objectives

1. To differentiate migrants and nationals allows to present effects of migration in terms of eligibility + take-up

2. Transnationalisation of social rights and how
   1. MS handle incorporation of migrants
   2. MS with a corporatist welfare system with Scandinavian standards

3. How a corporatist Nation State can offer high standards relying on migrants.

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1. Luxembourg and migration

- Highly and normally qualified immigration since 19th century
- Labour market:
  - 66% of the internal labour market are foreigners,
  - 73% of active persons in the competitive sector are foreigners,
  - 27% of active Luxembourgers are in the public service (2006).
- Resident population:
  - 41% of the resident population are foreigners,
    - 10.3% highly qualified nationals,
    - 11.1% highly qualified immigrants.
1. Luxembourg and migration

Resident population split up into:

I. Highly qualified nationals,
II. Highly qualified immigrants (EU and non-EU),
III. Normally qualified nationals,
IV. Normally qualified immigrants from EU,
V. Normally qualified immigrants from non-EU.
2. Luxembourg’s welfare system

- Conservative-corporatist system with Scandinavian standards:
  - Conservative-corporatist:
    - Household versus individual person
    - Meanstesting: household’s composition + income
    - Fear of abuse: higher conditions for access
    - State is responsible, not individual person not municipalities
    - Broad scope of benefits
  - Scandinavian standards:

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<table>
<thead>
<tr>
<th>Member State</th>
<th>Name of measure</th>
<th>Amount for 1 single person</th>
</tr>
</thead>
<tbody>
<tr>
<td>Denmark</td>
<td>Kontanthjælp (Aide sociale)</td>
<td>€ 1.153,00</td>
</tr>
<tr>
<td></td>
<td>Starthjælp (Prestation d’établissement) (19??, 1997)</td>
<td></td>
</tr>
<tr>
<td>Luxembourg</td>
<td>Revenu Minimum Garanti: RMG (1986)</td>
<td>€ 1.044,80</td>
</tr>
<tr>
<td>Island</td>
<td>Félagsleg aðstoð (Aide sociale)</td>
<td>€ 1.010,00</td>
</tr>
<tr>
<td>Germany</td>
<td>Sozialhilfe</td>
<td>€ 345,00</td>
</tr>
<tr>
<td>France</td>
<td>Revenu Minimum d’insertion : RMI (1988)</td>
<td>€ 425,40</td>
</tr>
<tr>
<td>Belgium</td>
<td>Droit à l’intégration social: MINIMEX</td>
<td>€ 613,33</td>
</tr>
<tr>
<td>Lettonia</td>
<td>Pabalsts garantētā minimālā ienākuma līmeņa nodrošināšanai (Minimum Garanti)</td>
<td>€ 30,00</td>
</tr>
</tbody>
</table>
3. Legal framework : RMG (1)

- EU Regulation 1612/1968: « Il (le travailleur) y (sur le territoire d’un autre EM) bénéficie des mêmes avantages sociaux (...) que les travailleurs nationaux ». Directive 38/2004 for all EU citizens (active and non-active): residence conditions:
  - Personal resources
  - Health insurance
3. Legal framework: 1986 (2)

- Law of 1897: discretionary charity by local authorities: each municipality handles in a different way; no residence condition (draft bill n.5830)
  - Second generation of SA schemes: after period of full employment, coping with high shares of unemployed
  → strong orientation to professional reintegration
3. Legal framework: 1986 (3)

• No **nationality** condition: would be against EU philosophy and EU legislation.

• **Residence** condition for Luxembourgers + immigrants: « (to be resident = non exportable) and to be resident over the last 10 years » (art. 2). Legitimation: against « social tourism ».

• **Strongest residence** condition in EU with « 10 years of residence » (GUIBENTIF/BOUGET).
3. Legal framework: 1989 (4)

- Access has been eased: «to be resident and to be resident during 10 years over the last 20 years» (art. 2) in order to provide
  - homeless people and
  - Nationals, who came back to Luxembourg, with eligibility.
Residence condition 1999 (5)

1) Draft bill 1996: no residence condition for EU citizens, but 5 years over 20 years for non-EU citizens

• Opinions:
  – Employers’ organisations: agree with draft.
  – Employees organisations: do not agree with discrimination of non-EU citizens; in favour of 5 years (= work permit C) or no condition for all.
  – NGOs plead in favour of no condition and against discrimination of non EU citizens.
3. Legal framework: 1999 (6)

2) Government withdraws the entire residence condition:
   - One employees’ organisation agrees
   - Conseil d’État introduces « opposition formelle » (no condition =
     incentiv to social tourism), in favour of 5 years for all (= non
     discrimination)

3) Government accepts this proposal: law of
   19 avril 1999: « to be resident during 5 years
   over the last 20 years. » for all (art.2)
3. Legal Framework: EU 2000 (7)

- **1998**: Commission is informed via court procedure by individual person.

- **26.1.2000** (opinion) Commission asks government to abolish the residence condition for all EU citizens within 2 months → art.7 of 1612/68.

- **26.7.2001**: Commission goes to court against LU

- **20.6.2002**: decision by ECJ: LU has not fulfilled its obligations conc. art.7 of 16127/68 →
  - Exemple for other EU-MS
  - In order to regulate rejected claimants of RMG.
3. Legal framework: 2001 (8)

- **March 2000**: LU deposits a new draft bill 4829
- **Law of 21 December 2001** = effect by ECJ decision = compulsory incorporation of migrants
- « (1) Peut prétendre au RMG, toute personne qui remplit les conditions suivantes: être autorisée à résider sur le territoire du Grand-Duché, y être domiciliée et y résider effectivement. »
- « (2) La personne qui n’est pas ressortissant du Grand-Duché de Luxembourg ou d’un autre EM de l’UE ou d’un Etat de l’Espace économique européen et qui (...) doit avoir résidé au Grand-Duché de Luxembourg pendant cinq ans au moins au cours des vingt dernières années. »

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3. User's SNAS (10)

3. Users (SNAS) 2001

- **HQ**
  - LU: 41%
  - UE: 16%
  - NUE: 43%

- **LQ+Q**
  - LU: 69%
  - UE: 17%
  - NUE: 14%

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3. Users (SNAS) 2003

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3. Users (SNAS) 2007

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4. Literature: eligibility + take-up

• No study on eligibility/take-up for Luxembourg.
• The vast majority of studies are Anglo-saxon:
  – Problem of accuracy of the dataset to calculate the take-up rate
  – Take-up rate in US (Kim and Mergoupis, 1995): 36% for foods stamps and 68% for AFDC
  – Take-up rate of Hilfe zum Lebensunterhalt in Germany (Riphahn, 1999; Kayser and Frick, 2000): 37%
  – Take-up rate of RMI in France (Terracol, 2002): 35-50%
4. Literature: migration + welfare benefits

- The issue of take-up has been recently affected by the immigration with diverse results:
  - Immigrants are more likely ask for welfare benefits than natives (= burden to the social system (Frick et al, 1999 for DE; Borjas/Hilton, 1996 for US).
  - Most authors focus on one type of immigrants with a working class background vs. Nationals (homogenous).
  - Scandinavians differentiate: internal scandinavian and other immigration with different results.
  - In Germany, immigrants have a higher poverty risk than natives and than immigrants in UK.
4. literature: migration + welfare benefit

• correlation between migration and the use of welfare
  – Has to be differentiated: immigrants in Germany are more likely to claim benefits than natives: but with other socio-demographic factors: no correlation between the take-up of benefits and migration (Bird et al, 1999).
→ depends on type of migration, benefit, on historical period on approach
## 5. Eligibility (PSELL) + Take-up

<table>
<thead>
<tr>
<th>Nationality and education level of the head of household</th>
<th>2007 wave= 2006 data</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Eligibility for RMG</td>
</tr>
<tr>
<td>Highly qualified nationals</td>
<td>1,2</td>
</tr>
<tr>
<td>Highly qualified immigrants</td>
<td>0,9</td>
</tr>
<tr>
<td>Normally qualified nationals</td>
<td>3,1</td>
</tr>
<tr>
<td>Normally qualified UE immigrants</td>
<td>10,3</td>
</tr>
<tr>
<td>Normally qualified non-UE immigrants</td>
<td>27,8</td>
</tr>
<tr>
<td>All households</td>
<td>5,4</td>
</tr>
</tbody>
</table>

Non-Take-up rate 54% (PSELL sample)
5. Eligibility (PSELL) + Take-up without residence condition

<table>
<thead>
<tr>
<th>Nationality and education level of the head of household</th>
<th>Eligibility for RMG</th>
<th>Receipt in all households</th>
<th>Total weighted (unweighted)</th>
<th>Take-up within eligible</th>
</tr>
</thead>
<tbody>
<tr>
<td>Highly qualified nationals</td>
<td>1.2</td>
<td>0.1</td>
<td>217 (209)</td>
<td>-</td>
</tr>
<tr>
<td>Highly qualified immigrants</td>
<td>1.5</td>
<td>1.1</td>
<td>258 (390)</td>
<td>-</td>
</tr>
<tr>
<td>Normally qualified nationals</td>
<td>3.1</td>
<td>1.6</td>
<td>1929 (1608)</td>
<td>51.1</td>
</tr>
<tr>
<td>Normally qualified UE immigrants</td>
<td>10.3</td>
<td>4.2</td>
<td>857 (1053)</td>
<td>40.1</td>
</tr>
<tr>
<td>Normally qualified non-UE immigrants</td>
<td>34.2</td>
<td>16.5</td>
<td>92 (103)</td>
<td>48.4</td>
</tr>
<tr>
<td>All households</td>
<td>5.6</td>
<td>2.6</td>
<td>3335</td>
<td>45.3</td>
</tr>
</tbody>
</table>
6. Conclusion

• Use and abuse?
• With differentiated groups of migrants and nationals:
  – no migration effect and little probability of poverty risk for highly qualified nationals and immigrants: eligibility, receipt, take-up
  – Migration effect and very high/ higher risk of poverty for non-EU citizens/EU citizens than for nationals: eligibility.
  – Higher « abuse » of RMG by normally qualified nationals than by normally qualified immigrants with regards to eligibility.
  – Why difference between eligibility and take-up?
    • Stigma,
    • fear of expulsion,
    • no information
Conclusion

• Welfare systems have been developed within Nation-States, aiming at their own citizens, thus:
  – Migration = contradictory element within national welfare
  – EU law determines national legal texts: how do MS handle the impact of transnational level?
• LU: **conservative modell with Scand. standards** in the middle of MS (BE, DE, FR) with conservative, ≠ scand. standards(« equity amongst the poor »): « social tourism ». 
Conclusion (2)

• LU opted for selected immigration (OECD, 2003): adm. practice, but no change of the law.

• Transnationalisation within different modells:
  – Corporatist: fear of abuse, hence compulsory opening-up;
  – Scandinavian: no fear, hence no nationality +residence condition.
  – Migration is a means to maintain the Scandinavian standards, to enlarge the corporatist system: migrants do use benefits less than nationals and less than they contribute to it.