

Small States Social Policy

Luxembourg

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Social policy - Welfare/Well-being model

- Luxembourg traditionally has a corporatist welfare system, which has recently shifted towards traits of a universal welfare system. Any employee has to enroll in one of the welfare schemes.
- The welfare system is a continental (Bismarck) type welfare system managed primarily by the Centre Commun de la Securite Sociale (CCSS). It is extensive and comprises for example
 - Pensions
 - Health
 - Unemployment
 - Maternity
 - Work-related accidents
 - Disability
 - A basic minimum income
 - Child and family benefits,
 - Long-term care insurance

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Social policy – social (re)distributions

- ❑ Approach to social security mechanisms:
 - ❑ Via social insurance depending sometimes on the employment status of the person: pensions, health insurance, unemployment insurance, child benefits...
 - ❑ Some selective elements (e.g. residents usually have to pay for part of their medical costs themselves, but they can request additional assistance from the state based on their financial situation)
 - ❑ There are additional insurance schemes available for healthcare, pensions etc. that can be used to 'top-up' the basic provision of services.

Social policy – social (re)distributions

- Public social expenditure as a percentage of GDP in Luxembourg
OECD (2020), Social spending (indicator). doi: 10.1787/7497563b-en
(Accessed on 10 November 2020)

	(% of GDP) Most recent data available
Social spending in total (2018)	22.4
Pensions (2015)	8.4
Unemployment (2015)	1.4
Social benefits to households (2019)	15.0
Family benefits (2015)	3.4

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Social policy - Social protection beneficiaries

Répartition des personnes protégées et personnes bénéficiaires par risque de la protection sociale (2018)

Source(s): CCSS/IGSS

	Régime contributif						
	Maladie-maternité		Dépendance	Vieillesse	Invalidité	Accident	Chômage ^a
	Espèces ^c	Soins santé		Régime général	Régime général		
Assurance obligatoire	413.935	585.970	585.970	432.306	432.306	458.138 ^d	239.918
au titre de l'occupation professionnelle	413.935	462.048 ^e	462.048 ^e	432.306	432.306 ^e	458.138	239.918
au titre d'une pension		114.463	114.463				
au titre d'un autre revenu		8.917	8.917				
RMG		7.550	7.550				
Préretraite		1.367	1.367				
autres assurés obligatoires		543	543				
Assurance volontaire		5.861	5.861	4.012			
Assurance au titre d'un droit dérivé		266.526	266.526				
Total personnes protégées par risque	413.935	858.357	858.357	436.318	432.306	458.138	239.918
Nombre de personnes bénéficiaires par risque	256.451 ^f	532.552 ^g	14.530 ^b	121.722 ^h	16.883 ^h	34.091 ⁱ	7.112

Continued:

	Régime non contributif		
	Famille ^b	Inclusion sociale ^b	Handicap ^b
Nombre de personnes bénéficiaires par risque	202.702 ^j	20.581 ^k	5.654

a. Résidents.

b. Au 31 décembre.

c. Seulement les salariés du secteur privé.

d. Salariés, indépendants, service volontaire, volontaires de l'armée, au pair, sportifs d'élite.

e. Y compris indemnité de maladie, de maternité, d'accident, de chômage et de congé parental.

f. Sans dispenses et congés pour raisons familiales.

g. Bénéficiaires résidents d'au moins un acte pendant l'exercice en cours.

h. Pensions personnelles y inclus avances et allocations trimestrielles.

i. Accidents déclarés pendant l'exercice en cours.

j. Allocation pour l'avenir des enfants (uniquement paiements courants) et indemnités de congé parental.

k. Membres de familles bénéficiaires de l'RMG.

l. Comprend les bénéficiaires du supplément pour enfant handicapé et du revenu pour personnes gravement handicapées. Une partie des adultes handicapés seulement sont couverts par l'assurance dépendance.

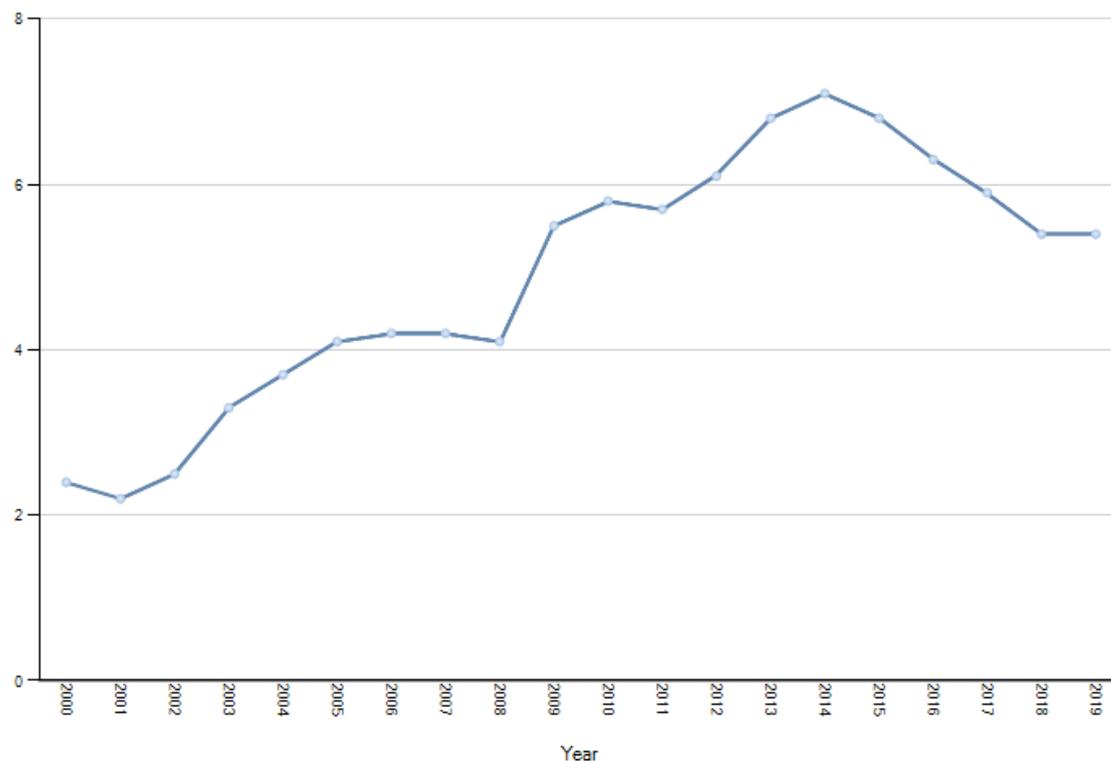
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Social policy - Poverty and Social Exclusion

- ❑ According to Statec (2019)
 - ❑ Poverty rate of 18.3% with social transfers (without social transfers would be at 27.5%)
 - ❑ Differences between groups:
 - ❑ Poverty rate is 'only' 13.4% for employed persons
 - ❑ Single parents are the most vulnerable (40.7%), then families with more than two children (30.4%) and childless singles (27.8%).
 - ❑ Expensive housing is a big risk factor

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Social policy - Unemployment



Source: OECD Labour Market Statistics
<https://data.oecd.org/unemp/unemployment-rate.htm#indicator-chart>:

- In 2019, 22.8% of the unemployed were long-term unemployed
- Youth unemployment (15-24 years) was particularly high at 23.1%

Specification
■ 6. Unemployment rate in % (4) : (5)

<http://www.statistiques.public.lu/stat/TableView/chartView.a>

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Social policy – Child support

- How is child support organized in the country?
 - Birth allowance
 - Material benefits depending on the number of children (family allowance) to cover the costs related to the maintenance and education of the child until the end of his/her schooling (or 25th birthday if he/she is still domiciled with the parents).
 - Back-to-school allowance
 - Supplementary allowance in case the child is disabled
 - Supplementary allowance for low-income households
 - Financial support for maternity and paternity leave
 - In-kind financial assistance from CSA Cheque-Service-Accueil (e.g. for daycare, sport or musical activities...)

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Social policy – Response to the COVID-19 pandemic

- ❑ Luxembourg benefitted from its previously strong economy and relative wealth during the Covid crisis, which made it possible for the state to cushion the economic and social effects of the pandemic
 - ❑ Generous state subsidies for the salaries of workers on cyclical short-time and financial support for small businesses
 - ❑ Healthcare is widely available and Covid-19-related care was easy to access; masks were distributed for free.
- ❑ However, there are specific groups that are at risk of experiencing financial hardship: due to the high costs of living, full-time students, for example, often depend on part-time jobs. When they loose/fail to find this type of job, they do not fall under the unemployment system.