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What form should solidarity take during the health crisis?

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Messages for Decision-Makers

The vast majority of respondents agree with the idea that it is necessary to provide financial support during this difficult period.

However, they believe that welfare support should not be unconditional and should favor those who need it most as well as those who have contributed to society, for example by paying taxes and social welfare contributions or by volunteering.

In terms of the type of aid, loans are favored over non-repayable grants.

How should those who slip through the social safety net during the Corona crisis be financially supported? In April and May 2020, we interviewed a sample of 1,535 people living in French-speaking and German-speaking Switzerland, representative of the population in terms of age, gender and level of education. We asked their opinion on public support for people such as small business owners or undocumented workers, who have been hit hard by the crisis due to having little or no social welfare protection.

After several weeks of lockdown, the social consequences of the abrupt disruption to much of the country’s economic activity have become visible. At the end of April 2020, Switzerland was shocked to learn that thousands of Genevans were prepared to queue for hours to receive a food parcel containing just 20 CHF worth of food. Within political and media discourse, many people have raised the issue of how the crisis will affect solidarity. Will this exceptional situation lead to greater solidarity towards those most in need?

Switzerland has a social safety net that normally succeeds fairly well in protecting the population in the event of economic downturns, but the health crisis has created need within groups that have so far benefitted little or nothing from social welfare protection: small business owners, parents who can no longer work because they have to take care of their children, workers without secure employment who normally do a number of small jobs to get by but still don’t earn enough work to qualify for federal subsidies, and undocumented workers. These are the groups who are currently most at risk of poverty. The Federal Council has therefore adopted measures to provide assistance to some of them.

This situation is completely unprecedented, but when it comes to social policy, history shows that whenever people need help, society always asks the same questions. Who needs help the most? How should we help these people? How do we protect ourselves against free-riders? How do we answer these questions gives a picture of a society’s sense of solidarity.

To help provide answers, we interviewed a sample of 1,535 people between April 22 and May 4, 2020. This sample is representative of the resident population in French-speaking and German-speaking Switzerland in terms of age, gender and education level. Overall, there is almost unanimous agreement that small business owners should be helped. Only 2% of our sample believes that no support should be provided. However, as soon as more specific questions were asked about who should receive social support and what form this should take, the responses were more nuanced.

Who should receive support?

In a survey-experiment, we presented our sample with a series of profiles of hypothetical people, all affected economically by the health crisis: Uber drivers, hairdressers, dentists and undocumented domestic workers. Our survey revealed very mixed results.

“The history of social policy shows that whenever people need help, society always asks the same questions: who needs help the most?”

On the basis of previous research, we know that people’s views on who deserves to be helped by the state are generally based on a fairly limited number of criteria. Some of these criteria are used by society to protect itself against free-riders: need (is the person really in need, or does she or he have other options?); reciprocity (does the person contribute to society when she or he is able to?). The importance of these two criteria has been highlighted in a large number of studies carried out in Europe and the United States. They reflect views that are widely held, regardless of a person’s political orientation. These criteria are therefore deeply rooted in our understanding of how social support should be attributed.

What is meant by ...

... survey-experiment

This is a technique used to gather people’s opinions on sensitive topics where there is an increased risk of people giving socially desirable responses. Instead of direct questions, reference is made to various fictional profiles of people with a number of differences (age, gender, nationality, profession, number of children, status of spouse, voluntary work).

This makes it difficult for the respondent to perceive the factors that are being used as a basis for comparison.

... solidarity

Solidarity can be defined as a willingness to help others within a structured framework of rules imposed by a community. This distinguishes it from altruism, which refers to the same willingness to help others but at an individual level.

Nowadays, solidarity is primarily exercised via welfare state structures.
These same studies have highlighted another criterion that is applied to establish priorities for public assistance: our proximity to the person in need. We are more inclined to help people we perceive as close: people from the same region, of the same nationality, of the same ethnicity. Consequently, in most of these studies, nationality is also a significant variable, with foreign nationals perceived as less deserving than citizens.

One might think that, given the scale of the health and socio-economic crisis we are experiencing, these criteria would become less important. One might imagine that willingness to provide help would, under the circumstances, be unconditional. But this is not the case. Our survey shows that all these factors continue to play a major role, even during this crisis.

First, the respondents attribute great importance to the concept of reciprocity, which means they have very little tolerance for undocumented workers (see Graph 1). Undocumented workers are invariably considered to be the lowest priority when it comes to granting aid. Neither having dependent children, nor working as a volunteer, is enough to outweigh the penalty accorded to undocumented work.

Another important factor, regardless of the employment situation, is volunteering. We can clearly see, in these two cases, the importance of “reciprocity”. Even in an unprecedented situation, there is still a fear among the public of being taken advantage of by people gaming the system.

“It is striking that the crisis situation has not really affected the way decisions are made about who is more or less deserving of public support.”

Factors that indicate a greater need for help are also clearly taken into account, such as having dependent children and having a partner who is unemployed. To conclude, nationality remains a factor that is considered when deciding who gets priority: first the Swiss, then foreign nationals. While nationality has less of an impact than the other factors taken into account, it is still noticeable.

What kind of social support should be given?

The question of how to help small businesses is also at the center of the political debate. A loan? An interest-free loan? Many are calling for aid to take the form of non-repayable grants. So, what do the respondents think? Currently, support up to CHF 500,000 comes in the form of interest-free loans to be repaid within 5 years (or within 7 years, in cases of hardship).

This solution also appears to be the one favored by our sample: 30.6% of respondents were in favor of the interest-free loan. The frequently cited option of a non-repayable grant nevertheless won the support of 24.4% of respondents. The remaining opinions were divided between loans with a favorable interest rate (24.5%) and an option that has not been widely discussed but which could work well:

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“Overall, the public view seems to be rather well aligned with the Federal Council’s decisions: small businesses and the self-employed should receive social support measures.”

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Table 1: What assistance should be given to the self-employed and small businesses (up to two employees)? Preferred option in %

<table>
<thead>
<tr>
<th></th>
<th>Preferred option in %</th>
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<tbody>
<tr>
<td>Interest-free loan</td>
<td>30.6</td>
</tr>
<tr>
<td>Low-interest loan</td>
<td>24.5</td>
</tr>
<tr>
<td>Non-repayable grant</td>
<td>24.4</td>
</tr>
<tr>
<td>Loan repayable only</td>
<td>18.5</td>
</tr>
<tr>
<td>once business has really recovered</td>
<td></td>
</tr>
<tr>
<td>No support</td>
<td>2.0</td>
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The different values should be interpreted in relation to: (1) a person of Swiss nationality; (2) a self-employed person working as a hairdresser; (3) a person without dependent children; (4) a person whose spouse is employed; (5) a person who does no volunteer work. The black bars represent the 95% confidence intervals.

Data source: COVID-19 Survey, IDHEAP-UNIL
a loan that is repayable only once business has recovered (18.5%).
A comparison of the two linguistic regions does not yield very significant differences. The only one worth mentioning concerns the “non-repayable grant” option, which is viewed more favorably in French-speaking Switzerland (29%) than in German-speaking Switzerland (23%). Neither can the respondents’ preferences be explained based on their political orientation. We merely note that the non-repayable grant finds slightly higher acceptance among respondents from the center-left (26%) than among those calling themselves right-wing (22%).

Overall, the public view seems to be rather well aligned with the Federal Council’s decisions: small businesses and the self-employed should receive social support measures. However, there are some quite marked differences of opinion as to the form that this support should take – differences which cannot be explained by the usual factors, such as linguistic region or political orientation.

In conclusion, we can say that the respondents were willing to show solidarity during this exceptional period, but they are not willing to lower their guard and they want to continue to protect themselves against people who may try to take advantage of the system. Negative stereotyping of foreigners also continues to play a role. People seem to be willing to help those who have paid their taxes in the past, but not undocumented workers. Respondents also agree about providing low-cost loans to the self-employed, but not necessarily non-repayable grants. Even in times of crisis, solidarity remains constrained by limits that are not entirely rational.

Further Reading