion of current socio-political issues with established experts from the German-speaking world.

As this is the European Year for Combating Poverty and Social Exclusion, the approaches and measures that are being taken to combat poverty in the respective countries and their impact were discussed on the first day. The second day was dedicated to comparing the social welfare and basic subsistence income models in the three countries.

Although Germany, Austria and Switzerland may at first sight appear to be similar and the challenges posed by the rising threat of poverty and the looming dismantling of welfare-state social security may seem similar too, the forms of combating poverty and securing livelihoods differ considerably. The complexity of the political systems, the distinctness of the federalist structures and the historically-evolved peculiarities resulted in an extremely lively and highly interesting exchange.

Around twenty experts from the areas of science, public authorities and private sponsors took part. The programme consisted of two half-days for the practicality of arrival and departure practical and to combine the event with an informal evening meal in a compact setting. The content of the discussion part was supplemented by a semi-public panel discussion in the late afternoon of the first day, to which lecturers and students of Lucerne University of Applied Sciences and Arts, members of public authorities and representatives of social services in the region were invited.

2. Programme

First day: 30.9.2010

- 14.00 Opening
- Reception:** Walter Schmid, SKOS. Simone Brandmayer, DV. Irene Köhler, ÖKSA
- 14.15 – National Policies and Instruments against Poverty in Germany, Austria and
17.30 Switzerland
- Keynotes:**
- Germany:* Prof. Dr. Walter Hanesch, Hochschule Darmstadt
- Austria:* Dr. Christine Stelzer-Orthofer, Johannes Kepler Universität, Institut für Gesellschaftspolitik und Mag. Ursula Till-Tentschert, Statistik Austria
- Switzerland:* Bettina Seebeck, Gesundheits- und Fürsorgedirektion Kanton Bern
- Moderation: Dorothee Guggisberg, SKOS
- 17.30 – Open Panel Discussion at the University of Applied Sciences and Arts –
19.00 Social Work:
- Which strategies against poverty are effective? Experiences, application and outlook – comparing Germany, Austria and Switzerland
- Panel:**
- Switzerland:* Andrea Ferroni, Leiter Sozialamt Kanton Graubünden (CH)
- Germany:* Prof. Dr. Walter Hanesch, Hochschule Darmstadt (D)
- Austria:* Mag. Hans Steiner, Bundesministerium für Arbeit, Soziales und Konsumentenschutz (A)
- Moderation: Walter Schmid, SKOS
- 19.00 Aperitif and diner

Second day: 1.10.2010

- 8.30 Reception and Conclusions from the previous day
- 9.00 Basic subsistence income models: Concepts and Assessment base in the three countries. Development, Chances and Risks. Contribution for Combating Poverty.
- Keynotes:**
- Germany:* Reiner Höft-Dzemski, Deutscher Verein
- Austria:* Mag. Martin Schenk, Diakonie Österreich und österreichische Armutskonferenz
- Switzerland: Caroline Knupfer, SKOS
- Moderation: Dorothee Guggisberg and Walter Schmid, SKOS
- 13.00 Conclusion and Leave-taking

3. Participants

Switzerland

Ferroni, Andrea	Director Sozialamt Kanton Graubünden
Guggisberg, Dorothee	General Secretary SKOS
Knupfer, Caroline	Responsible Research, SKOS
Maegli, Rolf	Director Sozialamt Basel-Stadt, Vize-Präsident SKOS
Müller, Philipp	Secrétaire général adoint, Département de la santé et de l'action social DSAS, Kanton Waadt
Schmid, Walter	Director University of Applied Sciences and Arts – Social Work Lucerne, President SKOS
Seebeck, Bettina	Scientific officer, Gesundheits- und Fürsorgedirektion, Kanton Bern
Kehrli, Christin	Responsible Refugee Services Caritas Schweiz, Fribourg
Stahl, Roland	Project Director and teacher at the Institut of Socialmanagement and Socialpolitics, University of Applied Sciences and Arts – Social Work Lucerne

Germany

Brandmayer, Simone	Scientific officer, Deutscher Verein, Arbeitsfeld III
Prof. Dr. Hanesch, Walter	University of Applied Studies Darmstadt, Fachbereich Gesellschaftswissen-schaften und Soziale Arbeit
Höft-Dzemski, Reiner	Scientific officer, Deutscher Verein, Arbeitsfeld III
Schröter, Michael	Diakonisches Werk der EKD e.V.. Sozialpolitik gegen Armut und soziale Ausgrenzung, Zentrum Familie, Integration, Bildung, Armut
Spilker, Britta	Scientific officer, Deutscher Verein, Stabstelle Internationales
Walter, Wolfgang	Professor for Social Sciences and Methods, Fachhochschule Vorarlberg

Austria

Mag. Schenk, Martin	Social Expert Diakonie Österreich, Co-founder of the Austrian Conference against Poverty
Dr. Stelzer-Orthofer, Christine	University Johannes Kepler, Institute for Social Politics
Mag. Till-Tentschert, Ursula	Statistik Austria – Dep. Population, Social Welfare and Living. Project Director EU-SILC
Mag. Steiner, Hans	Federal Ministry of Work, Social Welfare and Consumerism
Köhler, Irene	General Secretary ÖKSA
Lorenzi, Heidi	Institute for Social Services Vorarlberg

4. Conference report

The two half-days on the two subjects of combating poverty and basic subsistence income were structured similarly. Both subjects were introduced with a keynote presentation for each country. In the following chaired discussion questions were answered and selected aspects were entered into in more detail. Prior to the seminar a country report had been sent for preparatory purposes for each subject and country.

4.1 Combating poverty

Summary

Austria is characterised by a distinctly individual social security system. Austria has one of the lowest unemployment rates in Europe and a low at-risk-of-poverty rate. However, around 12.4% of the population in private households is at risk of poverty, i.e. over 1 million people. The at-risk-of-poverty threshold equates to 60% of the median of the equivalent annual net household income. In 2008 this was around EUR 11,400 for a single-person household. 6% of the people at risk of poverty with low incomes lived in manifest poverty in 2008. Around half of the population lives in households with debt, with over-indebtedness affecting particularly households with heightened risk of poverty. The highest overall risk of poverty has been borne for years by single parents and persons with non-Austrian citizenship.

While poverty is basically recognised in Austrian politics, the combating of poverty lags behind. Although poverty is not explicitly reflected in the political programme, Austria has for the first time drafted in the latest report within the scope of the Lisbon Strategy of the EU measures to combat poverty. For example, with the needs-based guaranteed minimum income introduced in September 2010 in particular monetary poverty should be reduced and child and youth poverty should be lowered by 5% by 2016. Austria has so far combated poverty not by making more money available, but by reallocating within its regular budget. It is therefore indisputable that new sources of finance are needed in the medium term (e.g. capital tax). The experts note that it is becoming more and more the responsibility of the welfare state to provide for basic equilibrium. Beyond this it is hardly able to act. They also plead that we do not talk about combating poverty in order to prevent certain groups from becoming labelled, but of spreading equal opportunities.

The topicality of poverty has increased greatly in *Germany* in recent years and is attributable to the material risks to livelihoods. The changes to economic and social structures and the alterations to the German social model, for example the continual dismantlement of the primary social security nets, contributed and is contributing to increased inequality in living conditions and therefore exacerbated the risks of poverty. Between 2004 and 2009 the number of people drawing the guaranteed minimum income benefit roughly doubled to around 8 million. It is therefore estimated that every 7th person in Germany is affected by poverty.

To date an overall national strategy to combat poverty has not been developed in Germany. The role of the various state levels and the numerous players is largely unclear, which is particularly expressed in them constantly delegating responsibility to each other. The greatest pressure to act is on the municipalities, which are least able to avoid the increasing effects of poverty and exclusion.

The Federal Government-states programme “Soziale Stadt” (Social City) is one possible way of combating poverty in answer to the increasing social polarisation in the cities. With socio-spatial programmes, an integrated approach and cross-sector cooperation with the local players, negative segregation developments can be countered and urban development positively affected. Poverty can also be effectively combated with municipal programmes against family and child poverty. This can be done by giving attention and support to families and children with cross-departmental measures in the health, education and infrastructure sectors.

The social welfare rate in *Switzerland* is around 3% and the poverty rate is on average between 7% and 9%. The causes of poverty and social exclusion lie, as in the other countries, primarily in persistent unemployment, the dismantlement of the primary security system and social change. The essentially tight network of social benefits in Switzerland has largely evolved historically and has a strong causal nature. As a result social security focuses on certain causes and reacts inflexibly to new problems. Switzerland’s welfare state structures prevent coherent overall control of the poverty policy and result in fragmented implementation structures. With unresolved problems tending to constantly be shifted on to the lower level, social welfare is today under increased and public pressure. Poverty cases in the form of threshold effects are hidden between the upstream primary social insurance benefits and social welfare, but also in the unequal organisation of testing the individual needs in the cantons, which can have considerable consequences – as the cantons have different legal bases and therefore different ways of implementation.

As part of the European Year for Combating Poverty and Social Exclusion, several key players in Swiss social policy have drafted poverty strategies. The Federal Council has also published a poverty report. The implementation strategy in the poverty report drafted by the Federal Government focuses on combating family poverty and optimising vocational integration.

The paradigm of activation by incentives in particular for vocational integration has long been established in the poverty discussion. Those affected by poverty are on the one hand seen as active participants in the support process. On the other hand the job market does not provide enough jobs for everyone, as a result the one-sided direction of integration in the job market has obvious limits. Those affected by poverty therefore still have to cope with the image of being “passive receivers”. In addition to this, early support measures are also implemented as a preventative approach to prevent in particular child and youth poverty, e.g. the support and expansion of family-external child care, educational training at the school/career crossover point, mother and father advice, etc.

Synthesis

The three countries Germany, Austria and Switzerland all have a similarly high gross national product and a developed level of welfare. In particular Austria and Switzerland have relatively low unemployment and poverty rates compared to the rest of Europe. However, in all three countries there is manifest poverty and the at-risk-of-poverty rate is alarming. Taking into consideration political and economic developments and the general trend of dismantling primary social security networks, the starting position in the three countries is similar. Persistent unemployment and the lack of job opportunities for many (in some cases academically disadvantaged) people is one of the main causes of poverty. The socio-political discussion is characterised by changes to and reductions in benefits, an increasing shortage of

welfare-state resources and an increasingly intense public discussion. The activation paradigm largely assigns responsibility to the individual for his/her situation and holds onto the postulate of job market integration for all.

The answers and measures in the three countries are similar in focus, but differ in their specific form and based on the local socio-political realities. While increasing social exclusion is recognised as a problem, national transfer benefits are still not geared enough towards preventing poverty. If poverty is understood to be a lack of participation and opportunities for fulfilment and therefore as the interaction of a lack of individual resources and a lack of structural opportunities, then effective approaches have to be multidimensional and be reflected as national and municipal cross-sectional tasks. This requires an overall strategy (Hanesch 2010, p. 5f). Therefore in all three countries not only data availability, but the resulting poverty and social reporting and the political planning of measures have to be improved as the basis for a coherent poverty policy.

4.2 Basic social security

Summary

In *Austria* around 165,000 people are supported by social welfare, of which only 10% live entirely off social welfare. For most of them it is merely short-term interim support. Upstream systems in the form of social insurance benefits such as unemployment benefit, emergency assistance or care allowance largely stave off poverty and need. Social welfare covers living expenses with a flat-rate benefit of € 744 for single persons or € 1116 including a 25% housing cost share. The drawing of the benefit is linked to the use of own funds such as income and assets and the use of one's own labour. If someone finds work again, a tax exempt amount of 15% of net income is granted.

In September 2010 the new social welfare system under the title "Bedarfsorientierte Mindestsicherung" (needs-based guaranteed minimum income) came into effect. It is based on an agreement between the Federal Government and the states and will be implemented throughout the country by the end of 2011. The implementation will be regulated in state laws. So far the guaranteed minimum income has only been implemented in three states. The aim though is to introduce the same minimum standards in all states.

Only persons who under EU law have the same rights as Austrian citizens are entitled to the needs-based guaranteed minimum income. For example asylum seekers are excluded. The social welfare will be administered in the social welfare offices and the social centres of the municipalities or districts.

In *Germany* the welfare system essentially consists of four systems: social welfare, basic subsistence income in old age and with reduction in earning capacity, a social welfare law for asylum seekers and basic subsistence income for job seekers. Since 2005 social welfare and basic subsistence income in old age and with reduction in earning capacity have been outlined in the Social Security Code SGB XII.

With the means testing for social welfare, all income and predominantly assets are taken into account. There is a legally enforceable entitlement to social welfare. The basic subsistence income in old age and with reduced earning capacity fulfils the social welfare role of securing the livelihood of a certain group of people: people who have reached retirement age or have permanently left the labour force due to

reduced earning capacity. Basic subsistence income for job seekers is the most important form of social welfare in the German welfare system with around 7 million people entitled to this benefit. Its benefit level and the type of benefit provided are of key importance for the structure of the German welfare state. Basically people who are able to work and are between 15 and retirement age are entitled to the benefit. The level of benefits securing people's livelihoods is the same in the two systems of social welfare and basic subsistence income for job seekers. However, due to the unequal regulations on the tax exempt amount if employment is found and consideration of assets, considerable differences are possible. The Federal Constitutional Court has deemed that both the standard rates in the social welfare and the standard basic subsistence income for job seekers do not conform with the constitution. The legislator was instructed to assess the benefits in a transparent and consistent process.

Switzerland guarantees in its constitution a basic right to secure one's livelihood and individual support (Art. 12 of the Federal Constitution, Art. 115 of the Federal Constitution). The right to support in case of hardship covers the basic living requirements such as food, clothing, shelter and medical care. According to the Federal Constitution the cantons are responsible for social welfare. Several cantons have regionalised the implementation of social welfare or delegated it to the municipalities. This has resulted in a distinctly heterogeneous federalist social welfare system with limited consistency. Social welfare is provided subsidiary to social security and personal responsibility. It is financed exclusively from public-sector resources.

The social welfare rate was 2.9% or around 220,000 people in 2008. Switzerland does not have a federal law for social welfare. Instead the guidelines of SKOS define how social welfare is calculated. These guidelines are recommendations for the social welfare bodies of the Federal Government, the cantons, the municipalities and private social welfare organisations. They are made binding by cantonal legislation and municipal regulations and case law. In Swiss social policy they have become a key benchmark for social services and social authorities as well as for politics and the courts. The aim of the SKOS guidelines is to promote equal rights and legal certainty beyond municipal and cantonal borders.

The SKOS guidelines take into account the general and regional development of Swiss social policy. With the last revision of the guidelines in 2005 the counterperformance model was established. According to this people drawing social welfare have to actively try to integrate vocationally and socially. Where possible gainful employment is to be pursued. People drawing social welfare also have a duty to disclose their financial and family situation and to cooperate in investigations and finding solutions. The principle of activating social welfare is implemented with an incentive and sanction system. However, the relevant instruments are implemented very differently in the cantons and municipalities.

Synthesis

All three countries are familiar with needs-based social welfare systems. However, only a limited comparison is possible as the respective systems are generally based on historically evolved and politically determined structures and are correspondingly complex. The federalist structure in all three countries makes it difficult not only to have an overall view, but can result in unequal treatment in particular in Switzerland and Austria. For example the amounts and types of benefits differ. However, social

welfare is regulated everywhere based on the principle of subsidiarity, according to which benefits from upstream systems such as unemployment benefit, etc. have to be exhausted first. At least in Germany and Switzerland there is no clear and standard definition of a minimum subsistence level. The policy for combating poverty is burdened everywhere with responsibility issues.

Social welfare was originally set up in all three countries as interim support or for smaller groups of people. Nowhere does this system bear relation to current reality. In all three social welfare systems people drawing benefit are being called upon to directly search for and start work. The support benefits forming the integration process differ greatly though depending on the system.

Social welfare is understood to be an instrument for combating poverty. However, in all three countries it is coming under permanent political pressure and the minimum standards are adjusted downwards.

4.3 Conclusion

The conference took place in two compact presentation and discussion parts. As the country profiles concerning the individual subjects had been sent beforehand, a knowledge base had already been provided and the discussion took place at an advanced level and went into detail on the issues.

The balanced and at the same time mixed composition of participants enabled a discussion from different viewpoints and institutional positions. The growth in knowledge was therefore not only a result of the contributions of the other countries, but also of the comments of the individual delegates.

The semi-public panel discussion, which was held in the late afternoon of the first day in the foyer of the "Hochschule für Sozialarbeit Luzern" (University of Applied Sciences and Arts – Social Work Luzern), was met with interest and allowed a discussion on specific issues. As a methodical element it also enhanced the meeting.

The meeting's participants agreed that the event was a complete success. The quality of the discussions, the contact with colleagues from the respective other two countries and the opportunity to have a professional discussion and possibly develop one's own position within this framework was met by very positive feedback.

The next expert meeting of this kind has already been scheduled for the 21./22.11.2011 in Vienna on the subject of the UN Convention of Persons with Disabilities.

Berne, December 2010

Dorothee Guggisberg, General Secretary SKOS