

SOCIAL LEGISLATION IN SWITZERLAND

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I

The Swiss system of social insurance presents a threefold front to the uncertainties of life : Accident Insurance, Sickness Insurance and Old Age and Dependents' Insurance. These main positions are strengthened by such supplementary works as Unemployment Insurance, Military Insurance, Income Insurance (similar to the British Dependents' Allowances) for soldiers during periods of service, and the Farmers' Supplementary Aid Organization for Agricultural Labourers and Independent Hill Farmers and Herdsmen. These supplementary institutions though they are not insurances in the generally accepted meaning of the term, are in Swiss legislation classed together with social insurances. At the present time a bill is being discussed concerning the introduction of Maternity Insurance. The Federal Constitution further provides for the introduction of Disability Insurance and for legislation on Family Allowances.

The federal law on the Accident Insurance deals with the compulsory insurance of employees of all kinds working in technical, trade, and industrial undertakings, against accidents which may entail illness, invalidity, or death. This act replaced the Employer's Liability Law (dated 1877 and revised in 1887). Switzerland had been one of the first countries to make the employer responsible for the consequences of accidents to workers in his service, whether he was guilty or not of the cause of the accident in question. The new Accident Insurance Law relieved the employer of personal liability, and the victim of the accident needs no longer sue his employer, but he has a legal right to present a claim against the bearer of the insurance. The insurance covers the expenses for first aid, hospital, and nursing. It also pays a daily allowance for the period of complete or partial physical disability, burial allowance, and annuities to dependents. Sickness insurance and daily allowance are

combined. The allowance is fixed at 80 % of the income lost on account of the accident. The annuity in case of complete incapacitation amounts to 70 % of the annual income. The widow's pension is 30 %. A child which loses either its father or mother is entitled to 15 %, an orphan to 25 %; the next of kin of the first degree, like parents and brothers and sisters up to the age of 16, if they have been dependent on the victim of the accident, are together to an annuity of 20 % of the normal income of the victim. The total maximum allowance for dependents is 60 % of the annual income. In certain cases the incapacitation allowance can be raised to a full 100 %.

Sickness Insurance guarantees compensation for medical treatment and prescriptions, and a daily allowance. On principle a woman in childbed is considered a patient. In the case of 360 consecutive days of illness the minimum number of insured days is 180. The insurance also covers cases of tuberculosis necessitating a period of treatment extending even beyond the duration fixed by the law. Tuberculosis insurance during the period of hospital treatment or nursing guarantees a daily allowance of Fr. 4.—at a minimum for children, Fr. 6.— for adolescents and adults. It moreover can grant special subsidies for surgical operations and for special treatments requiring expensive medicines. Under the heading of sickness insurance and daily allowance supplementary grants can be made to assist dependent members of the family. The minimum compensation is fixed at 720 days (in special cases at 1080 days) within five successive years.

Sickness Insurance fundamentally differs from Accident Insurance in that it is not compulsory, but voluntary. It is open to every Swiss citizen, whatever his status, his occupation, or his financial position. The Cantons are authorized to make sickness insurance compulsory either for the whole population living within their territory or for certain classes of people. They also may delegate their authority in this matter to certain municipalities. The cantons are further entitled to fix the tariffs for medical treatment and for pharmaceuticals, but only after consultation with the medical profession and the chemists. The Confederation merely publishes a list of strictly defined medicines the prices of which are fixed. The insured are free to choose their own doctors.

The future Maternity Insurance will guarantee the costs for midwife assistance and medical treatment, contributions towards the nursing of the baby, medical control during pregnancy, expenses incurred in connection with the confinement and after. It's generally be-

lieved that this scheme will soon be realized by means of new legislation.

Unemployment Insurance grants allowances to employees who undeservedly lose their employment provided they have, previous to the presentation of their claims, been working during a certain minimum number of days, and have since then suffered loss of income. Admittance is free to every person resident in Switzerland and who is capable of normal work in his or her profession. The age limits for admittance are 16 years and 60 years. The allowance amounts to 60% or 65 of the insured daily income. This sum is increased, as the case may be, by a supplement for assistance or maintenance. Unemployment relief can be claimed only for 90 full days for each calendar year and for a maximum of 315 days within four successive years. These limits may be altered during protracted periods of widespread unemployment. Assistance may only be granted to persons for whom the labour exchange can find no suitable post and who do not refuse to accept work which they may reasonably be expected to take on. This insurance system will have to be revised and supplemented by a law on labour registration and employment offices which will have to be created, and whose duty it will be to find reasonably acceptable work.

Somewhat akin to the Unemployment Insurance is the Income Compensation Organization which was created to give Swiss soldiers partial compensation for the loss of revenue during periods of military service. The indemnity is paid to every soldier who before his service was gainfully employed, whether in an independent position or as a paid worker, whether he be rich or poor. The payments vary according to a man's earnings in civil life and are made up of various items, as for instance :

- a) household compensation (for married men) between Fr. 4.— and Fr. 12.— per day,
- b) unmarried or divorced men and widowers without children get Fr. 1.50 to Fr. 3.50 a day.
- c) A father gets Fr. 1.50 a day for every child.
- d) Independent men (not wage earners) get an additional Fr. 2.— per day as enterprize allowance. The total income compensation must not amount to more than 80% of a man's real income.

The greatest social work of recent years, and of which the Swiss are justly, is the Old Age and Dependents' Insurance which came into force on January 1, 1948. It is a comprehensive people's insurance intended to provide assistance for a man when his working and earning

capacities are reduced by old-age (65 years), whilst at the same time his relatives have to reckon with the possibility of suddenly losing their breadwinner. The amount of the annuity depends on the height of the average premium and the number of years during which contributions were paid. In the case of a married couple who paid premiums during 20 years the annuity of the surviving husband will vary between a minimum of Fr. 720.— and a maximum of Fr. 1700.—. As long as both husband and wife are alive, they will get Fr. 1160.— to Fr. 2720.— p.a.— For the widow alone the annuity is Fr. 580.— to Fr. 1530.—. Children who have lost one of their parents are entitled to Fr. 220.— at least, or Fr. 510.— at the utmost. If both parents have died the child gets Fr. 330.— to Fr. 765.— p.a. Compared with the average annual income these annuities are relatively modest. The average income of the wage earners of all grades and classes in Switzerland works out at Fr. 821.— per month. A skilled worker's pay is Fr. 3.11 per working hour. The unskilled worker gets Fr. 2.58 per hour (*annuaire statistique suisse* 1953). Together with the pensions from the various forms of private social insurances, which are numerous and well provided in Switzerland, and which are popularly called «the Little Insurance» they produce quite a handsome help. Some of the cantons and many of the municipalities supplement these annuities by local subsidies for the old and the destitute.

Hill farmers and herdsmen and agricultural labourers who, as has already been pointed out, form the weakest link in the chain of social solidarity in Switzerland, are now getting very appreciable assistance from a new and highly beneficial institution, the Farmers Supplementary Aid Organization. Independent hill farmers and herdsmen, as well as all agricultural workers, get children's allowances of Fr. 9.— per month. Married agricultural workers in addition are entitled to a household allowance of Fr. 30.— per month.

II

As great as the variety of names, which strike the foreign observer, is the variety of principles on which the different insurance systems are based. The diversity is partly due to varying ideas which were prevalent at the time when each scheme was discussed and worked out. Thus the various tasks were unevenly distributed between private institutions and public ones. Many of the peculiarities of the federal legislation are due to what had already been achieved by the cantons and by private institutions before the State realized its responsibilities. Social legislation in Switzerland is not the product of a unique, revolutionary

effort. It is the slowly maturing result of impulses which usually had their origin in private institutions, societies, and social organizations, which first appealed for help to the cantons and only in the last instance to the Confederation. That's why private and local organizations and the cantons still play a very important part in many branches of Swiss social insurance.

III

In summing up the case we may say that, measured by international standards, Switzerland possesses a remarkably well organized system of social insurance. It is both comprehensive and financially well grounded. The general federal organization is solidly backed up by progressive cantonal, local, and private institutions. Cantonal legislation for the pensioning of civil servants, for instance, and municipal systems of family allowances and supplementary aid to recipients of old age pensions must not be overlooked. Likewise, in studying the social legislation of the Confederation, we must not overlook that of the cantons and see what municipalities are doing. As the practice of insurance is widely spread in all branches of the national economy there is another abundant source of useful inspiration to be got from a study of various systems of private social insurance, insurance of pensions, for instance, where the example of the big firms is being followed by medium sized and even small firms. And, last not least, there is the widely spread and very efficient network of private insurances.
