Luxembourg Report

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Sustainable Governance Indicators 2018

SGI Sustainable Governance Indicators

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Executive Summary

Luxembourg is a founding member of the United Nations (1945), NATO (1949), the European Coal and Steel Community (1950), the European Economic Community (1957) and OECD (1960). It is also one of the three capitals of the EU, along with Brussels and Strasbourg. It hosts several EU institutions, including the Secretariat of the European Parliament, the European Court of Justice, EUROSTAT, the European Investment Bank and the European Stability Mechanism as well as several European Commission services. Approximately 12,000 EU officials work in Luxembourg and key EU ministerial meetings are regularly hosted in the Grand Duchy. Luxembourg also hosts the new European Public Prosecutor’s Office (EPPO).

Luxembourg’s economy is booming and profiting from an expanding EU and global economy. The attraction of new industries and businesses, public investments, and rising domestic demand are fueling economic growth. Luxembourg City is one of three EU capitals and a key international financial center. The country offers extraordinary business conditions with an attractive tax environment, high private and public investments, strong GDP growth, high living standard, an outstanding social security system, low unemployment, and consistently low central government debt. The country’s public administration is highly efficient and the overall economic outlook remains stable.

Luxembourg has experienced strong economic growth and fiscal stability. This has provided public authorities the means to develop and maintain an outstanding welfare system over the last two decades, even as neighboring countries have reduced public welfare provision. Luxembourg’s welfare system includes generous insurance coverage, benefit schemes and public services. For example, health care provision has recently been expanded and the level of retirement benefits exceeds Scandinavian standards.

After a 3.4% GDP increase in 2017, the economy is projected to further strengthen to almost 4.4% in 2018. Consumer confidence, higher wages (+4% in 2017), and high domestic consumption and investment contributed to this major growth. Furthermore, in 2017 the unemployment rate decreased to 6% and tax arrears are compensating for reduced VAT revenue from e-commerce. The economic growth of recent years has reduced the national debt to below the 2012 level. Luxembourg had the second lowest gross national debt in Europe (behind Estonia) at 20.8% in 2016, though it is projected to rise to 22.8% in 2020. In addition, public investments are presumed to increase by about 10% in 2018.

The demographic development of the country differs from most other EU member states due to persistently high migration rates. Since 2012, Luxembourg has had an exceptionally high annual population growth rate by EU standards (2.29% in 2016). Another key driver of this dynamic population development is the average age of 39.2, again low by EU standards, although higher than in Ireland and Cyprus. Overall, the population is increasing, aging and becoming more heterogeneous. In July 2017, about 27% of the workforce were Luxembourg nationals, while 42.6% were so-called cross-border commuters. This situation guarantees Luxembourg high flexibility and short-term fluctuations in the labor market. For the cross-border labor market, commuters from within the Greater Region are crucial. A shortage of highly qualified personnel (e.g., in ICT) has a fundamental impact on the further sustainable development of the financial, service, research and health sectors.

In the last years, Luxembourg was forced to accept that some tax policies were untenable and that alternative sources of revenue need to be developed. Recent legislation, which came into force in 2017, requires financial institutions based in Luxembourg to provide information to U.S. authorities; this will likely have a dampening effect on the country’s financial sector. Notwithstanding, competitive individual and corporate tax rates and low indirect labor costs will continue to make Luxembourg an attractive base for international companies.

Luxembourg has generous, but cost-intensive social and health care systems, which even exceed the level of coverage provided in Scandinavian countries. The welfare state has gradually expanded. Despite strong economic growth and low public debt, maintaining fiscal sustainability is increasingly important. Due to the economy’s small size and openness to global markets, Luxembourg is particularly vulnerable to geopolitical instabilities. To ameliorate these risks, the government has increased public investment in the economy to stimulate domestic markets, attract additional private investment and promote innovation.

The government must identify framework conditions to promote innovations and synergies between public and private research, with more spin-offs and start-ups, including research and knowledge transfer. In this respect, Luxembourg must increase the number of researchers (2,647 in 2015) and undertake necessary expenditures on competitive research and development (R&D), including more public-private partnerships to foster innovation.

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Key Challenges

Economic diversification is the key challenge confronting Luxembourg. Addressing this challenge will necessitate exploiting innovative niche markets, promoting the digitization of the financial sector and adopting a new approach to publicizing Luxembourg as an international economic hub. With respect to the financial sector, the government should focus on developing ICT synergies and exploring new financial technology products and services.

The Luxembourg Leaks and Panama Papers scandals demonstrated the vulnerabilities of focusing economic activity excessively on the financial sector. It will take time for recent efforts in tax transparency to restore

Luxembourg's tarnished reputation as a tax haven.

In 2016, Luxembourg invested 1.24% of its GDP in R&D, less than the EU average and less than the government's own target of more than 2.03% of GDP. The Luxembourg Cluster Initiative, led by the national research agency Luxinnovation, has identified seven economic sectors that will be essential for sustainable economic development. These sectors include health care and biotechnology, ICT, material technology, space technology, logistics, maritime activities, and emerging alternative investment funds (e.g., private-equity funds). There is broad consensus that to further drive economic growth, public investment in R&D must significantly increase and economic competitiveness must be improved.

Public investments and, in turn, the national debt are on the rise. The latter increased from 22% of GDP in 2015 to 23.5% in 2017 and is projected to reach an all-time high €1 billion in deficit in 2018. Despite the country's strong GDP growth, general government debt will significantly increase. Even though the current level of national debt is far below the EU average, further government expenditure must be monitored closely and rising interest rates taken into account.

Luxembourg's welfare system is one of the most substantial and comprehensive systems in the EU. While neighboring countries have reduced welfare provisions in recent years, Luxembourg has expanded its system over the past 30 years. Both the OECD and European Commission have warned that Luxembourg will need to reduce its generous welfare provision if the system is to remain sustainable, particularly its extensive support for early retirement, disability benefits and the health care sector.

Recent population growth has been driven by a modest decrease in the birth rate, a falling death rate and increasing life expectancy. Luxembourg has also experienced a high rate of migration, with around 80% of its population growth resulting from migration. Since October 2017, more than 600,000 people are living in the Grand Duchy. After an all-time high of more than 11,000 new citizens in 2015, migration decreased slightly since 2016.

Forecasts indicate that Luxembourg's population will increase to 1 million by 2060. Strong population growth will stabilize the social security system, especially the public pension system, but will also increase intergenerational and intercultural tensions. Luxembourg's traditional corporatist philosophy has become increasingly universal and the country has been able to avoid enacting severe austerity policies. Nonetheless, minor changes to the pension system and general employment rules need to be adopted.

Population growth is a challenge particularly for the booming centers of Nordstadt, Luxembourg City and Esch/Beval. These cities will have to solve issues related to traffic congestion and the densification of living space, while ensuring a continued high standard of living for residents. The densification of living space is increasing the pressure on the limited number of rental properties and high real-estate prices. Major public investments are expected in the coming years, particularly in the areas of infrastructure, environment and housing.

The country's most pressing environmental-policy challenges include improving water quality, avoiding water pollution through pesticide and fertilizer use and constructing wastewater treatment plants. Eutrophication is a serious problem and many water sources are at risk.

The education system poses another persistent challenge for Luxembourg. Its official trilingual nature presents difficulties to both nationals and foreigners. Moreover, the country's PISA scores are lower than the OECD average. Over the past 15 years, several school reforms have sought to facilitate the integration of migrant children within this trilingual system by reducing the emphasis on language competency in the determination of school grades. Reforming the education system will be a key determinant in ensuring long-term economic competitiveness. As a result, the government is currently implementing secondary school reforms. To speed up business creation processes and facilitate business innovation, formal education and vocational training, combined with lifelong learning, must encourage entrepreneurship (especially in technical fields) by improving key competencies through non-formal and informal learning processes.

There remains room for improvement. The 4G cellular network still fails to cover 20% of the country. In addition, untapped potential in digital technology must be mainstreamed in all business sectors and startups need more venture capital.

Overall, Luxembourg enjoys a comparatively stable political system, high trade logistics performance, excellent broadband coverage, a very competitive tax system, reasonable living costs (excluding housing costs), new financial technologies, innovative communication technologies and tremendous job growth. Alongside continuing policy weaknesses (e.g., education), these capacities must be mainstreamed towards technology-driven sustainable development.

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Policy Performance

I. Economic Policies

Economy

Economic Policy
Score: 8

Ten years after the outbreak of the financial crisis, the financial markets regained trust and the economy strong growth. In particular for Luxembourg's exports and services, the euro zone's economic recovery has resulted in stronger GDP growth than before the crisis. The economy of the Grand Duchy is strengthening, domestic demand is increasing and the workforce is expanding. In the second quarter of 2017, GDP grew by an impressive 4%. In 2016, the real GDP growth rate was 4.2%, higher than the average euro zone growth rate and an increase of 0.2% compared to 2015 (4%).

Following learning from the crisis, the small country is now well prepared to master the challenges posed by the global market by developing long-term business synergies that take into account the future consequences of digitalization. The government is more consequently promoting start-ups and spin-offs. Luxembourg's university is growing and developing infrastructures for new research on topics such as big data. Brexit is expected to particularly benefit the country's insurance sector. Behind Dublin and Frankfurt, Luxembourg holds third place on relocations resulting from the 2016 Brexit referendum. Six financial entities have announced plans to settle in Luxembourg. The ongoing debate on tax rules and transparency will be significantly impacted by the recent U.S. corporate tax reform. 10,909 offshore companies (sc. letterboxes not engaged in any genuine or effective business, arising from 81 bilateral tax treaties) in all tax havens of the world are or were connected to Luxembourg. The deep mistrust that dominates the debate about tax avoidance can only be overcome by public disclosure and coherent supranational tax policies.

Luxembourg is a small and open economy. For some time, it has ranked highly on international competitiveness indexes. Similar to last year, Luxembourg was ranked 19th out of 140 countries in the International Institute for Management Development's index (World Economic Forum, 2017). Luxembourg also ranked highly on macroeconomic environment (7th position), goods market efficiency (4th position) and technological readiness (1st position). However, Luxembourg underperformed in higher education and training (50th position) and health and primary education (41st position), which are important drivers of economic competitiveness and job creation. Furthermore, Luxembourg airport is the 7th biggest cargo hub within Europe and is home to Europe's largest all-cargo airline Cargolux.

Since 2015, changes to EU legislation regulating VAT rates across the EU reduced Luxembourg's VAT revenue from e-commerce. Following negotiations with the European Commission, the policy will be fully implemented by 2018. In response, the government has increased general VAT rates and new business clusters have been created to generate new revenue. The 2017 tax reform implements a progressive corporate income tax (CIT) reduction from 21% to 18% in 2018.

The financial sector remains an important driver of economic growth and sustainable development. At the same time, the proportion of cross-border workers to resident workers continues to increase. To expand the national labor force, Luxembourg changed its immigration and naturalization policy in 2017 facilitating naturalization. It now only requires five years of residence (with interruptions) to naturalize. In addition, a new regulation voted on in February 2017 aims to offer investors a residence permit to set up family offices or for asset management.

Nevertheless, the country's generous welfare model must be reformed to adapt to the reality of reduced public resources. Luxembourg's long-term fiscal sustainability is moderately secure. In its evaluation of Luxembourg's Stability Program 2020, the European Commission highlighted concerns over the country's overly optimistic economic-growth outlook and its inability to address age-related expenditures and resilient growth. Furthermore, in 2017 industrial output dropped by 0.9%, indicating considerable diversification deficiencies within an economy that focuses excessively on finance and banking.

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Labor Markets

Labor Market Policy
Score: 8

During the first semester of 2017, 412,830 people were employed in Luxembourg. Almost all of them (93%) have a permanent employment contract. Only 5% hold a temporary employment contract and 2% are temporary workers. Nevertheless, the labor market is agile, especially with regard to the number of foreign workers. Compared to the same period in 2016, 13,508 new permanent employees were paying compulsory social security contributions. The job market is very volatile. As a result, from June 2016 to June 2017, 145,830 employees were recruited in Luxembourg, compared to 131,550 terminated contracts. Only about 20% of new jobs are occupied by nationals and the employment rate of migrants is higher than that of Luxembourgers. Workers from the other Greater Region countries (Belgium, France and Germany) are particularly prominent. Furthermore, thanks to its continuous economic growth, Luxembourg has seen a steady increase in jobs (with an increase of 3.2% in 2017).

Luxembourg's economy is dominated by the financial and service sectors. 71% of employees work in the service sector and only 6% in the industrial sector. About 10% of employees work for the state and municipalities, while 12% of the total workforce work in the financial sector. The banking sector generates about 20% of government revenue. When including indirect taxes, such as income taxes paid by banking sector employees, the overall contribution by financial institutions (direct & indirect) accounts for about 30% of government revenue. This highlights the importance of financial services to public spending.

The ongoing restructuring of the employment agency has had a positive impact. Due to steady population growth driven by a high inflow of economic migrants and corresponding national job growth, the unemployment rate fell under 6% in October 2017. In the same period, less than 16,000 people (6% less than last year) were reported to be seeking employment. Among the unemployed population, 44.7% (47.7% in 2016) had been out of work for longer than 12 months and 38.3% were considered to have low levels of education. About 3,000 foreign unemployed cross-border workers, benefiting from their residence in Luxembourg, are recorded separately.

The employment rate among workers aged 55 or older was 39.6% in 2016, far below the EU average of 55.3% and the government's own target. This situation is exacerbated by numerous incentives for older workers to leave the labor market early. About 5,000 people took part in reintegration and training programs in October 2017. However, such measures are only initial steps, as unemployment cannot be reduced substantially in the absence of long-term opportunities. Training programs must lead to permanent jobs. While 90% of the government's budget for activation policies is directed towards employment incentives, only 10% of it is used for training and education. Because of this, the government has indicated that it intends to strengthen training measures for the unemployed.

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Taxes

Tax Policy
Score: 7

Over the last years, Luxembourg has struggled under new EU and OECD tax regulations that make it difficult for the country to maintain its largely secret and advantageous tax deals for companies. However, after a series of delaying tactics, the country accepted the new international transparency rules, seeking to avoid greater damage to Luxembourg’s role as a financial center.

In 2016, most global players in the country had negotiated positions that exempted them from corporate income taxes (2017: 19%), municipal business taxes (6.75%), a special contribution (solidarity surtax 7%), and net wealth taxes (0.5%). More than 50,000 companies had negotiated tax deals with the government which allowed them to channel profits through Luxembourg and to reduce their overall tax obligations. The EU penalty payments of Fiat Chrysler, Starbucks and the European headquarters of Amazon (with 1,500 employees, one of the big players in Luxembourg) were unexpectedly beneficial for Luxembourg as the penalty payments (totaling €250 million) land with the state treasury. To clarify the principle of legal certainty, Luxembourg appealed to the European Court of Justice against the ruling.

The effects of these proceedings and ongoing audits under the new rules will have a major impact on state revenues over the long term. The EU and OECD are working toward harmonizing the tax systems of EU member states. After being listed as a tax haven in 2013, the Global Forum removed Luxembourg from its blacklist in October 2015.

In 2015, the European Commission implemented new e-commerce rules for the EU, which state that value added tax is payable in the country in which the services are carried out or the product is sold, effectively undermining Luxembourg’s business-friendly e-commerce VAT regime. To boost public finances, Luxembourg has implemented new tax rates. Several tax rates were increased, including the general VAT (from 15% to 17%). The higher VAT rate and low interest rates will lead to a slight increase in the inflation rate (about 1.7% in 2017). Nevertheless, Luxembourg continues to have the lowest VAT rate in Europe.

Important milestones during the period under review include a major tax reform in 2017, which focused on harmonizing individual (including cross-border worker) taxation with higher allowances (pension plans and so-called bausparvertrags) to increase second earners. The government implemented a corporate tax system and a restructuring program to attract more foreign investment. In 2015, the process of declaring VAT was simplified by the introduction of an electronic system. Long-outstanding tax arrears were used to consolidate the 2017 budget. Despite losses in e-commerce (-€225 million in 2017) and tax reform cuts, CIT arrears and an early 2017 index tranche are compensating lost tax revenues.

Luxembourg is known for its fast framework conditions and flexibility in global competition. For example, in 2014 Luxembourg introduced a freeport (VAT free zone) at Luxembourg airport and reduced tax rates by 8% on imports and intra-EU acquisitions of antiques, art, and collectibles. In 2016, Bitstamp opened the first EU compliant cryptocurrency exchange in Luxembourg. In addition, Google may open a new €1 billion data center in Luxembourg. Luxembourg, as an early adopter, has covered another niche product, so-called “asteroid mining,” offering a regulatory-legal business framework. While this may sound very futuristic, Spire Global has already announced plans to open a European headquarters in Luxembourg with 250 employees, with strong support from the Luxembourg Future Fund.

Luxembourg’s financial center (mostly foreign-owned) is the most important locus of the so-called renminbi trade. Luxembourg’s global fund management industry is the second most important location for investment funds worldwide after the United States. In October 2017, the Luxembourg investment fund industry was home to €4,135 trillion in net assets (€3,664 trillion in Oct. 2016), with 4,098 funds, including 14,711 fund units. Following a massive slump in the previous year, Luxembourg’s investment funds deposits increased by 9.8% since January 2017. Furthermore, Luxembourg is the European leader for responsible investment fund management. Overall, the number of employees in the financial sector rose from 45,097 in 2016 to 47.411 in June 2017.

The PwC 2017 business report ranked Luxembourg in top place. The total tax rate (TTCR), after deductions and exemptions, is currently 20.5%. This is the lowest total tax rate among European and European Free Trade Association (EFTA) countries, before Croatia (20.6%) and Cyprus (22.7%). Luxembourg’s taxation system is very attractive for businesses with only 20% of companies paying business taxes. In 2012, property taxes accounted for 1.3 % of GDP and represented 3.3 % of tax revenue. At 0.1% of GDP, Luxembourg’s recurrent property taxes is the third lowest by GDP share among EU member countries after Malta and Croatia. However, in terms of administration, Luxembourg and Cyprus lag behind other OECD countries.

Luxembourg has the highest capital-tax-to-GDP ratio among EU member states. This demonstrates the size and systemic importance of the financial sector in Luxembourg. To maintain the competitiveness of the financial sector, the government has decided not to introduce the Tobin tax on financial transactions. Following international standards on tax competition, Luxembourg has reduced the corporate tax by 2% to 19% in 2017 with a reduction to 18% in 2018. Meanwhile, higher personal tax allowances and income tax reductions will benefit middle class taxpayers.

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Budgets

Budgetary Policy
Score: 9

From a position of relatively low public debt and GDP growth, consolidated public debt decreased from 22% of GDP in 2015 to 20.8% of GDP in 2016. However, both investments and national debts are clearly on the rise. The 2017 total public debt will close at 23.5% of GDP, comprising a €2.14 billion government state guarantee resulting from the DEXIA bank bailout in 2008. After five years of fiscal consolidation and high economic growth, the 2018 government budget will include an all-time high deficit of €1.062 billion. Supported by strong population growth and an investment boom, Luxembourg has among the most solid economic growth (along with Malta and Ireland) among the EU member states. The cost of structural investments increased from €1.955 billion in 2015 to €2.229 billion in 2016, an increase of 14%. Public investments increased by €100 million from €2.3 billion in 2017 to €2.4 billion in 2018, stabilized with around 4% of GDP.

The government continues to increase investments in housing, education, and research, which are key drivers of modernization and infrastructure development.
Founded in 1978, the National Company of Credit and Investment (SNCI) holds substantial private sector shares and equity investments (e.g., 11% SES and 10% Cargolux) of €1.419 billion in 2016.

Rising economic output and decreased social protection expenditures led to higher revenues for the national insurance, which closed with a profit of €590 million in 2016. Social protection receipts led to a surplus of social security funds and public participation dropped from 59% in 2008 to a ten-year low of 54% in 2016.

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Research and Innovation

R&I Policy
Score: 8

In its Europe 2020 strategy, Luxembourg set a goal of raising public expenditure on research and innovation to between 2.3% and 2.6% of GDP, of which 0.7 to 0.9 percentage points are earmarked for public use (0.73% in 2015) and 1.6 to 1.7 percentage points earmarked for private research. The overall European goal is 3% of GDP.

Luxembourg supports private research projects: innovation and research can benefit from financial support up to 35%. Private sector innovation can receive grants up to 50% and feasibility studies up to 75%.

Luxembourg has a high proportion of high-skilled workers, with 59.5% of jobs demanding a high level of education or training. More than 40% of the working age population has achieved a tertiary level of education and/or is employed in the science and technology sector. This creates synergies between public research and industry. Luxembourg ranks among the top ten on the Innovation Output subindex and is number 12 in the overall assessment of the 2017 Global Innovation Index (GII).

In the World University Rankings 2017, Luxembourg increased 14 places compared to 2016 and is now ranked 179 out of 1,000 universities. The new Belval campus, designed for 7,000 students, 3,000 researchers and about 6,000 residents, is one of the largest urban conversion projects in Europe. In 2017, more than 1,600 employees, including doctoral candidates and more than 3,100 students were teaching, learning and working in this modern location. The relocation to Belval (with the exception of parts of the Faculty of Law, Economics and Finance) will be completed in 2019. After initially increasing in 2016, the budget of Belval University is now stagnating at the 2017 level. In its 2016 and 2017 evaluation, the OECD recommends better impact control and further investments in the Belval campus.

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Global Financial System

Stabilizing Global Financial Markets
Score: 6

Since the opening and creation of the single European market in the 1970s, Luxembourg has been the most important actor in the European debt capital market, playing a major role in stimulating the international financial architecture.
Luxembourg performed relatively well in the global financial crisis. After

saving DEXIA and Fortis, two domestically important banks, tax revenues have begun to rise again in recent years. But as a small country, Luxembourg's economy remains strongly influenced by the general economic climate and international trends.

Luxembourg is a major financial center, with the banking and financial services industry (non-bank financial institutions), directly and indirectly contributing an estimated 30% to GDP. Consequently, the country was exposed to the effects of the economic crisis within the European Union. Luxembourg's treatment of offshore accounts and capital deposited by non-resident customers came under international scrutiny during that period. As a consequence, Luxembourg has developed new clusters, such as FinTech (new financial technology), to complement the traditional fields of work of the financial industry.

In the 2017 Index of Economic Freedom, Luxembourg is ranked 14th out of 186 countries. In the 2017 World Bank's Doing Business report, Luxembourg ranked 59th out of 190 countries (2016: 61), far behind Denmark (3), Germany (17) and France (29). Reflected in these rankings is the perception that Luxembourg has difficulties encouraging the founding of start-ups and creating new professions. In response, Luxembourg set up several opportunities for coworking and created innovation centers to support start-ups.

After climbing two places in 2016, Luxembourg made a swift improvement of 4 places in the 2017 Global Financial Centers Index and ranked 14th out 108 global financial centers, which makes it Europe's fourth most important financial center after London, Zurich, and Frankfurt, improving rapidly from 19th to 11th place.

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II. Social Policies

Education

Education Policy
Score: 6

The country’s education policy must deal with the challenges of a multilingual society and a high proportion of migrant students. The education system is particularly marked by its insistence on early selection: after six years of elementary school, students face a crucial junction and must choose one of two academic tracks, a general or a technical (secondaire technique) one. The number of students who must repeat a whole academic year is among the highest in the EU; more than 30% repeat one or more academic years. Although Luxembourg has the highest percentage of university graduates and smallest class sizes in Europe, about 25% of students do not achieve sufficient basic skills in math (range 33), science (range 33) and reading (range 36) to complete their education successfully, according to the PISA study. The assessment notes that only 40% of the students graduate in the prescribed timespan. This places Luxembourg well below the OECD average, behind France, Belgian and Germany.

There is a marked division between Luxembourg nationals and migrant students, as migrants (especially the Portuguese minority) generally struggle with the country’s three languages and often end up in the technical track (secondaire technique), which affects their progress toward a university education. Recent studies have shown that migrant students are four times less likely to transfer to the higher-level university-oriented early school track (enseignement secondaire) than Luxembourgish nationals. To counter this, more affluent migrants often send their children to international schools. This leads to yet another division between high-income and low-income migrants. A further reform with more permeable structures (including a more open guidance procedure with parent input) to avoid early tracking is being tested.

University students in Luxembourg are very mobile and often study abroad, acquiring new knowledge and language skills. Overall, 75% of tertiary-level students study abroad (2016), while 58% of all students in Luxembourg are foreign. According to the OECD, Luxembourg has the highest level of education expenditure per student (,435 per student in 2016) and the smallest average class size (15 primary school students per class and 19 secondary school students per class).

A roughly 5% increase in elementary school students over the last five years will require more schools and more qualified teachers, especially teachers with expertise working with students with special needs. According to the United Nations, Luxembourg is taking measures to make the education system more inclusive. However, due to delays in this transformation process, 150 special needs teachers must be recruited over a four-year period.

Government reforms include the creation of the Luxembourg Center for Educational Testing, to link existing teacher training institutes, an increase in school autonomy combined with institutional development plans, the establishment of two institutes to support students with learning disabilities and behavior problems, the establishment of a center for political education, strengthening connections between kindergartens and elementary schools, improving inter- and post-school student transitions, increasing teacher and school flexibility, increasing annual training hours for teachers to 16 hours in 2017 and promoting native language instruction.

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Social Inclusion

Social Inclusion Policy
Score: 9

Luxembourg's strong economic performance over the last three decades has provided numerous governments with the means to build an outstanding welfare system, which includes generous insurance plans, benefit programs and public service provision. Most recently, the health care sector has been significantly expanded. Retirement benefits exceed Scandinavian standards. Since the 1970s, the welfare system has been consistently expanded, even when neighboring countries are forced to cut public welfare expenditure. In recent years, the proportion of non-EU citizens has risen to about 10%, representing a disproportionate share of the unemployed, minimum wage earners and welfare recipients. Luxembourg must improve the civil and professional integration of non-EU immigrants and refugees through improved multilingual education in early childhood and school, active fostering of language acquisition, and homologation of foreign vocational competencies.

Despite Luxembourg's generous social transfers, 21.7% of children in Luxembourg live below the poverty line (60% of median income). The country's Gini index score (31) highlights the extremely unequal distribution of income, which makes new measures against poverty and social exclusion necessary.

The demand for residential housing has always being far higher than the supply. It is no surprise that prices have been rapidly rising for years. Last year alone, the average price of private housing rose by 7.7%. Over the decade, rental prices have soared dramatically by 43%. The government recognizes the challenge presented to households and supporting the construction of about 11,000 new housing units by 2025. Notwithstanding, the attractiveness of home ownership remain unchanged. As a result, the volume of real estate loans increased by 29% in 2016, which should ease the pressure of inward migration and strong population growth. In 2016, 47 projects with 345 units were funded by the

Ministry of Housing, of which 60% were initiated by municipalities. Since 2014, 362 new projects for low-income housing with 4,245 units have been approved by the government, of which 1,660 are for sale and 2,585 are for rent.

A new housing allowance was finally introduced in 2016 and will be raised in 2018. The housing allowance will benefit around 35,000 low-income households, providing a monthly subsidy of a maximum of €300 for a family household. The allowance acknowledges the importance of social housing, especially in providing affordable rental properties for low-income people.

Nevertheless, the provision of social housing remains below the European average. Some municipalities have decided to impose a special tax on unoccupied houses to create disincentives for leaving spaces empty and encouraging existing residential property to be rented or sold. In addition to local programs, public social housing companies (Fonds du Logement, SNHBM and other social associations) are intensifying their activities. Following an audit by the authorities, the National Housing Fund was reformed in 2017, with the intent to establish effective quality control measures.

The 2017 social inclusion income reform (REVIS) supports the integration of social and labor-market policies with individualized and activating social assistance, providing monetary incentives to work. Furthermore, in 2018, the reform of care insurance will help to reinforce the individualization of services by standards of 15 care levels and quality controls.

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Health

Health Policy
Score: 8

Luxembourg’s well equipped hospitals offer a wide range of services, including high-tech and expensive treatments. Waiting lists are rare, except for some services that are in high demand (e.g., MRI scans). Nevertheless, Luxembourg also has the highest share of patient transfers to other countries for treatment within the EU. Due to the country’s small size and the absence of a university hospital, it is not possible to provide all medical treatments. Necessary medical transfers to neighboring countries have the beneficial side effect of being more cost-effective for the state health insurance program, as those services are in general less expensive abroad.

Drawbacks of Luxembourg’s system include the lack of a university hospital and the individual nature of doctor’s contracts and treatment responsibilities. Most resident general practitioners and medical specialists sign contracts with individual hospitals and are only responsible for a certain number of patients, which prevents any sort of group or collective treatment options. Therefore, some hospitals have re-organized to keep doctors’ offices in-house without changing their status as independent physicians.

However, at a cost of $7,463 per person per year, Luxembourg’s health care system is (after the United States and Switzerland) the third most expensive system within the OECD. The high cost of the health care system is due to high wages, a high ratio of medical equipment to residents, a low generic substitution rate and, after Germany, the second highest government and compulsory insurance schemes with low out-of-pocket pharmaceutical expenditure for patients (2015: 13%).

Nevertheless, between 2006 and 2016, the increase in life expectancy in Luxembourg (1 year) and Sweden (0.6 year) were the lowest in the EU. Possible reasons might be the large foreign population (47%), the continued environmental impact of the former heavy metal industry and the high consumption of alcohol.

Furthermore, authorities have repeatedly tried to limit the range of medical treatments offered by general hospitals in favor of providing treatment through specialized health care centers. In addition, the government announced the establishment of a medical school (Medicinae Baccalaureus) in 2020 to combat the lack of doctors in Luxembourg.

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Families

Family Policy
Score: 9

Luxembourg’s corporatist welfare regime has gradually evolved over the years to a more universal system with a high degree of anonymity of patients. One indicator is the shift from a predominant transfer system to a transfer and service system, with specific provisions for children and the elderly.

Luxembourg has positively responded to its changing demographics by adapting family policies. In this context, the government has pushed for policies to offer a wide range of child allowances and child care services, such as child benefits, maternity leave, parental leave, birth and post-birth allowances.

Furthermore, indirect help is also offered, such as subsidized mortgage interest rates, depending on the number of children at home. In general, Luxembourg offers the highest level of child benefits within the European Union. Today, it is one of the four leading EU member states in terms of family benefits. It has made sustainable improvements in terms of family-friendly workplace arrangements, while gender-based job segmentation and gender pay gap have decreased.

When compared internationally, Luxembourg’s tax policy is family-friendly. Women’s labor-market participation has considerably increased since the launch of the European Employment Strategy. At the same time, the government has invested heavily in child care facilities, with the aim of making it easier for women to work.

Yet, despite a strong increase in recent years, the rate of women's workforce participation remains comparatively low at 65.1%, compared to an EU average of 65.3%, with Luxembourg ranked 16th out of 28 EU member states.

Luxembourg's public child care institutions include the "maisons relais," general daycare centers; the "éducation précoce," a third preschool year and "foyers de jour," after-school centers. Since August 2016, there will be one fixed allowance per child, regardless of the family composition. Child bonuses and child allowances will be paid in one sum, €265 per child with an increase from the ages of 6 to 12 years. Since 2017, as part of a new coherent family policy, the government offers free child care facilities (20 hours per week), early language support and intercultural education. The structures are now more strictly controlled by officials and must provide qualified staff for multilingual offerings.

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Pensions

Pension Policy
Score: 7

Luxembourg's pension plans offer one of the highest replacement rates within the OECD and provide a high living standard for the elderly. The old-age poverty rate is lower than the poverty rate for families and even more so if single parent families are considered. However, pensioners must contribute financially to the health care insurance system and are fully taxed.

Luxembourg has not enacted a rigorous austerity policy, but has slightly changed its pension regime and general employment rules. Despite

Luxembourg's high reserves (almost €18 billion, approximately 4.5 times the 2016 pension payments), the OECD and the European Commission have urged Luxembourg to reform its pension system to ensure long-term sustainability and increase incentives for late retirement as well as linking pension levels with contributions. The share of foreign contributors rose from 44.3% in 2015 to 44.5% in 2016. Furthermore, 46.8% of all pensions in 2016 are paid to non-residents, putting additional long-term pressure on the system.

In addition, the disability benefit scheme has been reformed to reduce early transitions from work incapacity to retirement, encouraging redeployment within companies. Nevertheless, the abolition of early retirement (draft law no. 6844) remains pending.

The financial sustainability of the pension system is premised on continued population growth. However, Luxembourg's current population growth is driven by immigration and its strong economic performance. Whether the economy will remain strong and the number of contributors continue to increase over the next decades is uncertain.

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Integration

Integration Policy
Score: 8

Since the Second World War, Luxembourg's migrant population has grown continuously. Today, around 85% of migrants are citizens of the EU and 90% of migrants are of European descent. Most other highly qualified migrants have come from Japan, the United States and Canada. Luxembourg has one of the highest economically performing migrant populations, with a high proportion of economic migrants coming from other OECD countries and a very small proportion from economically weak developing countries. More than 50% of the total resident population in Luxembourg has a migrant background.

The Migrant Integration Policy Index gave Luxembourg an overall score of 57 (59 in 2010), ranking the country 15th out of 35 examined nations. Migrant children are fully integrated in local elementary schools or high schools.

Children between 12 and 15 years who have recently migrated to Luxembourg are given the opportunity to attend a special class called “classes d’insertion” in the capital’s Lycée Technique du Centre, with special programs in French or German designed to facilitate integration into regular classes.

Children of foreign parents have, however, on average a high dropout rate. Luxembourg is regularly criticized in the PISA evaluation for its low performance regarding the integration of migrant children.

In 2016, 2,474 asylum seekers arrived in Luxembourg. The immigration authority made 2,319 decisions on asylum. 764 refugees were recognized, including 538 Syrians, and 438 asylum seekers were rejected. According to the EU 2015 admission quota, Luxembourg should take in an additionally 557 refugees from Greece and Italy. This quota was fulfilled in December 2017. During the period under review, the number of refugees rose again.

All foreigners, EU citizens and third-country citizens can vote and run for office in local elections, provided they fulfill certain residency requirements and are registered on the electoral list. Conditions for the inscription have been eased over the years. However, the fact that the meetings of local councils are held in Luxembourgish (with written reports in German, French or English), poses an obstacle for resident foreign citizens. Participation and social integration of migrants must be improved, both at the local and national level, to increase non-nationals’ political participation. During the period under review, voting rights for resident foreigners in parliamentary elections was a cross-party issue, which ultimately was put to public vote in a consultative referendum in June 2015. However, an absolute majority of 78.02% voted against granting foreigners full voting rights, putting a preliminary end to this ambitious project. The next referendum is not expected before 2018.

In light of this experience, the government implemented a new Naturalization Act in 2017 to facilitate foreigners’ civic participation in public life and boost integration policy. Under the new law, people born in Luxembourg can apply for citizenship without other conditions or receive it automatically at the age of 18. During the period under review, the number of citizenship applications has tripled, potentially increasing the currently low share of nationals among foreign-born migrants.

Citation:
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Safe Living

Safe Living Conditions
Score: 9

Luxembourg City is ranked only 21st out of 231 cities worldwide in the 2016 Mercer Quality of Living Survey, despite being considered the safest destination for international assignments. Great efforts have been made to enhance public security. As part of an ongoing police reform program, 51 police stations will be merged into larger and more efficient units. One of the priorities is combating gang-related crime, in particular, burglaries. Consequently, the government announced a cooperation with Europol on "organized property crime." Furthermore, statistics show a significant decrease in the overall crime rate, attributable to closer cooperation between police forces. The latest evaluation showed that 38,537 offenses were recorded in 2016 and that the overall crime rate went down. This is a decrease of 4.5% compared to 2015 and the lowest level since 2012. In 2016, the crime rate per 100,000 inhabitants decreased about 7%. In terms of burglaries (attempted burglaries included), the police recorded a decrease of 403 incidents (-11.2%), compared to the previous year (3,608 in 2015 and 3,205 in 2016). In addition, burglaries of homes where the resident was present decreased by 573 incidents, equivalent to -21.25%, compared to 2015. More than a third (40.97%) of burglaries in 2016 were attempted burglaries. The police and security forces will be increased by 100 officers. Simultaneously, the government is planning to provide additional funding to further broaden its anti-crime strategy.

Citation:
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Global Inequalities

Global Social Policy
Score: 9

At about 1%, the country's development agency, Luxembourg Development Cooperation (Lux-Development), and accredited NGOs have far surpassed the UN's industrialized nation contribution target of 0.7% of GDP for development assistance. After Norway (1.11% of GNI), Luxembourg is the second largest official development assistance (ODA) contributor. The country has focused its development aid policy on poverty eradication and energy saving programs as well as on programs to reduce carbon emissions. The Ministry of Foreign and European Affairs manages almost 81% of the total ODA budget, while a remaining 16% is managed by 91 accredited NGOs.

Le Cercle de Coopération, the umbrella organization of accredited NGOs, has stated that budgetary rigor will apply to NGO development aid policies in the coming years, reducing national co-financing costs along with NGO administrative costs.
Luxembourg's development assistance targets local initiatives, providing education and training in the fields of health care, water treatment, sewage, local economic development and infrastructure projects. About 14% of the cooperation budget aims to provide humanitarian support, including emergency assistance and reconstruction aid, following EU and OECD guidelines.

Luxembourg is an important actor in the micro-finance sector, hosting firms that offer a full range of micro-finance products, and supports more than 50% of the global funds in this area.

Citation:
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III. Enviromental Policies

Environment

Environmental Policy
Score: 7

During the period under review, Luxembourg has made efforts to protect water resources and curb emissions through a series of governmental measures. However, efforts such as reducing carbon emissions, caused partly by the phenomenon of "fuel tourism" by cross-border commuters, as well as the progressive improvement of the water quality of rivers and lakes, need to be continued. A new joint venture drinking water plant with a daily capacity of 110,000 cm3 is to be built.

Under the Kyoto Protocol, Luxembourg pledged to reduce carbon emissions by 20% by 2020. However, government commitment to this target has been weak, due to significant tax revenues (€800 million) derived from fuel tourism. This is because around 75% of fuel sold in Luxembourg is exported. Indeed, fuel tourism has increased carbon emissions and negated Luxembourg's emissions policies. With 17.61 metric tons of CO_2, Luxembourg had the highest carbon dioxide emissions per capita in the OECD in 2016. The planned Google data center will add another energy-hungry consumer and further challenge Luxembourg's emissions commitments.

Other prominent key determinants of higher carbon emissions include dynamic economic growth and new car leasing by cross-border workers. Luxembourg has Europe's highest energy consumption per capita, the second highest vehicle density after Malta (661 vehicles per 1,000 people in 2015) and the highest renewal rate of passenger cars (12.5%).

Despite the debate concerning environmental liability, Luxembourg was the only EU member state to reduce its biofuel ratio in 2012. Between 2015 and 2020, as part of the Kyoto Protocol, Luxembourg has agreed to contribute €5 million annually to the Green Climate Fund.

Luxembourg also has the lowest share of energy consumption from renewable sources of any EU member state (2015: 5%). Furthermore, only 36% (2014) of wastewater is treated in modern triple-phase sewage treatment plants. In 2011, the European Court of Justice ruled against the government for a second time for "failing in its obligation to treat and dispose of urban waste water." As a result, Luxembourg has been paying a fine of €2,800 per day since 2013, accumulating to date to €5 million. The government has prioritized public expenditure for the construction of wastewater treatment plants. Following the court's judgment, five of the six treatment plants have been modernized. In addition, the government announced further investments in new sewage treatment plants and water supply installations.

Almost 60% of the country's deep wells have pesticide residue, with many concentrated in the south of the country. Although Luxembourg is committed to the OECD and EU Pesticide Risk Reduction Project, implementation has been slow. For instance, the community framework for the sustainable use of plant protection products directive (2009/128/EG) only became national law in December 2014.

Furthermore, there are problems with wastewater treatment and drinking-water supplies during particularly dry summers. The monitoring of water systems is insufficient. To improve drinking-water quality, the environmental administration designated 80 drinking-water protection areas and 42 communes have banned pesticides since 2016.

As of 2011, Luxembourg had the highest degree of landscape fragmentation in Europe, which has undermined the country's biodiversity. Many animal and plant species are classified as being in danger of extinction. In 2012, about 34% of the 1,323 native flowering plants, around 54% of mammals and 24% of breeding birds were considered at risk.

Thus, the country's environmental policy faces major challenges. Programs implemented during this period are intending to address: issues surrounding the country's high recovery and recycling rate; new assessments of environmental sustainability questions; the achievement of sustainable protected forests reserves; monitoring nature conservation programs; the enlargement of energy counselling; a decrease in average per capita water consumption; the reduction of tax-privileged mileage allowances; and the implementation of an indicator based biodiversity monitoring framework.

Citation:
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Global Environmental Protection

Global Environmental Policy
Score: 7

Luxembourg was one of the first countries to complete an ecological footprint report, published in 2010 by the High Council for Sustainable Development (Conseil Supérieur pour un Développement Durable). Measuring sustainability, the ecological footprint report indicated that Luxembourg requires twice the amount of agricultural land and water to compensate for the resources consumed through the country’s high economic growth, high volume of road traffic (with the third longest traffic jam times in Europe in 2015) and fuel sales to non-residents.

Fuel price alignment is, however, not considered to be a solution and will only transfer carbon emissions to neighboring countries. Instead, the government must provide adequate public transport for cross-border commuters who currently drive to work. The capital’s first tram line started in 2017 and will be expanded in the coming years to provide a more sustainable and eco-friendly public transport system. In 2018, €828 million will be invested to expand transportation infrastructure.

For several years, the development of an international public transport system has been discussed as a means of reducing carbon emissions, while also providing a sustainable mobility policy for the Greater Region.

Luxembourg needs to expand its renewable energy production, since biofuel production does not provide a long-term solution and simply relocates an environmental problem to other countries, in particular emerging countries.

Citation:
Der Ökologische Fußabdruck Luxemburgs. Conseil supérieur pour un développement durable, http://www.myfootprint.lu/files/download.php?file=CSDD_Brochure_DE.pdf _Brochure_DE.pdf. Accessed 21 Feb. 2017.

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Quality of Democracy

Electoral Processes

Candidacy Procedures
Score: 10

The electoral law contains no restrictions on the registration of political parties. Furthermore, there are no restrictions regarding candidates, except the provision that persons deprived of their civic and political rights by a judicial decision are prevented from running. Candidate lists, complete or partial, are proposed for each of the four electoral districts by political parties, associations of candidates or individuals. The lists are supported either by at least 100 voters who are registered in the district, by an elected or departing member of parliament from the district, or by at least three members of the municipal council. The electoral lists may consist of single individuals who are not affiliated with a political party. Typically, single issues are the motivation in these cases. The total number of candidates on a list cannot exceed the number of seats allocated in the district.

Citation:
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Media Access
Score: 8

All newspapers have some ties to political parties, reflecting the ownership of the publications. They tend to be rather biased or partisan, especially during election campaigns. While "Luxembourger Wort" was always close to the Christian Social People's Party, "Tageblatt" is affiliated with the Luxembourg Socialist Workers' Party and the "Lëtzebuerger Journal" has close links to the

Democratic Party. To counter a dwindling readership, newspapers have adopted a more balanced line in recent years, reducing their political bias, to the benefit of smaller parties and organizations. Since there are no significant public broadcasters, the main private broadcaster “Radio Télé Luxembourg” guarantees balanced reporting, according to its concession contract with the state of Luxembourg. During election campaigns, parliament provides the political party lists with airtime and the opportunity to broadcast television ads. Furthermore, the government organizes roundtables with candidates from all lists. The financing of election campaigns, especially the distribution of promotional leaflets by mail, is regulated by law.

The media market is becoming more pluralistic. Reports and comments in print media have become less partisan and the media distances itself more from party influences than in prior years. The government is expected to revise press subsidies in the near future, with the aim of redistributing financial aid to support online media as a supplement to classic print media.

Citation:
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Voting and Registrations Rights
Score: 8

Voting is compulsory in Luxembourg for those listed on the electoral register. To vote, one is required to be a national of Luxembourg, to be at least 18 years old on the day of the election, and have full civil and political rights. Citizens temporarily living abroad may vote by mail and citizens over the age of 75 are exempted from casting their vote. There are no perceptible forms of discrimination within the voting process. The Luxembourgish government sought to encourage political participation among young people by lowering the voting age to 16 years, but this proposal was rejected in the consultative referendum of June 2015.

Experts have constantly criticized the representative makeup of the parliament as insufficient, since it does not include migrants and cross-border commuters who constitute 80% of the labor force in the private sector and who are the main driving force of the national economy. Around 47% of the resident population cannot vote in national elections as they are not Luxembourg nationals. However, 90% of the resident population are EU citizens and may vote in European elections and municipal elections. All foreigners, EU citizens, as well as citizens from third countries, have the right to participate in local elections, provided they fulfill certain residency requirements and are registered on the electoral list. Conditions for inscription have been eased over the years. Only 23% of foreigners were registered in the electoral municipal election of 2017, yet 12% of the total electorate were foreigners and almost 8% of candidates were not Luxembourg nationals. This indicates that non-nationals' political participation at the local level remains low.

Citation:
" Noch viel Luft nach oben." Luxemburger Wort, 7 Febr. 2017, https://www.wort.lu/de/politik/frauen-und-auslaender-bei-kommunalwahlen-noch-viel-luft-nach-oben-58998841a5e74263e13aa349. Accessed 21 Dec. 2017.

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Party Financing
Score: 8

Party financing is regulated by a law passed on 21 December 2007. The implementation of the law was positively evaluated by the Group of States against Corruption (GRECO) which was established by the Council of Europe. While the law introduced rules on transparency and monitoring, as well as penalties for breaking the law, a GRECO report mentioned that "(…) some gaps still remain, in so far as insufficient account was taken of the financing of election campaigns and of candidates for election." The impact of the improvements on the law, made during the period, to improve transparency, monitoring of the Court of Auditors and sanctions, still need to be determined.

The GRECO Evaluation Team (GET) has complained about the lack of a uniform assessment method to evaluate various services and benefits in kind, such as positive coverage by partisan media during the election campaign. The GET demands a system of "effective, proportionate and dissuasive penalties" for those who break the law. Despite the new law, GET has pointed out that political parties are still not mentioned in the constitution of Luxembourg. The major finding of the evaluation was the lack of public control over political party accounts, since parties often have had difficulties setting up an accounting system. Most of the issues raised in the GRECO report have been since corrected through more legislation. However, political parties must ultimately pay more attention to such concerns. Due to the complexity of the legislative changes, the implementation of additional measures has been delayed. The fourth GET evaluation again called for the rapid integration into national law of 13 anti-corruption recommendations.

Citation:
EU Anti-Corruption Report. European Commission, 2014. www.ec.europa.eu/home-affairs/sites/homeaffairs/files/what-we-do/policies/organized-crime-and-human-trafficking/corruption/anti-corruption-report/docs/2014_acr_luxembourg_chapter_en.pdf. Accessed 21 Dec. 2017.

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Popular Decision-Making
Score: 6

Since 1919, the constitution of Luxembourg allows referenda (Article 51, Paragraph 7). A modification of a constitutional article introduced the possibility of using a referendum to revise the constitution (Article 114). Direct democracy, in the form of referenda, is possible but not a central aspect of Luxembourg's political system. A 2005 law outlined the steps needed for a referendum to be held at the national level. The procedure can be initiated either by a parliamentary act or popular initiative. In the latter case, at least 25,000 citizens of Luxembourg must demand a referendum. Since Luxembourg is a small country, this threshold is significant and may explain why only five referenda have taken place since 1919. All referenda resulted from parliamentary or governmental initiatives, including the one in 2005 that sought approval for the EU constitutional treaty.

The first consultative referendum took place on 7 June 2015. In this referendum, all three reform proposals were rejected by very large majorities. The result clearly showed popular discontentment with the government. Although the government dedicated itself as it took power in December 2013 to facilitate more active citizen participation, the referendum did not secure a high voter turnout. Despite previous announcements of the referendum's contents, the issue dealing with the separation of church and state was withdrawn. In general, there was insufficient information and public discussion about the referendum's contents, and government communication was poor. Ultimately, the government did not exert itself broadly enough to win the support of voters. Many rejected the referendum because they were not willing to accept the way the coalition building occurred after the 2013 elections.

The Local Government Act of 1988 (Article 35) addresses the issue of referenda at the municipal level. One-fifth of registered electors must demand a referendum; local referenda, however, are not binding. The practice is used mostly as a consultative tool which could explain why it is not utilized more frequently. Over the past few years, however, it was used several times to ask citizens of municipalities whether they wanted to merge with another municipality.

Each member of parliament (MP) represents an average of just 10,000 citizens; which means citizens have relatively easy access to their representatives. The country's territorial breakdown produces small units (in 2018 there were 102 communes/ municipalities), which all claim to be in direct contact with citizens. On the other hand, Luxembourg is flooded with citizen initiatives, an informal way to impose views on the political establishment, especially regarding environmental issues.

Citizen participation increased due to a new process of online petitions. Online petitions with at least 4,500 signatures must be forwarded to the parliament's petitions commission, as well as to a parliamentary commission for further debates. In the parliamentary years 2015 and 2016, 160 petitions were submitted, of which 13 petitions obtained the required number of signatures. In the period between March 2014 and June 2017, 23 petitions received more than 4,500 signatures, of which 21 have been discussed in the parliament.

Citation:
"Mémorial A n° 163 de 2013." Journal officiel du Grand-Duché de Luxembourg, 9 Sept. 2013. www.data.legilux.public.lu/eli/etat/leg/loi/2013/08/27/n5/jo. Accessed 21 Dec. 2017.

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"Mémorial A n° 54 de 2015." Journal officiel du Grand-Duché de Luxembourg, 25 Mar. 2015, www.data.legilux.public.lu/eli/etat/leg/ri/2015/03/25/n1/jo. Accessed 21 Dec. 2017.

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Bumb, Christoph. Blau Rot Grün – Hinter Den Kulissen Eines Machtwechsels, epubli, 2015.

Access to Information

Media Freedom
Score: 8

The country’s media audience is small; the pluralistic media landscape is maintained mostly through generous direct and indirect press subsidies, of which the two big newspapers in Luxembourg mainly profit. One could argue that subsidies are an indirect way of influencing media coverage, however, the government strongly respects the independence of the media. The rules for granting subsidies are transparent and not subject of political debate. Moreover, following the reformation of the Electronic Media Act in 2013, the new government decided to allocate a greater part of its press subsidies to online media.

Following the European Court of Justice’s condemnation of Luxembourg related to Contacto’s (a weekly Portuguese language newspaper) investigative journalism in 2009, the country returned to fourth place in the 2012 World Press Freedom Index by Reporters Without Borders. However, the tax avoidance scandal which brought Luxembourg into the international news, was felt even within the realm of the free media. As result of the government’s decision to charge journalist Edouard Perrin with complicity in leaking of confidential PricewaterhouseCoopers documents (LuxLeaks) and the resulting negative impact this action had on press freedom, Luxembourg dropped to rank 15 out of 180 countries in the 2016 and 2017 World Press Freedom Index. In comparison, between 2012 and 2014, the Grand Duchy was still in 4th place (2015: 19th).

Citation:
Beffort, Bérengère. “”Der Whistleblower ist (…) kein politischer Aktivist.”” Le portal de l’actualité gouvermentale, 6 July 2015, www.gouvernement.lu/5026791/06-braz-wort. Accessed 21 Feb. 2017.

“Le journaliste au coeur de Luxleaks.“ Luxemburger Wort, 23. Nov. 2017, www.wort.lu/de/business/portrait-le-journaliste-au-coeur-de-luxleaks-5a159fe5c1097cee25b77aef. Accessed 21 Dec. 2017.

“The Press Freedom Index 2017.,” Reporters Without Borders 2017. www.rsf.org/en/luxembourg. Accessed 21 Dec. 2017.

“Luxemburg und die Pressefreiheit.” Luxemburger Wort, 24 Apr. 2015, www.wort.lu/de/politik/reaktionen-auf-journalistenanklage-luxemburg-und-die-pressefreiheit-553a13610c88b46a8ce57f96. Accessed 21 Feb. 2017.

"Mémorial A n° 241 de 2010." Journal officiel du Grand-Duché de Luxembourg, 24 Dec. 2010, legilux.public.lu/eli/etat/leg/memorial/2010/241. Accessed 7 Mar. 2017.

Media Pluralism
Score: 7

All of Luxembourg's six daily newspapers have links of some sort to political parties. One of the six dailies, La Voix, a French language supplement of the leading newspaper, Luxemburger Wort, was shut down in fall 2012. There is a marked imbalance of strength and influence among newspapers, which generally reflects the strength of their political sponsors. The Luxemburger Wort is owned by the Catholic Church and therefore has ties to the Christian Social People's Party. In 2016, it had a circulation of 69,700 copies (2015: 70,410), a staggering number considering Luxembourg's population of 590,000. This figure is also larger than the combined circulation of its competitors.

The media landscape was shaken with the launch of two free daily newspapers. The market share of the Luxemburger Wort fell to 32%, while that of L'Essentiel, the most successful of the free papers, recorded a share of 27.1% in 2017. L'Essentiel and Tageblatt (Luxembourg's second-largest newspaper, with a market share of about 8.7%) are both published by Editpress, which has ties to the Luxembourg Socialist Workers' Party and the socialist trade union OGB-L. The conservative media group Saint-Paul, publisher of the Luxemburger Wort, is losing ground because of increased competition and societal changes. Not only did it shut down La Voix, it also abandoned the free newspaper market by closing down its own paper, Point24 in December 2012. In March 2018, an ambitious internet newspaper project driven by younger journalists will launch: Reporter.lu. These developments, in addition to a restructuring of the Luxemburger Wort, are signs of change in Luxembourg's media market.

Radio Télé Luxembourg has no competitors in the television market and remains well ahead in radio, despite liberalization launched in the early 1990s, which led to the creation of public broadcaster Radio 100,7. With 37.2%, RTL's audience share in 2017 is much higher than that of second ranking Elodoradio (23.3%). Two new radio stations began broadcasting in 2016. In addition, Chamber TV transmits live parliamentary sessions as well as weekly background information and news programs on Mondays. It is owned by the Chamber of Deputies and only broadcasts on those specific occasions.

Citation:
Des médias. Service information et presse du gouvernement luxembourgeois, 2013. www.luxembourg.public.lu/fr/publications/e/ap-medias/AP-Medias-2013-FR.pdf. Accessed 21 Feb. 2017.

"Luxembourg." Eurotopics, www.eurotopics.net/fr/142186/medias?search=&country=146415&language=0&art=0&circulation=0&typ=2#results. Accessed 21 Dec. 2017.

"Médias." Eurotopics, www.eurotopics.net/fr/home/medienlandschaft/luxmdn/. Accessed 21 Dec. 2017.

“Presse écrite.” Le portail officiel du Grand-Duché de Luxembourg, www.luxembourg.public.lu/fr/le-grand-duche-se-presente/medias/presse-ecrite/index.html. Accessed 21 Feb. 2017.

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Étude TNS Ilres Plurimedia Luxembourg 2017. TNS ILRES, 2017. http://paperjam.lu/sites/default/files/communique_de_presse_etudeplurimedia_20171.pdf. Accessed 21 Dec. 2017.

„Wer wir sind.“ http://www.reporter.lu/wer-wir-sind. Accessed 27 Jan. 2018.

“L’essentiel Radio bientôt sur les ondes!La première radio francophone du Luxembourg commencera à émettre après la mi-février sur la fréquence 107.7 MHz.” http://www.lessentiel.lu/fr/news/luxembourg/story/L-essentiel-Radio-bientot-sur-les-ondes–15318466. Accessed 9 Feb. 2018.

Access to Government. Information
Score: 6

Luxembourg has no freedom of information act nor any equivalent legal regulation. Such law has been demanded by journalist associations and many NGOs, as well as by Regulation No. 1049/2001 of the European Commission. The government cultivates a certain culture of secrecy; a directive issued in 1987 requires civil servants to get authorization of their respective minister before releasing any information. Numerous advisory bodies, which include representatives from interest groups, usually serve as a channel to spread government messages in advance of official notifications to parliament or professional chambers. It is up to the government to decide what becomes public and when. The previous government promised to draft a law that was inspired by information practices in neighboring countries, as well as by recommendations of the Council of Europe. However, the draft law presented by the new government in 2014, did not meet information access advocates’ expectations.

The most effective way to get information from the government remains the so-called parliamentary query (question parlementaire). The government is required to provide an answer within a month, or even within a week in case of urgency. This instrument is widely used by members of parliament and during the 2015 – 2016 parliamentary session, 966 questions were filed. Interested parties, lobbies and associations often enlist MPs and make use of the parliamentary query process to discover the government’s intentions on issues of relevance to them. MPs’ questions and government answers are published in the regular account of parliament’s activities (Compte rendu des séances publiques), in press releases and on the website of the Chamber of Deputies.

Citation:
Association luxembourgeoise des journalistes, www.journalist.lu. Accessed 21 Feb. 2017.

“Rapport d’activité 2016.“, Ministère d´État. 2017, http://www.gouvernement.lu/6752004/2016-rapport-activite-etat.pdf. Accessed 21 Dec. 2017.

“Mémorial A n° 206 de 2007.” Journal officiel du Grand-Duché de Luxembourg, 26 Nov. 2007, legilux.public.lu/eli/etat/leg/memorial/2007/206. Accessed 21 Feb. 2017.

“Mémorial A n° 69 de 2010.” Journal officiel du Grand-Duché de Luxembourg, 30 Apr. 2010, legilux.public.lu/eli/etat/leg/memorial/2010/69#page=2. Accessed 21 Feb. 2017.

“Presse écrite.” Le portail officiel du Grand-Duché de Luxembourg, www.luxembourg.public.lu/fr/le-grand-duche-se-presente/medias/presse-ecrite/. Accessed 21 Feb. 2017.

Regulation (EC) No 1049/2001 of the European Parliament and of the Council of 30 May 2001 regarding public access to European Parliament, Council and Commission documents. Official Journal of the European Communities, 2001. www.europarl.europa.eu/register/pdf/r1049_en.pdf. Accessed 21 Feb. 2017.

Civil Rights and Political Liberties

Civil Rights
Score: 8

Civil rights are officially protected in Luxembourg and all state institutions respect these rights, with a few exceptions. Four institutions are in charge of protecting civil rights: the Constitutional Court, an advisory board on human rights, the National Commission on Data Protection and a parliamentary ombudsman. However, the judiciary system’s slow processing of cases has led to concerns over due process and equitable treatment. The European Court of Human Rights in Strasbourg has reprimanded the country on several occasions because of delays in court proceedings. The mediation law grants a maximum of four months for processing, with the aim of speeding up administration procedures. The influence and the number of complaints to the ombudsman’s office continues to grow. A total of 856 complaints were made in 2016, an increase when compared to the 743 complaints filed in 2015. The rate of favorable rulings or settlements is high at 87.68% in 2016, compared to 84.21% in 2015. These high figures show both the efficiency and necessity of this institution. Due to overcrowding in prisons, a new remand prison will be opened in 2022. Furthermore, three EU directives, concerning the right to have an interpreter and legal representation for detainees and prisoners as well as the right to inspect relevant files, are expected to be implemented.

Citation:
Accès citoyens aux documents détenus par l’administration. Chambre des Métiers, 2013. http://www.cdm.lu/download/3430/avis-acces-des-citoyens-aux-documents-detenus-par-l-administration.pdf. Accessed 21 Dec. 2017.

“Mémorial A n° 128 de 2003.” Journal officiel du Grand-Duché de Luxembourg, 3 Sept. 2003, legilux.public.lu/eli/etat/leg/memorial/2003/128#page=2. Accessed 7 Mar. 2017.

Projet de loi relative à l’accès des citoyens aux documents détenus par l’administration. Le gouvernement du Grand-Duché de Luxembourg. Ministère d’État, 2013. www.chd.lu/wps/PA_RoleDesAffaires/FTSByteServingServletImpl?path=/export/exped/sexpdata/Mag/197/101/119060.pdf. Accessed 21 Dec. 2017.

Rapport d’activité 2016. Médiateur du Grand-Duché de Luxembourg, 2017. www.ombudsman.lu/userfiles/files/Rapports%20annuels/RA%202016.pdf. Accessed 21 Dec. 2017.

“Reformen im Luxemburger Rechtswesen.” Tageblatt, 26 Sept. 2014,

www.tageblatt.lu/nachrichten/luxemburg-nachrichten/reformen-im-luxemburger-rechtswesen-26766397. Accessed 21 Dec. 2017.

Political Liberties
Score: 9

No infringements of citizen's rights to speak, assemble, organize, worship or petition occurred during the period under review. Some court cases have dealt with xenophobic and racist speech (particularly online).

Anticlerical forces have demanded the separation of church and state, and criticized state subsidies for churches, particularly the Catholic Church, which is the dominant faith in Luxembourg. Protestant and Jewish organizations also benefit from public funding. In response to this, the 2009 government program promised the creation of so-called houses of secularism, following the Belgian model. Following a period of receiving very low subsidies, the Islamic Religious Community, Anglican Community and the Orthodox Church have received significant public funding since 2016. Initially, the government coalition intended to include a question in the June 2015 referendum, relating to the funding of the churches and the introduction of a church tax system in Luxembourg. In January 2015, however, the government agreed to the demands of the various religious communities and removed the issue from the referendum.

Citation:
"Religion is private, says Luxembourg PM." Luxemburger Wort, 12 Sept. 2014, www.wort.lu/en/politics/church-and-state-religion-is-private-says-luxembourg-pm-54128b3eb9b3988708063816. Accessed 21 Feb. 2017.

"«Die Kirche muss sich in Zukunft selbst finanzieren»." L'essentiel, 11 Sept. 2014, www.lessentiel.lu/de/news/story/19528954. Accessed 21 Feb. 2017.

Non-discrimination
Score: 8

Fundamental human and civil rights are anchored in Luxembourg's constitution. Anti-discrimination efforts are overseen both by public authorities and NGOs.

The 2015 Migrant Integration Policy Index awarded Luxembourg a low score of 57 points for its anti-discrimination policies (2014: 49). Two EU anti-discrimination directives (2000/43 and 2000/78) were adapted after years of debate in the form of an act passed on 28 November 2006, establishing a Center of Equal Treatment (Centre pour l'égalité de traitement, CET), which opened in October 2008. The act includes EU definitions of discrimination. Other bodies such as the Ombuds Committee for Children's Rights (Ombuds-Comité fir d'Rechter vum Kand, law of 22 July 2002) have existed since January 2003; the Ombudsman Office was established by law on 22 August 2003 and began operations in May 2004.

Migration is a much debated issue. Considering that most migrants are European (90%) and of Christian faith, migration issues have caused fewer conflicts and ethnic concerns than in neighboring countries. After the adoption of the U.N. Convention on the Rights of Persons with Disabilities and an action plan in 2011, incidents of discrimination on the grounds of physical or mental disabilities have increased. This highlights the need to intensify inclusion policies.

Citation:
"Luxembourg." Migrant Integration Policy Index 2015, www.mipex.eu/luxembourg. Accessed 21 Feb. 2017.

"Mémorial A n° 207 de 2006." Journal officiel du Grand-Duché de Luxembourg, 6 Dec. 2006, legilux.public.lu/eli/etat/leg/memorial/2006/207. Accessed 21 Feb. 2017.

"Mémorial A n° 70 de 2008." Journal officiel du Grand-Duché de Luxembourg, 26 May 2008, legilux.public.lu/eli/etat/leg/memorial/2008/70#page=2. Accessed 21 Feb. 2017.

Rapport d'activités 2016. Centre pour l'égalité de traitement, 2016. http://cet.lu/wp-content/uploads/2017/04/Jahresbericht-2016_DEU.pdf. Accessed 21 Dec. 2017.

Rule of Law

Legal Certainty
Score: 6

While Luxembourg is a constitutional state, citizens are sometimes confronted with judicial vagueness or even a lack of legal guidance in administrative issues. Luxembourg's administrative culture is based on pragmatism and common sense. This means that some matters are decided on an ad hoc basis, rather than with reference to official or established rules. Most people seem to accept this, trusting that the prevalent legal flexibility leads to regulations or compromises that favor their own interests. Thus, the interpretation of laws can vary.

The government is working on completely reforming the constitution. In 2009, the Christian Social People's Party had stated in its election program that they would submit the constitutional reform "to the people by a referendum." The referendum on the constitutional reform, which was initially planned for 2012, has been delayed until after the 2018 elections.

Courts are overloaded, understaffed and slow, taking far too long to settle cases brought before them. The government has begun to address this problem by hiring more judges. Since the creation of independent administrative courts and the Constitutional Court nearly 20 years ago, the number of pending cases has considerably increased. The European Court of Human Rights in Strasbourg frequently criticizes Luxembourg for its lengthy legal procedures.

Citation:
Cames, Michel. "Pragmatisch, flexibel, schnell – Wirtschaftspolitische Besonderheiten von Kleinstaaten am Beispiel Luxemburg." Forum.lu, Sept. 2013, www.forum.lu/pdf/artikel/7692_332_Camest.pdf. Accessed 21 Feb. 2017.

Trausch, Gilbert. "Die historische Entwicklung des Großherzogtums – ein Essay." In: Das politische System

Luxemburgs: Eine Einführung, edited by Wolfgang H. Lorig and Mario Hirsch, VS Verlag für Sozialwissenschaften, 2008, pp. 13 – 30.

“Referendum.” Forum.lu, www.forum.lu/constitution/index.php/reformprojekt/referendum/. Accessed 21 Feb. 2017.

“Die Parteien haben Angst.” Luxemburger Wort, 11 June 2017, https://www.wort.lu/de/politik/zwei-jahre-nach-dem-referendum-die-parteien-haben-angst-593d6249a5e74263e13c1c74. Accessed 21 Dec. 2017.

Judicial Review
Score: 9

The existence of administrative jurisdictions and the Constitutional Court, guarantee an independent review of executive and administrative acts. The Administrative Court and the Administrative Court of Appeals are legal bodies with heavy case loads; annual reports cite about 1,100 judgments by the Administrative Court in 2016, as well as 277 judgments between 2015 and 2016 by the Administrative Court of Appeals. These judgments and appeals indicate that judicial review is actively pursued in Luxembourg.

Citation:
“Gerichtsorganisation der Mitgliedstaaten – Luxemburg.” Portail e-Justice européen, 4 Feb. 2015, e-justice.europa.eu/content_judicial_systems_in_member_states-16-lu-de.do. Accessed 21 Feb. 2017.

Rapport d’activité des juridictions administratives. La Justice Grand-Duché de Luxembourg, 2016. www.justice.public.lu/fr/publications/rapport-activites-administratives/Rapports-juridictions-administratives-2016.pdf. Accessed 21 Dec. 2017.

Appointment of Justices
Score: 9

The Constitutional Court of Luxembourg is composed of nine members, all professional judges. They are appointed by the Grand Duke on recommendation of members of the Superior Court of Justice and the Administrative Court of Appeals, who gather in a joint meeting, convened by the President of the Superior Court of Justice. These two jurisdictions are appointed by the Grand Duke on the recommendation of the Court itself, so their recruitment is co-opted. This principle is enshrined in Article 90 of the constitution and has never been questioned. It gives a great degree of independence to the Constitutional Court, as well as to the Superior Court of Justice and the Administrative Court of Appeals. Due to the Law Project of 2013, the government plans to delegate the task of nominating and promoting judges to a standing body, the higher judicial council (Conseil supérieur de la magistrature, CSM), based on the French model. This decision is not likely to change the process of the present ad hoc system, since the composition of the CSM is likely to reflect existing practices which have ensured a high degree of independence and transparency in the selection process.

Citation:
Loi du 27 juillet 1997 portant organisation de la Cour Constitutionnelle
Loi du 7 novembre 1996 portant organisation des juridictions de l’ordre administratif
Loi du 1er juillet 2005 arrêtant un programme pluriannuel de recrutement dans le cadre de l’organisation judiciaire
Organisation judiciaire, Textes coordonnés Avril 2009

Constitution. Ministère d'État – Service central de législation, 2016. data.legilux.public.lu/file/eli-etat-leg-recueil-constitution-20161020-fr-pdf.pdf. Accessed 21 Feb. 2017.

"Cour Constitutionnelle." La justice Grand-Duché de Luxembourg, www.justice.public.lu/fr/organisation-justice/cour-constitutionnelle/index.html. Accessed 21 Feb. 2017.

"Cours et tribunaux." Le portal de l'actualité gouvermentale, 10 Sept. 2014, www.gouvernement.lu/1719266/cours-tribunaux. Accessed 21 Feb. 2017.

"Die aktuelle Verfassung." Forum.lu, www.forum.lu/constitution/index.php/dokumente/die-aktuelle-verfassung/. Accessed 21 Feb. 2017.

Corruption Prevention
Score: 8

After a parliamentary inquiry into a large building project in Wickrange in 2012, in which the prime minister and other government ministers were suspected of improperly favoring a company, the government adopted a code of conduct in 2014. The code, which references existing codes such as a European Commission code, defines the types of gifts or favors a minister may or may not receive. It also outlines a range of professional activities a minister may undertake after their ministerial term. The overall objective is to avoid conflicts of interests. In addition, an ethics committee will offer opinions concerning the interpretation of specific situations. The revised regulation came into force in December 2015. Transparency International Luxembourg supports the code of conduct, giving credibility to the ministers. But steps need to be taken to ensure sanctions will be imposed on the parties concerned and adjustments are still needed.

The fourth European evaluation of the Group of States against Corruption (GRECO) called for the rapid implementation of the group's anti-corruption guidelines, in order to prevent corruption within the public authorities. Only one of the group's 14 recommendations has been implemented into national law so far and other directives have not been transposed or have been only partially implemented yet.

Citation:
"2016 Corruption Perceptions Index." Transparency International, www.transparency.org/news/feature/corruption_perceptions_index_2016. Accessed 21 Dec. 2017.

EU Anti-Corruption Report. European Commission, 2014. www.ec.europa.eu/home-affairs/sites/homeaffairs/files/what-we-do/policies/organized-crime-and-human-trafficking/corruption/anti-corruption-report/docs/2014_acr_luxembourg_factsheet_en.pdf. Accessed 21 Dec. 2017.

"Corruption Perceptions Index 2016." Transparency International, www.transparency.org/news/feature/corruption_perceptions_index_2016#table. Accessed 21 Dec. 2017.

"Eurobarometer – Corruption." European Commission, http://ec.europa.eu/commfrontoffice/publicopinion/index.cfm/ResultDoc/download/DocumentKy/81007. Accessed 21 Dec. 2017.

Arrêté grand-ducal du 14 novembre 2014 fixant les règles déontologiques des membres du Gouvernement et leurs devoirs et droits dans l'exercice de la fonction, 2015. www.chd.lu/wps/PA_ArchiveSolR/FTSShowAttachment?mime=application%2fpdf&id=1380565&fn=13805

65.pdf. Accessed 21 Dec. 2017.

Transparency of lobbying in Member States. European Parliamentary Research Service, 2016. www.europarl.europa.eu/EPRS/Transparency_of_lobbying_in_Member_States.pdf. Accessed 21 Dec. 2017.

"Wenn der Staat seine Mitarbeiter belohnt." Luxemburger Wort, 9. Jan. 2015. www.wort.lu/de/business/verwaltungsraete-wenn-der-staat-seine-mitarbeiter-belohnt-54afb60d0c88b46a8ce51051. Accessed 21 Dec. 2017.

Governance

I. Executive Capacity

Strategic Capacity

Strategic Planning
Score: 4

Luxembourg's small size and consequently small size of its administration, does not allow for sufficient strategic planning. Only a few public bodies offer simulations, such as the National Institute of Statistics and Economic Studies Luxembourg (STATEC) and the General Inspectorate of Social Security (Inspection Générale de la Sécurité Sociale, IGSS). The State Economic and Social Council (Conseil économique et social) and the merged public research institute LISER offer more qualitative analyses. The research department of the central bank (Banque Centrale du Luxembourg) and the general inspectorate of the financial sector (Commission de surveillance du secteur financier, CSSF), focus on economics and finance planning. While these institutions are state-financed, they are nevertheless insufficiently equipped to offer long-term planning activities. For instance, State Economic and Social Council reports are partially written by civil servants from the relevant ministry departments. Strategic planning is mostly performed by institutions abroad, which offer the advantage of independence and guidance via international standards. Once a report is submitted, negotiations begin between the minister and promoters; the final compromise is a draft of the project, designed abroad.

Citation:
"Autres acteurs." Le portail des statistiques du Luxembourg, www.statistiques.public.lu/fr/acteurs/autres/index.html. Accessed 21 Feb. 2017.
Banque centrale du Luxembourg, http://www.bcl.lu/fr/statistiques/index.html. Accessed 21 Feb. 2017.
Commission de Surveillance du Secteur Financier, www.cssf.lu/en/. Accessed 21 Dec. 2017.
Conseil économique et social, www.ces.public.lu/fr.html. Accessed 21 Feb. 2017.
Luxembourg Institute of Socio-Economic Research, www.liser.lu. Accessed 21 Dec. 2017.

Scholarly Advice
Score: 7

Luxembourg's main research institutions were founded only recently. For instance, the national university was founded in 2003. Three additional national research centers (CRP-Gabriel Lippmann, CRP-Henri Tudor, CRP-Santé) were founded in 1999, which were later combined into two research centers: the

Luxembourg Institute of Science and Technology (LIST) and Luxembourg Institute of Socio-Economic Research (LISER). The House of Innovation also provides space for about 500 scientists and researchers from CRP-Henri Tudor, Luxinnovation and the Dr. Widong Center in Esch-Beval.

For major policy reform projects, the government mostly consults highly reputable institutions abroad. This has the advantage that scholarly advice from institutions abroad allows for independent analysis. Considering the country's small size, links between government and national research facilities are strong.

Citation:
Annuaire de la compétitivité 2016. Union des Entreprises Luxembourgeoises, 2016. www.statistiques.public.lu/catalogue-publications/perspectives-economiques/2016/PDF-31-2016.pdf. Accessed 7 Dec. 2017.

Interministerial Coordination

GO Expertise
Score: 6

The Prime Minister's Office (PMO) employs around 40 civil servants, mostly trained in law, economics and political science. As a result, the PMO does not have sufficient resources to assess all the activities of government ministries. Due to the limited capacities of all ministries, including the PMO, there is no management body or special committee designated to manage interministerial coordination. After the inauguration of the new government in December 2013, interministerial coordination presented some difficulties.

Senior civil servants in the ministries prepare a "pré-conseil" or pre-briefing for the weekly meeting of ministers (conseil de gouvernement). All draft bills must be adopted at both stages before being introduced to parliament as well as revised within these two interministerial meetings. In addition, the Inspectorate General of Finance (Inspection générale des finances, IGF) evaluates draft bills and participates in numerous committees.

Citation:
"Budgeting in Luxembourg: Analysis and recommendations." OECD Journal on Budgeting, Supplement 1, vol. 2012, 2013, www.keepeek.com/Digital-Asset-Management/oecd/governance/oecd-journal-on-budgeting-volume-2012-supplement-1_budget-v12-sup1-en#.WL7foKw2to5#page81. Accessed 21 Feb. 2017.

"Conseil de gouvernement." Le portal de l'actualité gouvermentale, www.gouvernement.lu/1719191/conseil-gouv. Accessed 21 Feb. 2017.

"Gouvernement." Le portal de l'actualité gouvermentale, www.gouvernement.lu/1719075/gouvernement. Accessed 21 Feb. 2017.

"Inspection générale de la sécurité sociale." Ministère de la Sécurité Sociale, www.mss.public.lu/acteurs/igss/index.html. Accessed 21 Feb. 2017.

Inspection générale des finances, www.igf.etat.lu. Accessed 21 Feb. 2017.

GO Gatekeeping
Score: 8

The prime minister has the authority to reject policy proposals or inspire new policy projects as well as sets the agenda for and presides over the meetings of the Council of Government. Decisions of the Council are taken by majority votes; in case of impasse, the prime minister casts the deciding vote. Moreover, in cases of urgency, the prime minister can take certain decisions alone, including suspending the execution of resolutions of the Council; reporting on these decisions during the next meeting of the Council. In general, the prime minister can withdraw a project or a draft bill without formal procedures. However, the prime minister is considered the first among equals (primus inter pares) and should avoid interfering where possible, particularly in issues that are the responsibility of ministers from other coalition parties. Consultative bodies, interministerial meetings and the Inspection General of Finance (Inspection générale des finances, IGF), which is affiliated with the budget ministry, function as arbiters in policymaking.

Citation:
"Initiative en matière législative.," Le portal de l'actualité gouvermentale, http://www.gouvernement.lu/1719156/initiative-legislative. Accessed 28 Dec. 2017.

„GUIDE PRATIQUE DE LA PROCÉDURE LÉGISLATIVE ET RÉGLEMENTAIRE." Le Service information et presse du gouvernement luxembourgeois, 2015. data.legilux.public.lu/file/eli-etat-leg-recueil-procedure_legislative-20150301-fr-pdf.pdf. Accessed 28 Dec. 2017.

Line Ministries
Score: 8

The Prime Minister's Office is not legally allowed to be involved in the preparation of bills or proposals by line ministries. Sensitive political proposals are often contained in the coalition program. There are no institutionalized mechanisms of coordination between line ministries and there is no unit dealing with policy assessment and evaluation. Informally, however, no sensitive proposal is presented to the Council of Ministers without being approved beforehand by the prime minister. An informal body of ministerial civil servants meets ahead of the Council of Ministers, to prepare the agenda and make adjustments if needed. Even though the prime minister has not held the influential finance portfolio since 2009, his central role in the governance process has not been weakened.

Citation:
"Arrêté grand-ducal du 28 janvier 2015 portant constitution des Ministères." Journal officiel du Grand-Duché de Luxembourg, 30 Jan. 2015, data.legilux.public.lu/eli/etat/leg/agd/2015/01/28/n1/jo. Accessed 28 Dec. 2017.

"Gouvernement." Le portal de l'actualité gouvermentale, www.gouvernement.lu/1719075/gouvernement. Accessed 28 Dec. 2017.

Le gouvernement du Grand-Duché de Luxembourg. Le Service information et presse du gouvernement luxembourgeois, 2013. www.gouvernement.lu/3723809/SIP_Gouvernement_2016_EN. Accessed 28 Dec. 2017.

Cabinet
Committees
Score: 8

There are no cabinet committees, in the strict sense. The Council of Ministers (Luxembourg's cabinet) has to rely entirely on the work of line ministries or interministerial groups, if more than one department is concerned. Generally, the Council of Ministers is well prepared, as only bills that have been accepted informally are presented. Moreover, bills must be scrutinized by experts at the Ministry of Finance and the inspector general of finance (Inspection générale des finances), which is comprised of senior civil servants and chaired by the secretary-general of the Council of Ministers. This informal body insures that coherence prevails. The Prime Minister's Office has assumed some horizontal competences on issues that concern more than one ministry, notably in the field of administrative simplification, ethical and deontological questions.

Citation:
"Gouvernement." Le portal de l'actualité gouvermentale, www.gouvernement.lu/1719075/gouvernement. Accessed 21 Dec. 2017.

Inspection générale des finances, www.igf.etat.lu. Accessed 21 Dec. 2017.

"Conseil de gouvernement." Le portal de l'actualité gouvermentale
www.gouvernement.lu/1719191/conseil-gouv. Accessed 21 Dec. 2017.

"Système politique." Le portal de l'actualité gouvermentale, www.gouvernement.lu/482644/systeme-politique. Accessed 21 Feb. 2017.

Ministerial
Bureaucracy
Score: 9

Senior ministry officials and interministerial meetings are important for the preparation of draft bills and for cabinet meetings. There is both formal and informal coordination in the conception of new policy, in policy modification or in the conception of a pre-draft bill. As part of the process, interministerial ad hoc groups are formed. Normally, a pre-draft bill is already the result of consultation with social partners and civil society groups. Once the pre-draft bill is published, official consultation rounds start again.

Citation:
"Système politique." Le portail officiel du Grand-Duché de Luxembourg, www.luxembourg.public.lu/fr/le-grand-duche-se-presente/systeme-politique/index.html. Accessed 28 Dec. 2017.

Thomas, Bernard, and Laurent Schmit. "Die Unentbehrlichen: Wie viel Macht haben hohe Beamte?" Forum.lu, Sept. 2013, www.forum.lu/pdf/artikel/7693_332_ThomasSchmit.pdf. Accessed 28 Dec. 2017.

Informal
Coordination
Score: 9

There are many opportunities for informal coordination, given Luxembourg's small size, its close-knit society and government administration. Those in public administration responsible for early policy research and formulation, are well familiar with representatives of social organizations and members of civil society research institutions. In the small state, there are many opportunities for informal contact between public servants and experts from research institutions, business, and civil society. Senior civil servants are simultaneously responsible for various projects, have an enormous workload and represent the government within different bodies, boards, and committees.

Citation:
"Participations de l'Etat." Trésorerie de l'Etat. 2017. www.te.public.lu/fr/participations.html. Accessed 30 Dec. 2017

"Die Osmose zwischen Staat und Unternehmen." Luxemburger Wort, 24 November 2017. www.wort.lu/de/business/luxemburg-und-sein-finanzplatz-die-osmose-zwischen-staat-und-unternehmen-5a170a57c1097cee25b77bed. Accessed 30 Dec. 2017

Evidence-based Instruments

RIA Application
Score: 5

At the end of the 1990s, Luxembourg launched its first draft for regulatory impact assessments (RIAs), to simplify administrative procedures at both, the national and European levels. Since 2004, the government has systematized the potential impact of legislative proposals by aligning legislative and administrative processes under the responsibility of a competent authority, the Plateforme interministérielle de réforme et de simplification administrative. The so-called Omnibus Bill concerning 11 laws and two regulations was implemented in 2017 to facilitate and speed up planning procedures in 102 municipalities, a transversal approach towards a systematic screening of all administrative procedures. Currently, the government is evaluating the impact of 89 administrative simplification projects.

Since 2009, all draft bills have been required to undergo a regulatory impact assessment. Within eight weeks before adoption of a draft bill, the government has to carry out consultations with stakeholders, considering their expertise and responding to requests. Based on adequate analyses, a draft bill is adapted, completed and submitted to parliament. The impact assessment is necessarily attached to legislation or regulation submitted to the Council of Ministers. Prior to submission, the secretariat of the Council forwards a copy to the interministerial platform, which prepares a formal statement to the Council.

The standard impact evaluation form (a checklist form, or "fiche d'évaluation d'impact") was revised in 2010 to include gender mainstreaming principles. It enabled a close cooperation with the Ministry for Equal Opportunities. Although regulatory impact assessment programs have been instituted for some years, there is still room for improvement, especially in making such evidence-based instruments more widespread. Further improvements should be implemented through an ex ante verification process on a national and European level.

Citation:
Building an Institutional Framework for Regulatory Impact Analysis (RIA): Guidance for Policy Makers. OECD, 2008. www.oecd.org/regreform/regulatory-policy/40984990.pdf. Accessed 30 Dec. 2017.

"Gestion de la qualité sur base du modèle d'auto-évaluation CAF." Portal de la Fonction publique, www.fonction-publique.public.lu/fr/modernisation-etat/qualite-publique/gestion-qualite-base-caf/. Accessed

30 Dec. 2017.

"Modernisation de l'Etat." Portal de la Fonction publique, www.fonction-publique.public.lu/fr/modernisation-etat/index.html. Accessed 30 Dec. 2017.

OECD Regulatory Policy Outlook 2015: Luxembourg. OECD, 2015. www.oecd.org/gov/regulatory-policy/Luxembourg-web.pdf. Accessed 30 Dec. 2017.

"Über die Tücken des Bürokratie-Abbaus." Luxemburger Wort, 4 Sept. 2017.
www.wort.lu/de/politik/administrative-vereinfachung-ueber-die-tuecken-des-buerokratie-abbaus-599435eda5e74263e13c5cf5. Accessed 30 Dec. 2017.

Quality of RIA Process
Score: 2

An open and consultative regulatory impact assessment (RIA) process does not exist. The procedure requires an interministerial exchange between governmental departments and coordination groups, including a consultation of experts. Impact assessment data originates from internal ministry documents, which may be consulted by the state Council of Ministers and parliamentary members.

Due to administrative simplification efforts in recent years, the government has decided to run two public platforms, www.einfach.lu and www.vosidees.lu, offering all necessary information and details on the impact of ongoing reform programs. As in most OECD countries, there is no risk management in the formal process of developing harmonized standards. RIAs are not evaluated by an independent body.

Since the general introduction of RIAs in 2009, there has been progress in transparency and civil society participation. Nevertheless, efforts should be made to further increase the involvement of stakeholders.

Citation:
Building an Institutional Framework for Regulatory Impact Analysis (RIA): Guidance for Policy Makers. OECD, 2008. www.oecd.org/regreform/regulatory-policy/40984990.pdf. Accessed 30 Dec. 2017.

"Modernisation de l'État." Portal de la Fonction publique, www.fonction-publique.public.lu/fr/modernisation-etat/index.html. Accessed 30 Dec. 2017.

OECD Regulatory Policy Outlook 2015. OECD, 2015. www.oecd-ilibrary.org/governance/oecd-regulatory-policy-outlook-2015_9789264238770-en. Accessed 30 Dec. 2017.

"Plateforme interministérielle." Portal de la Fonction publique, www.fonction-publique.public.lu/fr/support/recherche/index.php?q=plateforme+interministerielle. Accessed 30 Dec. 2017.

"Présentation du programme "Einfach Lëtzebuerg." Ministère de la Fonction Publique 2017. www.fonction-publique.public.lu/fr/actualites/articles-actualites/2017/04/20170403_Einfach-Letzebuerg/Presentation-ELconference03042017.pdf. Accessed 30 Dec. 2017.

Promoting inclusive growth through better regulation. The role of regulatory impact assessment. OECD, 2015. www.oecd.org/officialdocuments/publicdisplaydocumentpdf/?cote=GOV/RPC%282015%294&docLanguage=En. Accessed 30 Dec. 2017.

Sustainability Check
Score: 3

A systematic sustainability assessment process does not exist in Luxembourg. The government plans to introduce effective sustainability checks and a systematic monitoring of relevant administrative and legislative acts. In general, the impact of policies and policy side effects at all levels (economic, social and environmental), need to be evaluated with reference to principles of sustainable development and sustainable decision-making. It is essential to agree on Regulatory impact assessment (RIA) procedures to "benefit from improved coherence and coordination between ministries, civil society and stakeholders." Sustainability checks at all levels should be made transparent by establishing harmonized legislation with binding RIA standards.

Citation:
Ein nachhaltiges Luxemburg für mehr Lebensqualität. Le gouvernement du Grand-Duché de Luxembourg, 2010. www.environnement.public.lu/developpement_durable/dossiers/pndd_2010/PNDD.pdf. Accessed 21 Dec. 2017.

"Mémorial A n° 102 de 2004." Journal officiel du Grand-Duché de Luxembourg, 2 July 2004, legilux.public.lu/eli/etat/leg/memorial/2004/102#page=2#page=2. Accessed 21 Dec. 2017.

Rapport d'activité 2016. Ministère du Développement durable et des Infrastructures, 2015. www.gouvernement.lu/6806637/2016-rapport-activite-mddi-environnement.pdf. Accessed 30 Dec. 2017.

Societal Consultation

Negotiating Public Support
Score: 8

Luxembourg is a consensus-oriented society with a well-known model of neo-corporatism (the Luxembourg Model), which became institutionalized in the aftermath of the steel crisis in the 1970s. When introducing a draft bill to parliament, the government normally launches a broad consultation process. Unions and employers' organizations are consulted in any case; every draft bill is submitted to the respective organization of employees (Chambre des Salariés) and to employers' organizations (Chambre de Commerce and Chambre des Métiers). Depending on the purpose of the draft bill or the new policy, civil society is included in the process. Nevertheless, the so-called tripartite system is considered to have failed in 2010, when the three partners were unable to reach an agreement on critical issues. However, the new government in 2013 relaunched the social dialog with employers and employees and the process has functioned reasonably well since then.

Citation:
Clément, Franz. Consociativisme et dialogue social: Les relations professionnelles au Grand-Duché de Luxembourg. Éditions universitaires européennes, 2012.

"Mémorial A n° 144 de 2015." Journal officiel du Grand-Duché de Luxembourg, 27 July 2015, legilux.public.lu/eli/etat/leg/memorial/2015/144. Accessed 21 Dec. 2017.

"Sind Konkordanz-, Konsens- und Drei-Partnermodelle "Schönwetter-Veranstaltungen"? Das Beispiel Luxembourg." Konkordanzdemokratie: Ein Demokratietyp der Vergangenheit?, edited by Stefan Köppl and Uwe Kranenpohl, Nomos, 2012, pp. 117 – 132.

"Système politique." Le portail officiel du Grand-Duché de Luxembourg, www.luxembourg.public.lu/fr/le-grand-duche-se-presente/systeme-politique/index.html. Accessed 21 Dec. 2017.

"Xavier Bettel au sujet des défis du nouveau gouvernement." Le portail officiel du Grand-Duché de Luxembourg, 18 Dec. 2013, www.gouvernement.lu/3370722/16-bettel-tageblatt. Accessed 21 Dec. 2017.

Policy Communication

Coherent Communication
Score: 8

After Council of Ministers meetings on Fridays, the prime minister holds a public press conference, to communicate the body's work effectively and coherently. This weekly press briefing had been the government's main method of communicating. Whereas public press briefings under former Prime Minister Juncker were rare toward the end of his administration, at least at the beginning, public relations have been given more importance under the new coalition. At the end of the last parliamentary term, the prime minister similarly only sporadically held press briefings.

Aside from the prime minister, no government member has a press officer. Reporting directly to the prime minister, the state Press and Information Service (SIP) works to coordinate a coherent and wide-ranging government communication policy. Government members are encouraged not to voice disagreement in public, so as to make the impression of unanimous decision-making.

Citation:
"Attributions." Le portal de l'actualité gouvermentale, www.gouvernement.lu/4021433/attributions. Accessed 21 Dec. 2017.

" Der leise Abschied der Transparenz." Luxemburger Wort, 25 July 2017, www.wort.lu/de/politik/pressebriefing-des-premiers-der-leise-abschied-der-transparenz-5969d4ada5e74263e13c4243. Accessed 21 Dec. 2017.

Implementation

Government Efficiency
Score: 7

In general, the government can implement its policy objectives, usually outlined in electoral promises or coalition government programs. This might take longer than planned, given that a policy based on maximum consensus is often cumbersome. But projects are sometimes not only slowed down but delayed indefinitely, especially when powerful lobbies are involved. This is particularly the case for major infrastructural or zoning projects, such as the tramway system for the city of Luxembourg, which was under discussion for 25 years before agreement was reached in 2013. A legislative proposal, that was already far advanced, was postponed before the 1999 election. After many years of discussions about that project, the tram line finally started in 2017.

Citation:
"Parliament votes for the tram." Luxemburger Wort, 5 June 2014, www.wort.lu/en/politics/central-train-station-to-luxexpo-parliament-votes-for-the-tram-5390279cb9b398870803124a. Accessed 21 Feb. 2017.

" Revivez le voyage inaugural avec le couple grand-ducal." Luxemburger Wort, 10. Dec. 2017, www.wort.lu/fr/luxembourg/tram-funiculaire-et-deux-nouvelles-gares-revivez-le-voyage-inaugural-avec-le-couple-grand-ducal-5a2cfc34c1097cee25b7a01b. Accessed 21 Dec. 2017.

Ministerial Compliance
Score: 7

The Luxembourg electoral system combines proportional representation of candidate lists and a type of majority system that allows a voter to pick individual candidates by giving them preferential votes on more than one list.

Consequently, the voters, and not the party, decide on the composition of parliament and even of the government, since those candidates with the best results usually become ministers. This system encourages politicians to pursue personal initiatives, but as they generally address small lobbies, such projects do not typically conflict with the government's agenda.

"Go-it-alone" actions are not uncommon because ministers and candidates want to raise their profile to benefit precisely from these personal votes that ultimately make the difference. Especially in pre-electoral periods, this kind of deviant behavior is quite frequent. Ministers are usually allowed to pursue their pet topics, provided they manage to convince their colleagues in government and the prime minister.

Citation:
"Wahlsystem." Le portail officiel du Grand-Duché de Luxembourg, www.luxembourg.public.lu/de/le-grand-duche-se-presente/systeme-politique/systeme-electoral/. Accessed 21 Dec. 2017.

Fehlen, Fernand. "Für eine Wahlrechtsreform." Forum.lu, Nov. 2013, www.forum.lu/pdf/artikel/7726_334_Fehlen.pdf. Accessed 21 Feb. 2017.

"Wahlsystem und politische Kultur." Forum.lu, Sept. 2013, www.forum.lu/wp-content/uploads/2015/11/7695_332_Fehlen.pdf. Accessed 21 Feb. 2017.

Monitoring Ministries
Score: 6

There is no formal monitoring by the Prime Minister's Office, as no institutional resources exist to carry this out. The small size of the government administration and ongoing discussions between ministers, foster a high level of transparency without the necessity of explicit monitoring tools. In case of conflicts, the prime minister moderates and acts as conciliator.

Citation:
Schroen, M. "Das politische System Luxemburgs." Die Politischen Systeme Westeuropas, edited by Wolfgang Ismayr, 4th ed., VS Verlag für Sozialwissenschaften, 2008, pp. 483 – 514.

Monitoring Agencies,

Executive agencies and the administration usually lack the autonomy to pursue a course of action independent of guidelines issued by the responsible ministers.

Bureaucracies
Score: 8

Sometimes, the strong personality of an agency head leads to conflict. If this happens, the views of the minister or his key collaborators usually prevail. In the domain of social security and public finance, monitoring is more centralized and effective, since the financial implications for the state are much more consequential. The two agencies that wield considerable control are the Social Security Inspectorate General (Inspection Générale de la Sécurité Sociale, IGSS), which is attached to the Ministry of Social Security and the General Inspectorate of Finance (Inspection générale des finances, IGF), which is attached to the Ministry of Finance.

Citation:
"Finances publiques." Ministère des Finances, www.mf.public.lu/finances_publiques/. Accessed 21 Dec. 2017.

"Inspection générale de la sécurité sociale." Ministère de la Sécurité Sociale, www.mss.public.lu/acteurs/igss/. Accessed 21 Dec. 2017.

Inspection générale des finances, www.igf.etat.lu. Accessed 21 Dec. 2017.

Task Funding
Score: 7

Since 2018, the Ministry of the Interior has overseen 102 municipalities in Luxembourg. This supervision is paired with substantial financial transfers from the central government to local entities, which, apart from a substantial share in corporate income tax (CIT) revenues, lack autonomous sources of revenue. Two-thirds of local entities have fewer than 3,000 inhabitants, a size which is believed to be far too small to handle modern political, administrative and technical matters. The government had planned to reduce the number of local municipalities to 71. However, the new government has weakened this objective, as it does not correspond to a top-down strategy for municipal mergers. The aim is to have no municipality under 3,000 inhabitants, thus reducing operational costs and improving administrative and technical efficiency. Municipalities frequently complain that funding from the central government is insufficient. The government has used financial transfers to overcome local resistance to municipality mergers. So-called municipal associations (syndicats intercommunaux) exist in fields, such as culture and sports, to help improve the quality of local government. In December 2016, parliament voted in favor of a reform of the municipal finance system. Since 2017, due to the full budgetary assumption of teachers' salaries, grants to local budgets have been increased, providing municipalities financial and planning security.

Citation:
"Ausgewogenere kommunale Finanzlandschaft." Luxemburger Wort, 7 Dec. 2016, Accessed 21 Dec. 2017.

Halsdorf, J.-M. "Die Kommunal- und Verwaltungsreform im Großherzogtum Luxembourg – Grundzüge und Perspektiven." Kommunalreformen in Deutschland, edited by Martin Junkernheinrich and Wolfgang H. Lorig, Nomos, 2013, pp. 445 – 462.

"Reform der Gemeindefinanzen – Die Rechnung geht auf." Luxemburger Wort, 8 Aug. 2017,

https://www.wort.lu/de/politik/reform-der-gemeindefinanzen-die-rechnung-geht-auf-5989b91da5e74263e13c570a. Accessed 21 Dec. 2017.

Syndicat des Villes et Communes Luxembourgeoises, www.syvicol.lu. Accessed 21 Feb. 2017.

Constitutional Discretion
Score: 7

Local governments increasingly depend on transfers from the central government. Land use regulation was centralized during the review period. Nevertheless, a serious conflict between local interests and the aims of the government's transport and land use planning body (Integrierte Verkehrs- und Landesplanung, IVL) occurred when the construction of a large business center in a rural region near the capital was not authorized. Following a reform of the education system, municipalities lost one of their major prerogatives, which was the autonomous management of primary school (students four to 12 years old) teaching staff. With a municipal reform, the municipalities also lost autonomy, as evidenced by a law on emergency services. In return, the government has promised to provide more autonomy, through territorial reform, especially in the form of expanded financial autonomy and the provision of support for municipal finances through regional funds.

Citation:
Eser, Th. W./Scholtes, M. (2008), Raumentwicklung, Regionalpolitik und Landesplanung, in: Lorig, W./Hirsch, M. (ed.), Das politische System Luxembourgs, Wiesbaden, pp. 286-309.

Feist, Peter. "Der Tanz Beginnt | D'Lëtzebuerger Land." D'Lëtzebuerger Land, 8 Feb. 2013, www.land.lu/page/article/076/6076/DEU/index.html/. Accessed 21 Dec. 2017.

"IVL." Ministère du Développement durable et des Infrastructures 2017. www.amenagement-territoire.public.lu/fr/strategies-territoriales/ivl.html. Accessed 30 Dec. 2017

"Schlecht gerüstet." Forum.lu – Für Politik, Gesellschaft Und Kultur in Luxemburg, June 2013, www.forum.lu/pdf/artikel/7660_330_Eicher.pdf. Accessed 21 Dec. 2017.

"Reform der Rettungsdienste. Der Preis der effizienten Hilfe." Luxemburger Wort, 2. Jun 2015, www.wort.lu/de/politik/reform-der-rettungsdienste-der-preis-der-effizienten-hilfe-556dc4690c88b46a8ce5a662. Accessed 7. Feb. 2018.

National Standards
Score: 9

The Ministry of the Interior supports local administration. As part of territorial reforms, the administration responsible for monitoring municipal finances, will be integrated within the existing national Auditing Court (Cour des Comptes). The government is not entirely free to optimize and improve local government.

In its 2013 program, the government declared that dual mandates would no longer be allowed. To date, no reform has been implemented. More than half of members of parliament also have a local mandate and in October 2017, 11 worked as city mayors and 36 as members of the municipal council. This may be why conflicts of interests between national and local mandates sometimes arise in parliamentary processes.

Citation:
Cour des comptes du Grand-Duché de Luxembourg, www.cour-des-comptes.lu/. Accessed 21 Feb. 2017.

“47 Abgeordnete bekleiden in den kommenden sechs Jahren auch ein kommunales Mandat.” Luxemburger Wort, 10 Oct 2017, https://e-paper.wort.lu/eweb/spl/2017/10/10/w/2/1380692/?q=Doppelmandat. Accessed 21 Dec. 2017.

Théry, Patrick. “Werden Doppelmandate abgeschafft?” L’essentiel, 7 Mar. 2016, www.lessentiel.lu/de/luxemburg/story/19791348. Accessed 21 Feb. 2017.

Adaptablility

Domestic Adaptability
Score: 7

Luxembourg has made progress in implementing European legislation. In terms of the transposition of EU directives, Luxembourg’s performance is moderate, yet it has improved in recent years. Given the size of the country, there is limited scope for improving the government administration’s human resources. A single civil servant is typically responsible for a number of tasks that would be assigned to an entire team in other EU member states. For example, European Social Fund (ESF) activities fall under the responsibility of only four civil servants who have other responsibilities in addition to European programs. Despite a lack of personnel, work expected by European and supranational institutions is completed. The government presented its national plan (Plan national pour une croissance intelligente, durable et inclusive) in April 2013, and updated it in 2017, adapting budgetary mechanisms.

Luxembourg often responds to international requests by launching an ad hoc group. The country has also done well in conforming national law to EU directives, sometimes transposing laws verbatim. However, this does not guarantee that the law will be followed verbatim; differences between de jure and de facto interpretations have emerged.

Citation:
18th Update of the Stability and Growth Programme of the Grand Duchy of Luxembourg for the 2017 – 2021 Period. Le gouvernement du Grand-Duché de Luxembourg, 2017. www.mf.public.lu/publications/programme/18th_update_stability_growth_programme.pdf. Accessed 14 Dec. 2017.

Council recommendation on the National Reform Programme 2017 of Luxembourg and delivering a Council opinion on the Stability Programme of Luxembourg. Official Journal of the European Union, 2017. eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32017H0809(15)&from=EN. Accessed 21 Dec. 2017.

“Europe 2020 in Luxembourg.” European Commission, www.ec.europa.eu/europe2020/europe-2020-in-your-country/luxembourg/national-reform-programme/index_en.htm. Accessed 21 Feb. 2017.

National plan for smart, sustainable and inclusive growth – Luxembourg 2020. Le gouvernement du Grand-Duché de Luxembourg, 2017. www.gouvernement.lu/6854313/2017-pnr-luxembourg-fr. Accessed 14 Dec 2017.

“Programme national de réforme du Grand-Duché de Luxembourg dans le cadre du semestre européen 2017.” Le gouvernement du Grand-Duché de Luxembourg, 2017, ec.europa.eu/info/sites/info/files/2017-european-semester-national-reform-programme-luxembourg-fr.pdf. Accessed 21 Dec. 2017.

Politiques macroéconomiques et evolution de finances publiques 2011 – 2015. Ministère des Finances, 2012. www.mf.public.lu/publications/divers/previsions_fin_180412.pdf. Accessed 21 Feb. 2017.

Reporting table on national Europe 2020 targets and key commitments for the next 12 months. European Commission, 2014. www.ec.europa.eu/europe2020/pdf/csr2014/annex32014_luxembourg_en.pdf. Accessed 21 Feb. 2017.

“Secrétariat général.” European Commission, www.ec.europa.eu/info/departments/secretariat-general_fr. Accessed 21 Feb. 2017.

International Coordination
Score: 8

Luxembourg is mainly involved in international reform initiatives in cooperation with the European Union. The legal framework for the launch of the European Citizens’ Initiative was passed by the parliament in 2012.

Luxembourg ranks highly within the EU for the inclusiveness of its welfare benefits, as its programs are both generous and wide-ranging. However, with a normalized Gini index value of 31 in 2016 (2015: 28.5), Luxembourg is only a middling performer within the EU-28 (which has an average Gini index value of 30.8). The generous social transfers (47% of public expenditure in 2017) and the high share of social transfers in relation to total income, not only reduce poverty risks, but also sustainably strengthen social cohesion.

However, Luxembourg also retains a number of labor-market protection measures and unsustainable pension policies; both provide incentives to leave the labor market early and opt instead for replacement revenues. Attitudes of the insured – mainly residents and nationals – are partly still those of consumers of welfare provisions. The system’s main weakness is the “early exit” attitude which is expressed by many residents.

Citation:
Fusco, Alessio, et al. Gini Country Report Luxembourg. Gini Growing Inequalities’ Impacts, 2013. www.gini-research.org/system/uploads/456/original/Luxembourg.pdf?1372249144. Accessed 21 Feb. 2017.

“Gini coefficient of equivalised disposable income.” Eurostat, www.ec.europa.eu/eurostat/tgm/table.do?tab=table&language=en&pcode=tessi190. Accessed 21 Dec. 2017.

“Mémorial A n° 61 de 2012.” Journal officiel du Grand-Duché de Luxembourg, 29 Mar. 2012, legilux.public.lu/eli/etat/leg/memorial/2012/61. Accessed 21 Feb. 2017.

National plan for smart, sustainable and inclusive growth – Luxembourg 2020. Le gouvernement du Grand-Duché de Luxembourg, 2017. www.gouvernement.lu/6854313/2017-pnr-luxembourg-fr. Accessed 14 Dec 2017.

“Observatoire de la compétitivité.” Le portal de l’actualité gouvermentale, www.gouvernement.lu/odc. Accessed 21 Feb. 2017.

Organizational Reform

Self-monitoring
Score: 5

In the absence of systematic monitoring of institutional arrangements, the government relies mainly on international expertise. EU and OECD data significantly effects the political agenda, and the implementation of social and economic policies. For example, the 2007 OECD country report on research and innovation, led to the creation of a higher research and innovation committee and subsequently to the updated ERAWATCH assessment of research systems and policies in 2013.

An example for these practices is the 2006 Council of Europe report “Profile of the Luxembourgish educational linguistic policy,” a two-year investigation involving national stakeholders. The report led to the reform of language teaching in 2009. The OECD audit of the country’s public employment service (L’Agence pour le développement de l’emploi, ADEM), against the background of a rising unemployment rate, resulted in a draft bill adopted in 2012. Self-monitoring seems to be beyond the capacity of government authorities. It has also become clear that sustainable changes would require the creation of in-house analysis and forward-looking planning capacities. No ministry or administration is currently able to fulfill these requirements.

Citation:
Alexander, Susan, and Milena Slavcheva. “RIO Country Report 2016: Luxembourg.” European Commission, 2017, www.rio.jrc.ec.europa.eu/en/file/10804/download?token=x-zV_qYz. Accessed 21 Dec. 2017.

“OECD Reviews of Innovation Policy – Luxembourg 2016.” OECD Publishing, 2016. www.dx.doi.org/10.1787/9789264232297-en. Accessed 21 Dec. 2017.

Institutional
Reform
Score: 7

The previous government’s 2009 program outlined a series of administrative reforms. One of the most ambitious, the general opening of the civil service to citizens of the European Union, with the exception of some positions relating to national sovereignty, came into effect on 1 January 2010. The change is expected to gradually improve the quality of government administration. Nevertheless, the number of EU citizens hired remains low at approximately 5%, especially in the higher ranks. This is due to a compulsory language test in the three national languages (Luxembourgish, French and German), which limits the number of applications from non-nationals who are not fluent in all of these languages. Other reforms are directed to e-government, such as the 2018 planned implementation of freedom of information legislation. Substantial efforts have been made towards e-government with guichet.lu, the online service portal for citizenship and business matters.

Citation:
"Luxembourg: eGovernment State of Play." European Commission, www.ec.europa.eu/information_society/newsroom/cf/dae/document.cfm?doc_id=5561. Accessed 21 Feb. 2017.

"Luxembourg." European Commission, www.ec.europa.eu/information_society/newsroom/cf/dae/document.cfm?doc_id=6459. Accessed 21 Feb. 2017.

"Programme national de réforme du Grand-Duché de Luxembourg dans le cadre du semestre européen 2017." Le gouvernement du Grand-Duché de Luxembourg, 2017, ec.europa.eu/info/sites/info/files/2017-european-semester-national-reform-programme-luxembourg-fr.pdf. Accessed 21 Dec. 2017.

"Providing an Alternative to Silence: Towards Greater Protection and Support for Whistleblowers in the EU." Transparency International Luxembourg, 2013, www.transparency.lu/wp-content/uploads/2013/12/Luxembourg-ATS-Providing-an-alternative-to-silence-Country-Report-ENG-v4.11.2013-Clean.pdf. Accessed 21 Feb. 2017.

"Projet de loi relative à une administration transparente et ouverte." Chambre des députés 2017. www.chd.lu/wps/portal/public/Accueil/TravailALaChambre/Recherche/RoleDesAffaires?action=doDocpaDetails&backto=/wps/portal/public/Accueil/Actualite&id=6810. Accessed 21 Dec. 2017.

II. Executive Accountability

Citizens' Participatory Competence

Policy Knowledge
Score: 8

Citizens are expected to have sufficient knowledge of the three official languages of Luxembourg to facilitate social inclusion. About 47% of residents are foreigners and multilingualism is the "compétence légitime" in Luxembourg. However, knowledge of Luxembourgish has an important role in political participation, as most political debates and information distribution takes place in this specific national language. This may make it more difficult for non-speakers to participate in the political sphere. Foreigners have expressed a distinct wish to participate more substantially in policy development. This interest in Luxembourg's public life and political commitment depends on political empowerment and active participation in social life. Hence, not only voting rights but also the distribution of multilingual political information is extremely important in promoting active political participation and enabling influence in decision-making.

Citation:
Bilan de la participation électorale aux élections communales d'octobre 2011. Centre d'étude et de formation interculturelles et sociales, 2011. www.statistiques.public.lu/fr/actualites/conditions-sociales/politique/2013/05/20130130/presentationetudeCEFIS.pdf. Accessed 21 Feb. 2017.

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Fetzer, Joel S. Luxembourg as an Immigration Success Story: The Grand Duchy in Pan-European Perspective. Lexington Books, 2011.

Mäßiges Interesse bei den Ausländern." Luxemburger Wort, 30 July 2017, https://www.wort.lu/de/politik/kommunalwahlen-maessiges-interesse-bei-den-auslaendern-597b4ac9a5e74263e13c4dfc?utm_campaign=magnet&utm_source=article_page&utm_medium=related_articles. Accessed 21 Dec. 2017.

Fehlen, Fernand. "Sprachenpolitik in der Großregion SaarLorLux." Die Grossregion SaarLorLux: Anspruch, Wirklichkeiten, Perspektiven, edited by Wolfgang H. Lorig, Sascha Regolot, and Stefan Henn, Springer VS, 2016, pp. 73 – 94.

Legislative Actors' Resources

Parliamentary Resources
Score: 8

Luxembourg's members of parliament (MPs) must balance a heavy workload with dual mandates and other professional activities, including municipal councils and/or professional employment. According to the regulations of the unicameral Chamber of Deputies, members can employ a personal assistant and recuperate some costs within the limits of eligible expenses. In practice, the parliamentary groups instead employ a pool of assistants who work for all the MPs of their group, rather than each MP having his or her own assistant. MPs can consult with external experts as part of the functioning of parliamentary commissions. In addition, they have access to a central state computer system to review databases, surveys, reports, agendas and other important information.

Citation:
Règlement de la Chambre des Députés du 1.06.2015.

Reimen, Frank, and Jeannot Krecké. Die Abgeordnetenkammer: Theorie und Praxis parlamentarischer Kontrolle. Passerelle, 1999.

Obtaining Documents
Score: 8

In general, information flows freely between the government and coalition parties. In the cases where such flows are seen as incomplete, parliamentary questions (questions parlementaires) are a popular and effective way for members of parliament to obtain information from the government or to gain insight into specific topics. Furthermore, the prerogative to conduct parliamentary inquiries (enquête parlementaire), according to Article 64 (in conjunction with Article 70) of the constitution, gives the parliament oversight power over the government. Since 1980, the parliament has established four committees of inquiry (in 1980, 1989, 2003 and 2012).

There is no deliberate withholding of information within the parliament itself, as the opposition parties of today may be tomorrow's coalition partner. However, a few restrictions exist concerning sensitive issues or classified information. For instance, this has been the case with the scandals over the state's secret service (Service de renseignement de l'Etat luxembourgeois, SREL). The Parliamentary Oversight Commission for the State Secret Service (Commission de Contrôle parlementaire du Service de Renseignement de l'Etat) oversees the functioning of the SREL on behalf of the Chamber of Deputies.

Citation:
Kirps, Josée. "La passion du secret." Forum.lu, Feb. 2014, www.forum.lu/pdf/artikel/7796_337_Kirps.pdf. Accessed 21 Dec. 2017.

Rapport de la Commission d'enquête sur le Service de Renseignement de l'Etat. La commission d'enquête sur le Service de renseignement de l'Etat luxembourgeois, 2013. cbiver.eu/wp-content/uploads/2013/11/123656.pdf. Accessed 21 Feb. 2017.

Summoning Ministers
Score: 9

Interaction between the executive and the parliament is generally straightforward. Every member of parliament (MP) can introduce parliamentary questions (both written and oral) to ministers. Questions are addressed to the parliamentary president. Within one month, the responsible ministers have to respond and deliver more or less detailed information about policy decisions or activities of their departments. Questions and answers are fully published on the Chamber of Deputies' website. On Tuesdays, when the parliament convenes, there may be a lively question and answer session, covering a broad range of relevant issues posted by opposition parties.

In the 2015 parliamentary year, 966 questions were addressed, an increase compared to the 887 questions in the previous parliamentary year. In addition to the unrestricted exercise of parliamentary questions, informal exchanges between ministers and MPs are frequent. In the last 30 years, only four investigative parliamentary committees were put in place. In this case, parliament enjoys extensive rights, comparable to those of an investigating judge.

Citation:
Schroen, Michael. "Parlament, Regierung und Gesetzgebung." Das Politische System Luxemburgs: Eine Einführung, edited by Wolfgang H. Lorig and Mario Hirsch, Springer VS, 2008, pp. 106-129.

Rapport d'activité 2016. Ministère d'État, 2017. http://www.gouvernement.lu/6752004/2016-rapport-activite-etat.pdf. Accessed 21 Dec. 2017.

Summoning Experts
Score: 9

Consultation with experts and representatives of interest groups, regularly takes place in the course of various ongoing commission work. Domestic and foreign experts, as well as other lobbyists and concerned groups in civil society, may be invited to participate in commission meetings. Under particular circumstances of public interest, experts are invited to parliament to introduce subjects and to offer professional opinions.

In the case of important policy reform projects, the government usually asks for advice from reputable foreign institutes, being aware of the limited knowledge within the country. For example, a German and a Swiss institute were consulted over psychiatry reforms in health care. Such policy projects are implemented by a specific parliamentary commission and a budget allowance was made available to support outsourced inquiries. Innovation is often driven by foreign expertise and reports, which overcomes domestic resistance.
For instance, in April 2014, OECD experts invited by the parliament's Commission on Higher Education, Research, Media and Communications were asked to provide a new report reviewing innovation policy. This OECD report, published in April 2015, recommends a new strategy involving both diversification and consolidation.

Citation:
"Mémorial A n° 227 de 2014." Journal officiel du Grand-Duché de Luxembourg, 11 Dec. 2014, legilux.public.lu/eli/etat/leg/memorial/2014/227. Accessed 21 Feb. 2017.

Task Area Congruence
Score: 8

Parliamentary committees and ministries are well coordinated and parliamentary monitoring is satisfactory. Ministers appear regularly before committees and communication is adequate. Although the number of ministries has grown over the years, reaching 20 ministries and 15 ministers, the number of parliamentarians has still not increased beyond 60 members. Each committee has up to 13 members. As such, their workload has expanded considerably in recent years, which has made running standing committees more challenging. In general, MPs are often members of more than one committee.

Citation:
Better Regulation in Europe: Luxembourg. OECD, 2010. www.oecd.org/gov/regulatory-policy/46592016.pdf. Accessed 21 Dec. 2017.

"Ministres." Le portal de l'actualité gouvermentale, www.gouvernement.lu/3596522/20140328-. Accessed 21 Dec. 2017.

Audit Office
Score: 9

The Chamber of Auditors was upgraded in 1999 to become the Court of Auditors which manages the finances of the state administration. While keeping a low profile, the court effectively controls government spending, including that of ministries, public administration and other state services. It can audit the use of public funds and subsidies granted to public and private entities. The court essentially controls the effectiveness and efficiency of public spending, yet it is not authorized to express its opinion on the political wisdom of public spending. Its scrutiny completes the ongoing work done by internal auditors in each ministry. Furthermore, the court's main interlocutor is parliament and undertakes cases voluntarily or by parliamentary instruction.

Citation:
Annual reports and special reports are available at:

"Rapports." Cour des comptes du Grand-Duché de Luxembourg, http://www.cour-des-comptes.lu/fr/rapports.html. Accessed 21 Dec. 2017.

Ombuds Office
Score: 9

Since the launch of the Ombuds Office in May 2004, residents have sought guidance from this government office. The service is typically used more by foreigners rather than nationals. In 2016, the ombudsman dealt with 857 (2015: 743) requests, due to a strong increase of migrant complaints. Similar to other ombuds offices, the ombudsman can issue recommendations to government and parliament, but cannot take issues to court. In addition, the ombudsman is responsible to the parliament. The first ombudsman of Luxembourg, Marc Fischbach, was a former minister and a former judge at the Human Rights Court of the Council of Europe.

Luxembourg nationals have plenty of recourse when problems with the government administration arise, but the situation is not as simple for foreigners. Even though the country's labor market is the most transnational in the European Union, there are still numerous obstacles for Luxembourg migrants. Thus, the ombudsman has for years dealt with a number of migration issues.

Among the existing institutions that offer ombuds services (the Ombuds Office, the office for children's rights, the office for equality rights (based on EU directives 2000/43 and 2000/78) and the Human Rights Commission), the Ombuds Office is best equipped in terms of budget and staff and is most frequently used. The office has a good track record of finding solutions to problems, has issued a number of recommendations and monitors the implementation of the office's recommendations. One of the reasons for the office's success might be the preference of citizens to use mediation, instead of contention, a typical occurrence in societies with a strong tradition of consensus. Since February 2012, former Member of Parliament and Secretary of State Lydie Err has assumed the role of ombudsman.

Citation:
Médiateur. Journal Officiel du Grand-Duché de Luxembourg, 2003.
"WELCOME TO OMBUDSMAN.LU." http://www.ombudsman.lu/index.php?page=accueil&lang=en. Accessed 9. Feb. 2018.

Media

Media Reporting
Score: 7

Luxembourg's media outlets offer quality reporting on public affairs. All parliamentary debates are conducted in Luxembourgish and in public. Parliamentary meetings are broadcasted on Chamber TV (also available online) and debates of the country’s four largest local councils (Luxembourg City and Esch/ Alzette, Differdange, Dudelange) can be followed online. Furthermore, the Ministers’ irregular public press briefings are given more importance than under the previous administration.

In daily and weekly papers, articles are written in the three official languages (Luxembourgish, French and German) and sometimes in English as well. Certain newspapers are printed only in French; although an English-language monthly journal is also published. Moreover, the government is reforming the press subsidy system to include online media in recognition of the shifting media landscape.

Media coverage is often reactive, when issues have already reached the public in the form of draft legislation or through parliamentary debate. Furthermore, media outlets are quite often used as instruments by interest groups or lobbyists seeking to influence government decision-making in its early stages. Such procedures often have a strong influence on government thinking, as political actors need to take into account views and opinions that are published in the media. In addition, since the 2013 general election, social media has become more important due to the increasing number of social media users, and potential for disseminating information easily and rapidly.

Reporting has lost some of its partisan bias. Most media outlets, especially newspapers, have adopted more balanced reporting to preserve or enlarge their audience. The media does play an important role in uncovering information behind government scandals or issues. One example is the extensive media coverage of the so-called Bommeleer affair (a series of bombings of public infrastructure in the 1980s) that was finally brought to court. Allegations of dubious activities of the State Secret Service (SREL) also received extensive media coverage and were subsequently the subject of a special parliamentary inquiry. In these two events, media outlets played an crucial role in bringing light to issues that were not made clear by public prosecutors.

Citation:
“Das Bommeleeër-Dossier.” Luxemburger Wort, www.wort.lu/de/lokales/das-bommeleeer-dossier-5092c3a9e4b0fe37043e8be8. Accessed 21 Feb. 2017.

Esch.tv, esch.tv. Accessed 21 Feb. 2017.

Hilgert, Romain. “Unter dem Tresen des CSV-Staats.” Land.lu, 26 Apr. 2013, www.land.lu/2013/04/26/unter-dem-tresen-des-csv-staats /. Accessed 21 Feb. 2017.

“Länderporträt Luxemburg.” Mediandatenbank, www.mediadb.eu/de/europa/luxemburg.html. Accessed 21 Feb. 2017.

“Luxemburger gründen neues Webmagazin.” Tageblatt, 17 Oct. 2017, www.tageblatt.lu/headlines/luxemburger-journalisten-gruenden-web-magazin/. Accessed 30 Jan. 2018.

Parties and Interest Associations

Intra-party Democracy
Score: 8

Inner-party democracy has different levels of intensity within the four major political parties Christian Social People's (CSV), Democratic Party (DP), Luxembourg Socialist Workers' Party (LSAP) and Déi Gréng. The CSV has used its current oppositional role to pursue an internal modernization process while remaining faithful to its core principles. The party is engaging in internal structural reforms, while seeking to integrate more individual members and opinions into the process. However, since the end of 2013, a small group of CSV politicians known as the "Dräikinneksgrupp" has demanded an even stronger reorientation. This group has focused on strengthening internal dialog and moving toward a grassroots democracy and has called for a new culture of participation. The CSV adopted new internal governance statutes in December 2015.

The social democratic LSAP has expressed a clear determination to deepen its grassroots approach in the future. Internal party democracy for the liberal DP is limited by the power of a board of directors ("Comité directeur"), which makes most of the crucial decisions. Déi Gréng recently avowed a clear commitment to its grassroots movement, a principle it has followed since the party's foundation. At its convention in 2009, a majority of party members rejected a proposal to create a board of directors.

Citation:
"CSV vows fresh start for new year." Luxemburger Wort, 9 Jan. 2015, www.wort.lu/en/politics/winning-back-support-csv-vows-fresh-start-for-new-year-54af81ab0c88b46a8ce50ff3. Accessed 21 Feb. 2017.
"LSAP-Präsidium strebt neues Mandat an." LSAP, 16 Mar. 2016, www.lsap.lu/lsap-prasidium-strebt-neues-mandat-an/. Accessed 21 Feb. 2017.
Stoldt, Jürgen. "Welche Zukunft für die Volksparteien?" Forum.lu, Feb. 2015, www.forum.lu/pdf/artikel/8035_348_Stoldt.pdf. Accessed 21 Feb. 2017.
"Wir brauchen den politischen Wechsel." Luxemburger Wort, 15 Avril 2017, www.e-paper.wort.lu/eweb/spl/2017/04/15/w/2/1238019/?q=Dr%C3%A4ikinneksgrupp. Accessed 21 Dec. 2017.

Association Competence (Business)
Score: 8

Given Luxembourg's specific social partnership model, the government in general consults with unions, employers' organizations and professional chambers over each draft bill. Furthermore, all opinions, as well as the modified draft bills, are published on the parliament's website. The two employers' organizations (the Chambre de Commerce and the Chambre des Métiers), as well as the Luxembourg business union (Union des Entreprises Luxembourgeoises, UEL) support a research unit, enabling them to produce opinions on draft bills, to organize conferences and to draft future government bills.

Trade unions share this approach. The impact of trade unions increased as a result of the Parliamentary Act of 15 May 2008 (“statut unique”), which created just one employees’ union (Chambre des Salariés) in place of the previous two (one for manual laborers and one for white-collar workers). All citizens working in Luxembourg, except public servants, are automatically members and contribute to this organization – a keystone of Luxembourg’s neo-corporatist policy tradition. Both social partners commission expert advice and policy briefings either abroad or in Luxembourg, and both prepare position papers on the basis of their own resources.

Citation:
Chambre de Commerce Luxembourg, www.cc.lu. Accessed 21 Feb. 2017.

Chambre des Salariés Luxembourg, www.csl.lu. Accessed 21 Feb. 2017.

“L’UEL lance son nouveau site «Compétitivité – Tableau de bord».” Union des Entreprises Luxembourgeoises, www.uel.lu/445-l-uel-lance-son-nouveau-site-competitivite-tableau-de-bord. Accessed 21 Dec. 2017.

“Mémorial A n° 60 de 2008.” Journal officiel du Grand-Duché de Luxembourg, 15 May 2008, legilux.public.lu/eli/etat/leg/memorial/2008/60#page=2. Accessed 21 Dec. 2017.

Association Compentence (Others)
Score: 8

Interest groups have and can have an important impact on policymaking. However, drawing on academic knowledge within Luxembourg is limited. Some larger non-governmental organizations maintain small research departments and propagate their opinions through publications (Caritas, Mouvement Écologique, CEFIS, SOLEP, MECO, etc.) and conferences, by offering comments on draft bills, or by proposing policies. Voluntary working groups that act essentially as think tanks, have become more popular during the review period and many have chosen the future of Luxembourg as their focus; these groups include La Société Luxembourgeoise de l’Evaluation et de la Prospective (SOLEP), Luxembourg 2030, and 5 vir 12. These groups have considerable impact, considering the government’s practice of consulting all social partners and the overall small size of Luxembourg.

Citation:
2030.lu, www.2030.lu/en/home/. Accessed 21 Dec. 2017.

Centre d’étude et de formation interculturelles et sociales, www.cefis.lu. Accessed 21 Dec. 2017.

“Luxemburg.” Verbände und Interessengruppen in den Ländern der Europäischen Union, edited by Werner Reutter, VS Verlag für Sozialwissenschaften, 2012, pp. 417 – 444.

Mouvement Ecologique, www.meco.lu. Accessed 21 Dec. 2017.

Société Luxembourgeoise de l’Evaluation et de la Prospective, www.solep.lu. Accessed 21 Dec. 2017.

“Sozialalmanach.” Caritas.lu, www.caritas.lu/Ce-que-nous-disons/Sozialalmanach. Accessed 7 Dec. 2017.

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