

Caritas Cares

Poverty and social exclusion
among young people

Luxembourg Report

September 2017

What this report is about

This report describes the main challenges related to poverty and social inclusion among young people in Luxembourg and provides recommendations for policy makers to address these challenges. The recommendations are based on an analysis of the grassroots experience of Caritas Luxembourg, which is compared to official data.

About Caritas Luxembourg

Caritas Luxembourg supports vulnerable populations: single parent families, children and youth, migrants and refugees/asylum seekers, disadvantaged people like the homeless or those in a precarious situation regarding their dwelling, and/or their income, as well as people who temporarily are not able to cope with their life. In 2016, the organisation reached a total of 31,671 beneficiaries in Luxembourg.



Programmes that we carry out aimed at families with children:

- Food support and other basic needs (e.g. FEAD)
- Family counselling and mediation
- Access to education and training (VET, informal education, early school leaving, drop-outs, etc.)
- Community, volunteering and cultural activities
- Help to children with learning difficulties
- Housing support to vulnerable families

72% out of the beneficiaries of our services are families with children.

Programmes that we carry out aimed at young people:

- Food support and other basic needs
- Family counselling and mediation
- Access to employment
- Access to education and training (e.g. VET, informal education, early school leaving, drop-outs, etc.)
- Community, volunteering and cultural activities
- Housing support to vulnerable young people

34% of the beneficiaries of our services are young people, of which 48.5% are young women and 51.5% are young men.

Recent publications by Caritas Luxembourg: [Sozialalmanach](#), [Sozialbarometer](#)

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Luxembourg's main challenges related to poverty and social exclusion among young people¹:

❖ **HOUSING: Limited access to housing is putting a lot of young people at higher risk of poverty and social exclusion**

The disproportionate increase in housing prices together with a shortage of social housing is having a very negative impact on the living conditions of young people who cannot afford a decent home. This, combined with a high rate of youth unemployment, is hindering the social and economic development of younger generations.

❖ **VULNERABILITY OF CERTAIN GROUPS: Single parents, the homeless and migrants are at a higher risk of poverty and social exclusion**

In addition to the problems mentioned above, these groups suffer from additional problems, putting them at a higher risk of extreme poverty and indecent living conditions: living on the streets or in temporary accommodation, poor physical and mental health problems, drug addiction, discrimination, etc.

❖ **EDUCATION: Current policies do not always adequately address the specific needs of young people, in particular those at higher risk of poverty and social exclusion**

Special attention should be paid to education policies so as to combat early school-leaving, and improve the rate of people reaching higher levels of education.

Youth population: 110,471

Young people 19.2%
(EU average: 17.4%)

Young immigrants: 33.4%

Youth Unemployment: 10.6%
(EU average: 14.7%)

Housing cost overburden:
22.9%
(EU average: 40.4%)

At risk of poverty: 18.4%
(EU average: 28.1%)

Severe material deprivation:
1.8% (EU average: 11.4%)

Definition "Young people", age 15-29;
Young people, Unemployment & School
Leavers: 2016; Migration, Poverty Risk, 2013.
Latest available data- accessed 18/05/2017

Policy recommendations:

1. **Ensure access to affordable housing:** Take stronger action in the field of social housing with a focus on three key aspects: 1) increase the amount of social housing; 2) give rent subsidies to vulnerable people; 3) take measures to control rental prices.
2. **Ensure employment for disadvantaged youth:** Use the potential of the law on the social impact of businesses to boost employment in the social sector, especially of young people with lower levels of education.
3. **Ensure innovation impacts on social cohesion.** Lead the strategic change process (called the "Third Industrial Revolution") in a way that social impact is not just one of the evaluation indicators, but that it is a decisive element in the planning

¹ For the purpose of this report, young people are considered people aged 18 to 29, in line with the criteria of the European Commission. According to the law of the 4th July 2008 on Youth (m??), the term "youth" covers children (under 12 years of age), adolescents (from 12 to 18 years) and young adults (from 18 to 29). The national data for youth unemployment is calculated for youngsters under 25 years and for those aged 25 to 29. The source of the data in the box is from Eurostat, consulted on 12(or 18 – as shown in the box??)/05/2017 from the latest available data.

and implementing phase (taking into account e.g. the changing world of employment through teleworking, continuous availability for job-related emails/phone calls, outsourcing, crowd producing etc.).

1. Poverty and social exclusion among young people in Luxembourg: the reality behind the data

The problems of most concern in Luxembourg

- ❖ Limited access to housing
- ❖ Deterioration of the quality of education limits access to employment for many young people
- ❖ Minimum income schemes have little capacity to lift young people out of poverty and social exclusion
- ❖ Intergenerational transmission of poverty, especially within specific vulnerable groups

Limited access to housing

Young people are currently experiencing severe problems in their access to housing, mainly due to insufficient income and a lack of affordable housing. The unemployment rate for young people is 17.3%² compared to the average rate of 6.3%.³ Endlessly rising housing prices, due to a lack of overall housing and especially social housing, in combination with youth unemployment is undermining the capacity of young people to access an affordable and decent home.

Deterioration of the quality of education limits access to employment to many young people

It must be highlighted that, in July 2017, 41.1% of young people that were unemployed unfortunately also had a low level of education (less than lower secondary attainment)⁴, an aspect that is most worrying for their futures.

Minimum income schemes have little capacity to lift young people out of poverty and social exclusion

Currently, minimum income schemes or other related benefits that are available to young people are:

- Unemployment benefit
- Scholarship support
- Housing benefit
- Disability benefit
- Child allowance
- Alimony benefit

² Eurostat, 2015, *Youth unemployment*, consulted on 11/05/2017, [link](#).

³ Eurostat, 2016, *Unemployment rate – annual data*, consulted on 12/05/2017, [link](#).

⁴ Agence pour le développement de l'emploi, July 2017, *Employment bulletin of Luxembourg*, (p. 9), [link](#)(A hyperlink is needed here)

- Minimum income for people under 25 years, in cases where they have to care for another person (e.g. caring for a child).

Despite the variety of benefits, these only have the capacity to lift young people out of *extreme* poverty, but are insufficient to lift them out of poverty and social exclusion, as the amounts awarded are generally below the poverty threshold.

It must be pointed out that services, such as access to affordable housing or accompaniment on individual pathways, that could lift young people out of poverty and social exclusion are generally not available.

Intergenerational transmission of poverty, especially within specific groups

The transmission of poverty from childhood to young people is especially a problem for specific groups such as single parents and people with a migrant background, which is a worrying trend as it represents a loss of potential for the country. Moreover, in the long-term, the fact that younger generations of specific groups are inheriting problems related to poverty and social exclusion from their parents will have a high cost for the country, as the Government will have to invest in specific programmes to address these issues, which are generally more expensive than prevention programmes.

Young people at higher risk of poverty and social exclusion

- ❖ Young single parents
- ❖ Young homeless people
- ❖ Young immigrants

Young single parents

This group is one of the groups at highest risk of poverty and social exclusion. Their sources of income are generally more limited than other young people, with the responsibility of having to provide for their children. They face very serious problems related to very limited employment opportunities (seen in higher rates of unemployment) and very limited access to affordable housing.

Young homeless people

Although this is not a big group of people, the number of young homeless people is increasing, according to data collected in our shelters. Their vulnerability is higher when compared to homeless people of mature age. This causes them to suffer from a variety of problems that puts them at a higher risk of extreme poverty and indecent living conditions: living on the streets or in temporary accommodation, poor physical and mental health problems, unemployment, drug addiction, etc.

Young immigrants

Young immigrants have four times a higher poverty risk than young natives.⁵

Rights that young people have more difficulties in actualising

- ❖ Right to education
- ❖ Right to housing

This is a direct consequence of the above: difficulties in housing and problems in the education system result in difficulties for young people regarding their right to education and the right to affordable quality housing.

BOX 1. Ratification and implementation of the European Social Charter related to young people

LUXEMBOURG has ratified the majority of articles of the 1961 European Social Charter. It has signed the Revised European Social Charter but has not yet ratified it.

Some of the following articles are not yet ratified and could have an impact on the social inclusion of young people:

- Right of all workers to a reasonable period of notice for termination of employment (article 4.4).
- Right to regulate the employment of night work of pregnant women, women who have recently given birth and women nursing their infants (article 8.4).

Luxembourg has NOT YET RATIFIED the [Additional Protocol](#) providing for a System of Collective Complaints. This impedes citizens from overseeing whether state policies and public action provides for basic social rights.

For more information on the provisions [accepted by Luxembourg](#).

FACTSHEET: [Luxembourg and the European Social Charter](#)

⁵According to Eurostat, in 2015, of the young people aged 16-29 living in Luxembourg, those who were citizens from countries outside the EU, 67,5% were at risk of poverty and social exclusion, as compared to 15,3% of the population with domestic citizenship. The respective numbers for the EU are: 57,0% at risk of poverty and social exclusion for residents with foreign citizenship as compared to 28,0% for Europeans of their own respective countries, [link](#).

How effective are Luxembourg's policies to fight poverty and social exclusion among young people?

Policies that are having a positive impact

Policies	Reasons why they are being effective
Youth Guarantee	Its approach and methods are improving, in many cases, the level of education of young people and, consequently, their employment opportunities. As a result, it is contributing to a reduction in poverty and social exclusion among young people.
Access to affordable childcare	A new policy to widen access to early child care services was implemented in 2005. This has allowed many couples to increase their number of working hours. However, there are still a number of people that do not benefit from this programme.

Policies that have a limited impact

The following policies are having a limited impact in fighting poverty and social exclusion among young people:

Policies	Gaps or reasons why they are not being effective
Education policies combating early school-leaving and early drop-outs	Education policies are not sufficiently taking into account the more vulnerable populations (e.g. migrants, or the other vulnerable groups as mentioned above). The school system remains far too focussed on Luxembourg's middle class households.
Access to affordable housing	The gap between demand and supply on the housing "market" has widened over the years, and this concerns specifically affordable housing. According to Caritas estimations (now accepted by the Government), there is a short of 30,000 social housing units; moreover, in general terms there is an annual need of more than 6,000 new units, but only between 2,500 and 4,000 are built each year. So the gap increases from year to year, despite the efforts of the Government.

Example of an effective policy or programme related to young people in the area of affordable childcare

Provision of early child care services to all, combined with the introduction of vouchers at low cost or no cost for vulnerable parents.

This measure, initiated in 2005 by the Ministry of Family Affairs, is currently being implemented by the Ministry of Education, Children and Youth and is having a very positive impact on vulnerable families, in particular younger ones.

Example of an ineffective policy or programme related to young people

Since the 1st of August 2016, the Ministry of Family Affairs, Integration and the Greater Region has reduced the amount of child allowance benefits (in that every child gets the same amount of €265 per month, whereas before there was a higher amount paid for the second, third, or subsequent child. This means that the reduction for the second child of siblings drops from €332 to €265 p/m, for the third child of siblings from €438.90 to €265 p/m, and so on. As an example, a family with four children will get €412.08 less p/m. These reduced amounts apply to children below 6 years of age and born after 31st July 2016. This is having a very negative impact on vulnerable families and in particular on younger ones.

The use of EU funds in Luxembourg to combat youth poverty and social exclusion

Some programmes are having a positive impact on young people; however, the ESF should ensure a better selection of projects based on impact criteria.

The European Social Fund (ESF) is partially contributing to a reduction in poverty and social exclusion among young people as some projects funded show certain positive results in lifting young people out of poverty. However, some programmes are having no influence on the situation of poverty and social exclusion among young people.

Therefore, a better selection of the projects funded by the ESF could help to ensure it better promotes social inclusion of young people and/or prevents transmission of poverty.

Example of an effective programme financed by the ESF that has had a positive impact on the reduction of poverty and social exclusion or the prevention of the transmission of poverty to young people.

Craft courses for young unemployed - “Level up”:

In 2014, the National Youth Service (Ministry of Education, Children and Youth) launched this programme with the aim of providing an alternative to those NEETs that did not subscribe to one of their more formal offers. The goal was to prevent them remaining inactive. At the end of the measure they should either re-integrate into school or another qualifying training programme, or get into employment or an apprenticeship. “Level up” consists of three axes: information sessions (in 2016, 54 sessions, totalling 888 participants); practice workshops (in 2016, from a total of 88 participants, 64 finished their participation and of these, 29 were re-integrated into school or another qualifying training programme and 7 signed an employment contract); and mobility projects entitled “Let’s go abroad” (in 2016, a group of 13 youngsters spent one month in Berlin, Germany, and Kokkola, in Finland).

This programme is showing positive results mainly due to the following key factors:

- it is a “low threshold” offer;
- it is totally voluntary;
- it follows the youngsters’ needs and aims;
- it is practice oriented;
- it is an interesting programme.

2. The response of Caritas: promising practices that combat poverty and social exclusion among youth

Affordable childcare

<https://www.accueilenfant.lu/accueil>

Since 2005

Introducing "Maisons relais pour enfants"

Description

The aim of the service is to provide quality child care for all children aged from 1 to 12 years, whose parents ask for it, and to offer these parents the possibility of paying less according to their income. So, since 2005, after a pilot project run by Caritas in two municipalities, all municipalities have built their *maison relais* and either manage it themselves or have contracted an NGO (like Caritas or others) to manage it. The costs, after deduction of the parents' contribution (according to their income) are paid as follows: one quarter by the municipality and three-quarters by the Ministry of National Education, Children and Youth (until 2013 by the Ministry of Family). From 1st of October 2017 onwards, the quality of this service will be enhanced through additional measures: a 20-hour service during 46 weeks a year will be free of costs for the parents and there will also be multilingual early education in French and Luxembourgish, considering also the children's mother tongue.

Problem addressed

Lack of quality early childcare and supporting young parents to increase their working hours.

Results

The number of children in early childcare facilities has been grown from 2,795 in 2005 to 53,110 in 2016.



Access to basic goods

Social groceries



Description

Within the framework of their common objective of combating poverty and against the background of the continual increase of the risk of poverty in our country, the Luxembourg Red Cross and Caritas Luxembourg have jointly developed a concept of "social grocery shops" that is being implemented in different parts of our country. These social grocery shops provide food and everyday products to people affected by poverty, at a reduced cost of one-third the normal market price. Through this solidarity initiative, disadvantaged people see their purchasing power increase while having access to fresh quality products. This initiative is co-financed by the Fund for European Aid to the Most Deprived (FEAD) and the Ministry of Family Affairs, Integration and the Greater Region.

Type of services provided

- Several points of sale across the country, in response to a request for proximity to the disadvantaged
- Opening hours (mostly) 5 days a week
- Diversified offer of food and household products (basic food, fresh products, hygiene articles, cleaning products, etc.)
- Financial participation by the beneficiaries following the logic of "respect for the dignity and responsibility of people"

Target group

People with limited income whose needs have been objectively ascertained by the Social Offices and authorised social services. People that receive authorisation receive a personal access card.

Problem addressed

Income poverty

Results

This programme has helped a considerable number of people at risk of poverty and social exclusion, to cope with their limited income for a certain period. Since the beginning of the programme in 2009 the number of groceries has doubled and the number of beneficiaries has tripled.



3. Recommendations to address the described problems

Recommendation 1: ensure access to affordable housing

- **Problem addressed if implemented:** Lack of housing and high prices in the housing market.
- **Detailed proposition:** Take stronger action in the field of social housing with a focus on three key aspects: 1) increase the amount of social housing; 2) give rent subsidies to vulnerable people; 3) take measures to control rental prices.
- **Governmental department or responsible institution that could lead this measure:** The Ministry of Housing.
- **Policy framework:** The housing policy.

This measure corresponds to Target 11.1 of the Sustainable Development Goals (SDGs), set to be accomplished by 2030: *“ensure access for all to adequate, safe and affordable housing (...)”*.

Recommendation 2: ensure employment for disadvantaged youth

- **Problem addressed if implemented:** Employment of young people with lower levels of education.
- **Detailed proposition:** Use the potential of the law on businesses with the social impact to boost employment in the social sector, especially of young people with lower levels of education.
- **Governmental department or responsible institution that could lead this measure:** A multi-disciplinary response coordinated by Ministry of Labour, Employment and the Social and Solidarity Economy.
- **Main arguments supporting this measure:** Specific measures must be implemented to promote access to employment of young people with lower levels of education, as most available jobs require higher levels of education.
- **Policy framework:** Employment policy.

This measure corresponds to Target 8.5 of the Sustainable Development Goals (SDGs): *“By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value”*.

Recommendation 3: ensure innovation impacts on social cohesion.

- **Problem addressed:** The challenge of digitalisation is putting pressure on a significant number of jobs, and will pose important challenges to the workforce, in particular young people and future generations.
- **Governmental department or responsible institution that could lead this measure:** The Ministry of Economy.
- **Detailed proposition:** Lead the strategic change process (called the “Third Industrial Revolution”) in a way that social impact is not only one of the evaluation

indicators, but that it is a decisive element in the planning and implementing phase (recognising e.g. the changing world of employment through: teleworking, continuous availability for job-related emails/phone calls, outsourcing, crowd producing, etc.).

➡ **Policy framework:** The “Third Industrial Revolution” or “Rifkin Process”.

This measure corresponds to Sustainable Development Goal 10. “*Reduce inequality within and among countries*” of the Sustainable Development Goals (SDGs) and, in particular, its Target 10.4: “*Adopt policies, especially fiscal, wage and social protection policies, and progressively achieve greater equality*”.

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