

Case Study on Housing

Luxembourg (Luxembourg)

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Foreword and Acknowledgements

This report has been realised in the framework of the CLIP (Cities for Local Integration Policies for Migrants), a European network created in spring 2006. It should be mainly based on a questionnaire (common reporting scheme) filled out by the City but it has been mainly based on city visits and documents collected during the visits. The views expressed in this case-study are the authors' and do not necessarily reflect those of the City of Luxembourg.

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1 Background information on the Luxembourg

1.1 History of migration and composition of migrant populations

Even if this study is not an historic one, it should be mentioned that in the middle of the 19th century one third of the population of the Grand duchy emigrated. Through the mining and steel industry Luxembourg became rich and an immigration country. Since the end of the 19th century, the Grand Duchy of Luxembourg is a country of immigration. The first migrants came from Germany and then from Italy. The state developed immigration policy according to the needs of working force first in iron and steel industry and later in other sectors. It has concluded agreements with Italy and Portugal. The Italian community has been the most important one till 1976; it was supplanted by the Portuguese community who is still the most numerous today. In the early 90's, asylum seekers and refugees have arrived in the country like in other European countries. The first asylum seekers came mainly from Bosnia. And, the country received around 5,340 applications from asylum seekers from the Balkans during the war in Kosovo. Moreover, Luxembourg receives also daily 110 000 commuters from the neighbouring countries (France, Belgium and Germany).

Foreigners are around 40% of inhabitants of the total country population. Some cities such as Luxembourg count more than 50% foreigners. The total population of the country was 479,461 as of January 2005. The Luxembourg population is growing mainly because of the foreign population. According to experts' estimations, the country population could reach 553,000 inhabitants in 2020. The main nationalities are the Portuguese (72,711), the French (25,727), the Italians (20,495), the Belgians (17,602) and the Germans (11,968). Other important nationalities are the former Yugoslavs, the Britons, the Dutch and the Spaniards. Non-EU foreigners represents a very small percentage of the foreign population and they are mostly from Yugoslavia, Bosnia, Cape Verde and USA. Asylum seekers are not included in the national statistics until they get the refugee status. Moreover, even the ratio of naturalization is low (no dual citizenship allowed by Luxembourg) and above all concerns non EU nationals, it is obvious that the figure of people with migration background is even higher than the statistics based on nationality.

Foreigners are two third of the workforce of the country. One third is residing migrants and the other one consists of commuters. They work mainly in sectors such as real estate, banks and business and insurance services, commerce, industry and construction. (Kollwelter, *Active Civic Participation of Immigrants in Luxembourg*, POLITIS report, 2005).

Finally, the growing population makes housing questions a priority for the government.

1.2 General national integration policy

Most of migrants in Luxembourg were, above all, workers and even in the early time temporary workers. Integration has thus not been a major issue for the governments. Moreover, economic integration of the migrants could be considered as achieved through generalized employment. Integration in other social domains was not for decades in the agenda. The focus has been more on political integration and the question of righting vote. At the end of the 70's, consultative bodies for foreign residents have been created and were compulsory in the municipalities with more than 20% foreigners (local law, 13 December 1988). The Local Consultative Commissions for Foreigners have been renewed in 1999. Furthermore, the non EU nationals have been granted the right of vote since 2003.

In 1993, a new body was created inside the Ministry of Family and Solidarity: the Government Commissioner for Foreigners (CGE). Its mission was to support actions of the law of 27 July 1993 for immigrants and foreigners settling in the Grand Duchy. It had to support, when necessary, reception and housing of foreigners and foreigners' adaptation to social, economics and cultural society through material and psycho-social help, information, training, orientation, family reunion and leisure organisation. It could intervene in trip organisation, reception and repatriation. It had to encourage and support initiatives and social activities for foreigners and those promoting intercultural exchange between nationals and foreigners including sociological research on immigration and integration. It had to encourage the foreigners to social participation. And, finally, it offered training on social integration. These types of actions still summarize the current national integration policy and they are realized through punctual projects in particular when there is a European financial support such in the framework of ERF.

Currently, a new law on immigration is discussed in the national government and it has opened the debate on integration at various levels of the society. In October 2006, the Economic and Social Council (CES) expressed its position on immigration and integration: *"Integration must be a reciprocal process promoting simultaneously individual identity and collective identity: each one the migrant and the society have to make an effort toward the other"*. The integration policy must target all the migrants (EU nationals as non EU). The CES considers that due to its specific situation (tight territory, high percentage of foreigners and multilingual society without a strong referent culture), the approach to integration in Luxembourg will tend to multiculturalism. Earlier, an informal working group initiated by the Government Commission for Foreigners has met several times. It was composed of representatives of the CGE, of the MEN, of the city of Luxembourg and the city of Esch and NGO's. Representatives of several Ministries jointed also the discussion. It has focused integration policy on language courses and the

knowledge of the country. As the working group stopped his work in December 2006 without conclusions, the seven NGO's which were part of it stated in a common paper that, the reception and integration policy has to focus on democratic values, common interests and social cohesion. The outlines of this policy are expressed as followed. First, the integration policy must covers several domains but in priority housing and education. Second, it must take into account newcomers' diversity. Third, it must innovate and invest in intercultural dialogue. Fourth, it concerns all the inhabitants of the society: natives, 'oldcomers' and newcomers. Fifth, it must be supported by the political strengths and the social partners. Sixth, it has to be relayed at the local level. And finally, it is the counterpart of an immigration policy and must be coordinated at the governmental level. It seems that there is not yet a consensus on what kind of integration approach is necessary and on the criteria for success and failure. And finally, even a debate is developing, it is not sure that all components of the society in Luxembourg take part to it. For some, integration seems still a taboo in that sense that they consider that it is not a problem but rather a success mainly speaking.

2 Background information on Luxembourg and its integration policy

2.1 General structural data of Luxembourg

Luxembourg, a cosmopolitan and modern city, is the capital and the administrative centre of the Grand-Duchy of Luxembourg. It situated in the cross-border area. It is one of the main centres of the Saar-Lor-Lux-Trier region with Metz (France), Saarbrücken and Trier (Germany). It is also one of the three official sieges of the European Union. Besides Brussels and Strasbourg it is the third 'Eurocapitale'. It shelters the European Court of Justice, the European Court of Auditors, the European Investment Bank, the General Secretariat of the European Parliament, parts of the European Commission and the Office for Official Publications of the European Union. Most of the European bodies are located in the quarter of Kirchberg. Since the 1970's, the city has become an important financial centre that counts around 220 financial bodies. It has one of the highest concentrations of banks. Since 2003, the University of Luxembourg has been created and it is located in two quarters of the city (Kirchberg and Limpertberg) and one in a neighbouring municipality (Walferdange). Moreover, the inhabitants have a quality of life ranked at the 5th place worldly.

The population of the city was 86,009 as of January 2007. The striking feature of the population of the city is that foreigners are largely more numerous than nationals. There are around 37.42% Luxembourg nationals and 62.58% foreigners.

The city territory is 51.73 square kilometres, around 2% of the national territory. Besides the roads, the railways, the squares and the rivers (16% of the territory), the territory consists in 27% buildings, 24% agriculture, 23% woods, 6% non built area, 2% public parks and 2% industries. The city of Luxembourg is divided in 24 quarters: Beggen, Belair, Bonnevoie-Nord/Verlorenkost, Bonnevoie-Sud, Ville Haute, Cents, Cessange, Clausen, Dommeldange, Eich, Gare, Gasperich, Grund, Hamm, Hollerich, Kirchberg/Kiem Limpertsberg, Merl, Muhlenbach, Neudorf/Weimershof, Pfaffenthal, Pulvermuhl, Rollingergrund/Belair-Nord and Weimerskirch.

Economically, the city is characterised by a large number of tertiary sector businesses. It brings around 100,000 jobs to the residents and the commuters. Ten years after the crisis in the sector of steel and iron industry in 1975, the employment stagnated in all the country. Since the mid 80's it was not the case anymore and due to important structural change, the country has seen a very important economic growth. The demand of workers has decreased in the secondary sector but has considerably increased in the tertiary sector. Hence, the worker supply of nationals and migrant workers was not enough and since 1985, the phenomenon of frontier workers or commuters from the neighbouring countries has constantly developed. The employment situation in 2005 was as followed: 32,967 people with a work who 11,799 workers; 18,034 employees and servants; 3,134 independents and 2,644 unemployed. There is still a low ratio of unemployment (7.42%) even since 2002, the employment growth has slow down and the unemployment ratio has progressed. The Luxembourgian labour market attracts Luxembourgian and foreigners but also frontier workers. And thus the city attracts every day an important numbers of frontier workers mainly French followed by Belgians and Germans. The employment is shared by the nationals, the frontier workers residing in neighbouring countries, the foreigners residing in the city and the European civil servants. The labour market is very segmented according these categories. The public sector is largely is reserved to the nationals because of the linguistic criterion.

2.2 History of municipal migration and composition of migrant populations

The history of migration for the city is quite similar to the history of migration of the country. But, due to its position of capital and later Eurocapital and because of its exceptional economic growth, the history of migration of the city of Luxembourg has several features. Firstly, at the beginning of the 50's, the city became one of the European Capital. From then, it has attracted a lot of European civil servants and also international servants. They are nowadays around 8,000. Secondly, from the 60's, the dynamic of the city has attracted a lot of migrant workers in various sectors and particularly in the bank sector. Between, 1970 and 1991, the foreign population in the city has grown from 18.6% to 29.75%.

The population was 86,009 inhabitants as of January 2007. Luxembourgian represent 37.42% of the total whereas foreigners represent 62.58%. There are 143 different nationalities in the city. The main nationality is the Portuguese (14,537) followed by the French (9,191), the Italians (5,611), the Belgians (3,539), and the Germans (2,811). The foreign population in Luxembourg is mainly from the EU countries. There are also 1,701 British citizens, 1,546 Spaniards, 856 Swedish, 752 Greeks, 656 Dutch, and 649 Danish. Among non EU nationals, the Bosnians (729), the Cap Verdians (605) and the former Yugoslavians (416) are the most important groups.

2.3 Municipal integration policy

According to the coalition agreement 2005-2011 between the Democratic Party (DP) and the Green Party (Déi Gréng), the city has three objectives on integration. First, insuring living conditions in harmony to all the residents who's more than 60% are not Luxembourgian nationals. Second, supporting deep integration for the majority of the foreigners. Third, giving to the commuters, mostly frontier workers, the feeling of sharing a same destiny and ambition with the residents.

According to the coalition agreement, the political participation of foreigners, youth and children and reception of non nationals are three important channels to reach the integration objectives. In order to promote the political participation, the local government wants: (1) to promote the registration of the foreigners on electoral list through consciousness-raising actions; (2) to improve information about the electoral system; (3) to revalorize the consultative commission for non Luxembourgian and to promote the participation of foreign residents to the consultative bodies in general, and (4) to dialogue with migrant associations and to increase their financial support. The government wants also to promote the integration through actions for children from the crèche and early education. It wants to promote the Luxembourgian language as integration language at school and in other day-nursery and the intercultural dialogue between all the children of the city. Finally, it wants to initiate pedagogical projects promoting the respect between the cultures and the fight against racism and discriminations. The last channel for reaching integration is the reception of newcomers. Hence, the city wants to promote the language courses (Luxembourgian) in general and in particular those organized by the Bierger-Centre. They are considered as platform of reception and an important place of meeting. The city wants also to improve and complete the information for newcomers and to organize a yearly party for all the foreigners who become Luxembourgian citizens. And, finally, the city will encourage the neighbourhood's parties and the associative life in the neighbourhoods that favour contacts between nationals and non nationals.

2.4 Inter-city cooperation

Luxembourg is member of the network Quattro Pole a cross-border city network composed also by the towns of Metz, Saarbrücken and Trier which realise common projects, in particular in the field of modern technologies of communication. Quattro Pole sets up specific cross-border services addressed as well to citizens as to companies. The implementation of these services can be realised in collaboration with external partners. First major act: the information highway QuattroNet, high speed data network elaborated in association with operators of telecommunication present in frontier areas. Quattro Pole considers the installation in the four towns of applications complementary to electronic purses or to city-cards and giving access to many common services. Quattro Pole is also a set of cross-border services on Internet intended for companies and the general public.

Luxembourg is member of the AIMF (Association Internationale des Maires francophones). AIMF is a network of towns and associations for the development of local communities. It is the operator of Francophonie for the decentralised cooperation. It aims at a better governance of municipalities by encouraging exchanges of experiences and by subsidising concrete projects.

Since 2006, Luxembourg participates to a new international and inter-city project of cooperation named LELA in partnership with three neighbouring towns: Esch-sur-Alzette (GDL), Longwy (France) and Arlon (Belgium). The four cities decided to join their straightness and their competences for the well-being of their citizens. The collegial structure is the strength point of this cross-border cooperation. LELA will focus mainly on mobility, Internet access, and relationships between citizens and frontier workers.

Luxembourg is associate partner in EUROCITIES. And informally, the city, through the Bierger-Centre has contacts with some German cities like Düsseldorf or Stuttgart in the framework of the "Ausländerbeauftragter".

3 Housing situation of Luxembourg

3.1 Housing stock and housing market in general

According to the Habitat Observatory, the housing stock in the country is characterized by several features. These features seem also relevant for the city of Luxembourg. First, the housing for renting represents 29% of the total housing, 67% of the housing is owned). Second, the part of housing for renting has decreased of 5 % between 1991 and 2001 despite of the stock increase (42,027 in 1991 and 49,728 in 2001). Third, the renting housing stock consists mainly in flats, but the percentage of rented single-family houses is important: and is increasing (29% in 2001). Fourth, 33% of the total vacant housing is located in the city of Luxembourg and another third in the surrounding cities. Fifth, the rent average per square



meter has increased of 27% between 1991 and 2001 whereas the progression of the social allocation was 21%.

According to the national census survey 2001, there were 35,093 occupied housings for 76,688 inhabitants in the city of Luxembourg. Furthermore, on a total of 35,127 households in the city at least 14,887 were private owned and 16,020 were rented.

The supply of housing is not regular, according to the Habitat Observatory, and is not sufficient for the growing demand. In the one hand, as said above, there is a lot of vacant housing in the city in particular for the houses (39% of vacancy in 2001). In the other hand, the distribution of new housings that are built each year is uneven in the country. For the city of Luxembourg, the number of new housing built between the 70's and the 90's has decreased of almost 40%. Nevertheless, in the city the ratio of new built flats is important 86% of the finished housing in the canton. Finally, the demands for social housing are growing. According to the Housing City Service, they were 350 in 2005. The reason of applying for social housing is mainly because the previous housing is not accommodated to the household.

Renting or purchasing a dwelling in the city of Luxembourg is particularly expensive. During the last decade, the prices of the land as of the building have considerably increased and they are higher than in the national average and than elsewhere in the country. Hence, the average price for the acquisition of a flat (2 rooms) is 359,498€ against 314,525€ in the country. A flat with one room can be purchased for an average price of 252,322€ (against 222,116€ in the country). The average price for a house is 622,721€ against 534,849€ in the country. The average rent for a flat in the city is 1,154€/month and 1,029€/month in the country. And for a house, it is 2,564€ against 2,041€.

There are differences among the different parts of the city. The highest prices for renting a flat are located in the centre and in the centre-south and the smallest in the centre north and North West. The most expensive neighbourhoods are Limpertsberg, Belair, Merl and Kirchberg. The most affordable rental residents' areas are Bonnevoie and Cessange. It seems also that the price is proportional with the age of the building. In other words, more a housing is recent; more the rent will be high. And it appears that the flats are more expensive than the houses according to the surface. Moreover, the length of renting can also explain the rent. The housing rented since at least 10 years are cheaper than the others.

Finally, the mobility of a typical population of Luxembourg is striking. International civil servants after one or two years in the city leave it for the suburbs and, often they become landlords.

3.2 Housing situation of residents with migration background

Housing market situation (demand/supply for rented housing/home ownership), incl. special applications for a social housing came mainly from foreigners. 58% against 42% from Luxembourgian. 44% applications came from Portuguese, 5.5% from Italians and 8.5% applications came from other nationalities. The tenants of the social housing in Luxembourg city were in 2005: 63.5% Luxembourgian, 26% Portuguese, 8% Italian, 3% from Bosnia and (in 2005:) Serbo-Montenegrians and 7% from other countries. The social housing of the city are occupied by 1,183 persons (0.6% of the city population). It seems that there is need of dwellings with at least one or two bedrooms.

There are two types of housing accommodation for specific migrants, in the one hand, the refugees and in the other hand, the migrant workers. At the beginning of the 70's, the national government created **community houses for immigrants** (*foyers pour immigrés*) in the framework of the law on social cohesion (24 July 1972). They aimed at the accommodation of single migrant workers. In the 70's, around 10 community houses for immigrants were managed by the state and a dozen were created by the firms and subsidized by the state. Nowadays, the Government Commission for Foreigners manages four of the last foyers of which two are located in Luxembourg. Currently, it is mainly Portuguese workers who live there. The other foyer in the city is the Foyer Saint-Martin and is managed by the Foundation Open Door House (Fondation maison de la porte ouverte).

The Foyer Saint Martin has been created in 1973 and renovated from 2000 till 2005. It is a community house for immigrants' workers, bachelor or married whose family resides in the country of origin. There are 83 beds available and each resident can cook in community kitchens. The condition of access to this house is a work contract. The foyer offers accommodation for a small price. The overheads are partially covered by subsidies from the Ministry of the Family.

3.3 Segregation: Spatial concentration of residents with migration background

The population of three quarters in the city is almost only Luxembourgian nationals: Cessange, Hamm and Cents. They are with Limpertsberg, Belair, Merl and Kirchberger mostly populated by international civil servants (from the European institutions). They offer several facilities for European nationals. The Kirchberg is the European quarter. The French School is in Limperstberg. The International School (ISL) is in Merl. Kiem and Weimershof are residential and quiet neighbourhoods with recent buildings. The European School and the English school are in the same area.

Half of the social housing applications come from foreigners but 63.5% of the renters are Luxembourgian. The social housing is spread in almost all the quarters of the city but unevenly. Several neighbourhoods are featured by higher concentration of social housing in



particular in the centre with Pfaffenthal (144 social housing), Grund (52) and Clausen (47) and also in the south of the city, in the neighbourhood of Bonnevoie (66), Gasperich (36), Hamm (29) but also in some northern quarters such as Weimerskirch (31) located at the north of Pfaffenthal. There are very few social housing in the East such as Cents (2), Weimershof (1), Neudorf (9) and Pulvermühle (9).

3.4 Accessibility of the housing market system for people with migration background

First of all, the access to the city social housing is accessible to households residing in the city for at least three years. This preliminary condition excludes de facto the newcomers from migration background or not. The other criteria to have access to a social housing are fixed by a grand ducal regulation of 1998. Applicants for social housing are ordered according the rents to pay, the income of the households and family situation. Prior households are organized as followed. First, the household who has to leave his housing for major reasons (unhealthy, expropriation, clearing off). Second, the household has currently a housing without shower or bathroom. Third, the household who has currently a housing maladjusted to the family situation. Fourth, the household has a housing which is not in conformity with health and security standards. Fifth, the rent that the household has to pay is higher than 30% of the net monthly income.

It is important to underline that in case of equality of the criteria, the housing is in priority allocated to the neighbourhood's applicants. In other words, this provision can be seen as a will of keeping the social cohesion of the neighbourhood. There is no will of spreading the population.

Refugees occupy 5% of the one-roomed flat. Migrant workers and irregular migrants occupy also this type of housing

4 Institutional setting and relevant actors

The city is the main owner of social housing in the city (48%). The city owns 561 social housings on 1,153 social housings located on its territory and 75 housings for elderly persons. The city gives some houses for specialised associations that sublet to a specific group like homeless and offer a social and psychological help to the tenants. It is the case of the Wunnéngshëllef and of Caritas. The city offers also to the Government Commissioner for Foreigners some houses that the Commissioner manages to lodge mainly asylum seekers; the CGE is not in charge to lodge recognised refugees. The city has three different bodies that contribute to housing and consequently to integration. They correspond to three different steps. First, a reception centre where every citizen, migrant included, can find information and advice about the city services. Second, the housing city service where the citizen as the

migrant can receive support to get access to social housing. And, third a specific committee for claiming in case of renting housing problems.

The "**Bierger-Center**" (Reception centre for the citizens) has been created at the end of 2001. It aims at informing and supporting inhabitants of the city and potential residents in various services (administration, residence, housing, languages courses for newcomers, etc.). One of its services is a kind of integration service that mainly coordinates language and culture courses for foreigners.

The **Housing City Service** is in charge of the local housing policy. It manages 650 housings. It manages two reception and shelter centres. They are emergency housings. The Obenthalt is located in Bonnevoie. It has 16 rooms with four beds. This centre is for homeless. Most of the families lodged in this centre are with migration background (Portugal, Cap Verde, Guinea, Italy and Netherlands). It manages also the centre Pfaffenthal.

Moreover, it is in charge of the secretariat of the **Local Renting Commission**. This is a public committee whose assignment is to control and judge abusive rental prices. The renter who considers its rent too high can address his claim to the Renting Commission. This specific committee has been created by the Law of February 1955, the first official instruction on housing, ruling the housing and commercial renting contracts. The local renting commission has been reformed by a recent law.

Since the creation of the Ministry of Housing in 1989, there is an active housing policy at the national level. The national housing policy has implemented different types of measures in order to increase the housing stock and to promote access to ownership. Since 1991, it has given more than 1,1 billion euros (direct and indirect supports) for housing and building. There is a body that centralizes and analyzes data on housing and habitat. It is the **Habitat Observatory** created in 2003 by the Ministry of Housing.

The **Housing Fund** is a national fund for the housing and habitat development. It owns 1,435 housing units in the whole Grand Duchy and it is the most important public renting stock of the country. Most of its housing units (75%) are located in the city of Luxembourg (472) and also Differdange, Esch and Dudelange. The Housing Found offers the possibility to purchase a grant-aided housing under several conditions. According to the Housing Fund, the number of applications for social housing is stabilizing with 980 applications in February 2006 against 940, one year earlier. There is an increase of 4.3%. The fund has 71 community housing integrated in 'foyers'. Among them, 53 are reserved for refugees and 18 for migrant workers. Most of them are located in Luxembourg. They consist in furnished rooms with common facilities.

The **Housing Service of the Government Commissioner for Foreigners** manages the different reception centres for asylum seekers. It also manages housing for refugees and monitors housing for asylum seekers in the private market

A new law project has been developed at the national level in order to promote housing. The **Housing Agreement 2007** has been approved recently by the government and should be implemented soon by the Parliament. This agreement aims at increasing the housing supply in the country and promoting an active policy of landed control. It has 5 main outlines and one of them is the close collaboration between the state and the municipalities. It is based on the idea that the state and the municipalities have a shared responsibility for the housing right. The state will thus help the municipalities that will commit themselves to the creation of new housing in the perspective of increasing their population of more than 15% on 10 years. The state will support the city every year with a support of 4,500€ per new inhabitant in the city.

Thus the state will directly support the municipality for the creation of new housing. Moreover the cities will commit themselves to reserve 10% of the new housing for social housing. The law project contains also specific administrative and fiscal measure such as a specific local tax against vacancy.

The national housing association for fair price housing, '**Société Nationale des Habitations à Bon Marché**' (**SNHBM**). It is a social promoter specialized in building single-family housings and residential accommodation. Since its creation in 1919, it has built around 8,000 real estates in the main cities and among others in Luxembourg. The housing estates are featured by fields of play and green areas. The SNHBM does not receive any subsidies from the state or from the cities. But, some of its projects can get subsidies as provided in the law on housing support. In this case, the whole subsidies are detonated to the housing purchaser. Accessorily, the SNHBM owns 158 social housing mainly built during the 40's and the 50's. The half is located in Luxembourg: 72 in Bonnevoie and 12 in Cents. The SNHBM is an important actor that supports acquisition and renting of housing. The housing are exclusively sold to people who owns no real estate and who commit to live in their housing personally for at least 12 years (19 years for single-family house) and who fulfil the income conditions to get public housing support. The social housing are rent under specific conditions of income and personal situation.

Several associations and migrant organisations support access to housing.

The **Wunnéngshëllef** is a platform gathering 20 associations. They do not target especially migrants but due to the important percentage of residents with migration background, migrants are part of their public. The Wunnéngshëllef aims at supporting persons with low or irregular income in the housing access. The purpose is social integration. It owns some housing and others are the property of the state or of the city of Luxembourg. Its stock is around 120 housing. It offers prefinanced housings according to the needs of the households. It is like an interface between the owner and the tenant and it offers the tenant a



social accompaniment. But the tenant must contribute partially to the rent up to three years. After that, he should be able to pay the total rent. For the owner, the Wunnéngshëllef guarantees the regular payment of the rent and the technical management of the rented real estate.

Other associations for migrants are active in housing support such as **ASTI** (Association de Soutien aux Travailleurs Immigrés); but also migrant associations: CASA, Portuguese association, Associazione Marchigiani Lussemburgo, Italian association, ACOLUX, (Association des Congolais du Luxembourg), Congolese association, etc.

5 Discourse, concepts and policy concerning housing

5.1 Vision, concepts and policy of administration and Local Council on the issue of access to affordable and decent housing, segregation and integration of migrants

According to the local coalition agreement 2005-2011 between the democratic and the green parties, the city has three priorities. Firstly, encouraging the increase in resident population, especially young families. Secondly, stressing the increase of affordable housing stock. Thirdly, tackling the misuse of housing for commercial or administrative activities, in particular in residential neighbourhoods and in the centre of the city. To achieve these goals, the city have five operational objectives.

(1) Keeping an appropriate supply of social housing.

- updating the stocktaking of available housing downtown;
- distinguishing clearly in one side, housings for the neighbourhood repopulation and that aim at attaching the inhabitants and on the other side, occasional housings for the reception of persons or families with low income. Application of the law 'Bourg' for this second category of housing;
- increasing in a balanced way the social housing supply;
- systematising the reconditioning and the maintenance of housings belonging to the city and studying the possibility to sub-contract the work;
- clarify the allocation criteria and insuring equal distribution (mixité) between nationals and non nationals.

(2) Favouring the creation of affordable housing

- favouring access to ownership for people or households with middle income (type Sauerwiss and Kaltreis);
- clarify the allocation criteria: job downtown, residence in the neighbourhood, household composition, incomes situation, social inquiry;

- placing on the market building grounds belonging to the city and that could be built from now following the city PAG;
- seeking private partnerships with entrepreneurs but also with the Société Nationale des Habitations à Bon Marché, the Housing Fund. Grounds could be demised according the emphyteutic lease and in all cases on the terms and conditions specified that will determine the buildings to realize, their affectation and the deadlines for the work achievement. The new owners would have to live in their new housing during ten years at least. In case of sale, the city will keep a pre-emption right. There will be no transfer to promoters for pure speculation.
- placing on the market small parcels of land in order to allow access to land.

(3) Favouring the creation of housing for elderly persons and for students

- Keeping on building small residential buildings in various neighbourhoods to allow elderly persons to stay as long as possible in their own neighbourhood;
- Promoting the creation of housing for students spread all over the city territory;
- Accelerating the creation of 200 housings for students by the city. The question is already under consideration.

(4) Better respect of the regulation on buildings

- Working out a buildings book in order to follow their development and to monitor their conformity with various standards;
- Controlling severely housing building affectation and the building permit;
- Looking for efficient means to tackle wrong affectation or building vacancy. Hastening the implementation of a local tax system.

(5) Ecology in building

The principles of the local town planning as expressed at the national level are among others creating cities and villages responding to social exigencies and offering a high level quality of life and supporting the social integration policy. For this purpose, the outlines are first insuring a equal life level for the whole population in respect of the individual need. Therefore, the setting up and the maintenance of a housing stock that is adapted to the population need is considered as a priority. Improving the living conditions of deprived groups is also seen as essential. Second, it needs to promote urban development and new habitat quality adapted to the social exigencies. This objective can be activated as followed: impeding social segregation at the neighbourhood and at the city levels; improving housing quality; informing the inhabitants about the quality criteria on housing and urban development.

5.2 Public discourse on housing, segregation and integration of migrants

The prime Minister in front of the Chamber of Deputies said in October 2005 :”One would like to believe those saying that integration of foreigners in our country is a success. But the reality is quite different: here, like elsewhere in Europe, true parallel societies are shaping. We need a new law on immigration, to replace the 1972 one and based on a new concept of integration, more voluntarist.”

According to the Economic and Social Council (CES), integration involves housing supply. And it considers that efforts should be intensified in order to increase the affordable housing supply. It advocates measures for valorising lands and inciting the owners to put their lands on the market. Social housing should also be increase and all kind of discrimination should be banned regarding access to private or social housing.

Migration is an important phenomenon in Luxembourg and therefore all the social actors (unions, churches, NGO’s) are active on integration issues. According to the resolution of 6th Congress of Migrant Associations in Luxembourg (November 2006), considered in general that the country needs a explicit policy of immigration and integration. More specifically, it claimed that housing right should be written in the constitution and that some measures on housing. In January 2007, a platform of seven NGOS (APL, ASTI, CARITAS, CLAE, IFS, MOIEN and SESOPI) have expressed their position on integration in a paper untitled “*Welcome in Luxembourg. Shared values, common interests*”. They clearly highlighted that, among other domains, there are two priorities for the reception and integration policy: housing and education. Housing is an urgent and prior aspect because of the price escalation. Access to affordable housing must be guaranteed. (source: ASTI, www.asti.lu/asti.php/?p=703)

6 Interventions on housing and integration: measures and projects

Private housing is expensive in all the country, consequently the state has developed various measures to improve the access to housing. In the one hand, there is the social housing, rather called council flat or fair price housing. In the other hand, there are different types of support for renting or purchasing housing in the private market. The state encourages access to ownership through several measures. First, the state guarantee for the potential owner who can not furnish enough guarantees to get a loan from a bank. Second, the acquisition premium and the building premium that varies between 250€ and 9,700€. Since 200, around 13,800 households got one of these premiums. Third, the saving premium. Fourth, the supplementary architect premium in order to cover the cost of a architect or an

engineer. Fifth, the interest subsidy or the interest bonus which are support in order to reduce the monthly charges of a home loan. Around 13,500 households benefit monthly of these supports. Sixth, the help for saving for house-purchase. The state offers also different kind of premiums to improve the housing and there are also fiscal measures to encourage the ownership. Finally, the state has increased its participation up to 100% for, among other real estates, the creation of community houses for migrant workers or asylum seekers.

The city contributes actively to the housing affordability. Therefore, under several conditions, the city offers a **local premium for the first housing** (around 3,000€, increased of 500€ per dependent child) for the one who buys or constructs his housing inside the city. The new owner can not let the housing during ten years.

6.1 Interventions to improve access to affordable and decent housing for migrants

According to the National Housing Fund, the neighbourhood of the Stadtgrund (in the centre) was an area considered as potentially problematic already at the end of the 90's. In despite of its flourishing past, this neighbourhood was getting older and forgotten from the local authorities. A lot of houses were damaged from the fronts as inside. They were lacking of maintenance. Finally, a lot of houses were partially damaged in deprived from the minimum comfort such as bathrooms. Consequently, a part of the population neighbourhood went to other parts of the city whereas the poorest could not leave the area. Moreover, as the rents were cheaper, migrant workers households settled in the Stadtgrund, in particular Portuguese and Italian families. These newcomers with low income did not contribute to improve the housing conditions in the neighbourhood. The situation became so problematic that the media underlined the dramatic aspect pointing also the picturesque side of the area crossed by the river Alzette. Finally, public and private investments decided to renovate the neighbourhood. According to the Housing Fund, the situation was quite strange because for years nobody wanted to invest in the Grund and suddenly investors were fighting for the old buildings. The inhabitants as the local authorities have foreseen the gentrification risks. Private investors in the one hand and the State, the city and the inhabitants in the other disputed about the Grund during several years. Until when the city of Luxembourg decided in 1983 that the Grund will be a rehabilitation area (zone d'assainissement).

The rehabilitation area of the Grund is the outcomes of several measures that included the following operations. First, improving living quality by the progressive cleaning up of the islets by improving salubrity and habitability of the existing building, by curretting inside the islets (suppression of the buildings backwards when they were not interesting architecturally or historically or when they were irreparable. Second, creating new housing on non built lands

and changing existing buildings in housing. Third, creating green spaces and play grounds. Fourth, communication with the Saint-Esprit plateau via a lift. And finally, rehabilitating and enlarging schools buildings and setting up a sport centre.

In order to support the inhabitants and to offer a clear framework for the investors, the local authorities have defined the rehabilitation as followed: “the works to carry out have to go further than a simple conservation of the architectural patrimony. They must renovate and valorise the habitat of this historical neighbourhood in order to accommodate it to the needs of its specific population. In the other side, they must beware of excessive modernization which could harm the local inhabitants by entailing a considerable increase of the housings values and thus of their rents.”

The Housing Fund has been the main public actor in charge of this rehabilitation measure in the Stadtgrund. It has begun the work in 1980 with the complete reorganization of the Winnschoul. Between 1980 and 1984, 14 apartments were realized in this former boys education house from the beginning of the 19th century. 5 public showers were also constructed at the same period for the inhabitants without bathrooms facilities. These showers are not necessary anymore and they have been closed in the mid 90's. Finally, housings of all types have been created in the Grund for all the inhabitants even the ones with low incomes. From the beginning of the measure onwards, the Housing Found has created 60 housings. The project is still running. At the end, the Housing Found should have realized 77 dwellings (of which 66 for rent) and 17 commercial areas. (Le Fonds du Logement, *Rapports et Bilan 2005*. Luxembourg).

The positive aspects of this measure is that inhabitants could stay in their neighbourhoods in despite of the important public and private investments. The general aspect of the area has been improved and it is attractive again.

6.2 Local policies related to spatial segregation

6.2.1 Policies managing spatial segregation

In the framework of the youth local plan, **the social plan of the city of Luxembourg** is a project that has started in January 2007 and funded by the city. It aims at establishing a kind of social atlas of the city. It is realized in close cooperation with the Youth Service of the city. The University of Trier, the CEPS, Centre on Population, Poverty and Socio-economic policies studies (*Centre d'Etudes de Populations, de Pauvreté et de Politiques Socio-Economiques*) and the FOREG (*Institut für Regionale Sozialforschung*), a regional office of social planning are in charge of the project. The aim of this two-year project is twofold. First, it aims at defining the inhabitants'situation and in particular the family with children regarding the city; and at pointing the problems particularly on housing. Second, it should suggest

policy recommendations for the city. It is a participative study with three levels approach: research, experts 'interviews and youth forum. This study could be a starting point for better integration and housing policies at the local level.

7 Highlights and Failures: Learning for CLIP

The city of Luxembourg has several characteristics. First, it is the capital city of a European country with 40% foreigners – a situation quite atypical in Europe. Second, it is a capital of the European Union. It shelters some important European institutions such as the European Court of Justice. Third and this is a major feature of the city, the proportion of the foreign residents' population is larger than the Luxembourgian population. Foreign residents represent 62.58% of the 86,009 inhabitants of the city. Fourth, daily commuters from France, Germany and Belgium work in the city increasing again de facto the foreign population. Fifth, the population of foreign residents is growing and contributes largely to the demographic growth of the city.

The foreigners present in the city as in all the country are mainly EU nationals. The main group is the Portuguese, followed by the French, the Italians, the Belgians and the Germans. Non EU nationals came mainly from Balkans and also from the Cap Verde (a former Portuguese colony). Around 15% of the foreign residents work in the EU institutions.

Economically, the tertiary sector is dominant and is featured by the high rate of financial bodies and banks. The employment is shared between three groups: the nationals, the foreigners and the commuters according to one third each. The labour market is quite segmented and for example, Luxembourgers are dominant in the public sector. The unemployment rate is quite low nevertheless the figure does not take into account the commuters who are counted in their own national statistics on unemployment.

There is not a proper national integration policy and consequently, it is not really developed either at the local level. Different discourses on integration have emerged. For some, integration is not an issue and hence it does not deserve a policy. For others, integration measures are necessary. The approach of integration is determined differently according the points of views. In some cases, integration is mainly focused on the duties of the foreign residents and in particular on language acquisition. In other cases, the accent is put on the facilities that the state has to provide and particularly access to housing and adequate education. Finally, there is a consensus on the multicultural character of the city and multicultural policies have been developed.

The housing situation in Luxembourg and specifically in the city of Luxembourg is that housing supply is irregular and expensive and not necessarily appropriate to the needs of the different types of residents. In the city, there is also a lot of vacant housing. The supply of housing is growing but it is not sufficient. The national housing policy promotes the

acquisition of housing for all residents. Migrants as other residents benefit of the housing policies according to their status and the length of the stay. There are no specific housing policies for migrants except for some specific status such as asylum seekers or refugees. Formerly, migrant workers were hosted in kind of community housing – some still subsist but it is not a policy objective anymore.

As said above, the population of the city is very diverse: different nationalities (EU, non EU), different status (residents, commuters, asylum seekers, EU civil servants), different economical situations, different ages. The foreign population is present in almost all the quarters of the city but it seems that it is spread unevenly according to the socioeconomic situation above all. The migrants with the worst socioeconomic situation are located in the deprived neighbourhoods. It seems that different worlds live in parallel in the city without really living together. There is no declared objective of desegregation or spatial repartition. If there is segregation, it seems not to be an issue. But, in its coalition agreement the local authorities of the city have decided that the equal distribution between nationals and migrants is pursued in social housing. Nevertheless, before some spatial repartition objective, the priority seems to be at the local as at the national level, to increase the supply of housing and to keep young families inside the city.

Even if there is no specific housing policy targeting migrants, the global renovation of the quarter Grund can be highlighted because it had an important foreign population. Furthermore, the local action has organized the renovation in a way to avoid a gentrification and to keep the inhabitants in the neighbourhood. The success of the action can be explained by the terms of the measures themselves. The local authorities had promoted a rehabilitation of the area that could reply to the needs of the present population and a modernization in the extent that it could be affordable for the present inhabitants. Moreover, the success can be also explained by the involvement of a social operator, the Housing Fund; thus an operator aware of the situation and of the needs of the more deprived population.

In the framework of a kind of focus group organized with some actors from the national level (Commissioner Government for Foreigners and the Housing Fund) from the city level (Bierger Centre) and also with a NGO (Wunnéngshëllef), it appears that there is few coordination on housing and integration between the national and the local levels in the one hand and even in the other hand, between actors and stakeholders at the local level. The latter assumption could be maybe contradicted by the example of the Grund. Nevertheless, the lack of coordination appears as a structural failure in Luxembourg. Recently, a new tool has been created at the national level, namely the Housing Agreement. This tool is not yet implemented but should give to the municipalities and thus to the city of Luxembourg more latitude to the local level. Hopefully, it will help also to allow better coordination.