INTERNATIONAL MIGRATION IN LUXEMBOURG

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IMPRESSUM

The opinions expressed in this report are those of the author. They do not necessarily reflect the positions of the Luxembourg Ministry of Family, Integration and the Greater Region nor do they represent National Government policy.

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<tr>
<td>ADEM</td>
<td>Agence pour le développement de l’emploi (Employment Agency)</td>
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<td>AIP</td>
<td>Applicant for international protection</td>
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<td>AIS</td>
<td>Agence immobilière sociale (social housing agency)</td>
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<td>AMIF</td>
<td>Asylum, Migration and Integration Fund</td>
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<tr>
<td>ASTI</td>
<td>Association de soutien aux travailleurs immigrés (Association for the Support of Immigrant Workers)</td>
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<td>AVVRL</td>
<td>Assisted Voluntary Return and Reintegration from Luxembourg</td>
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<td>BIP</td>
<td>Beneficiary of international protection</td>
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<tr>
<td>CAI</td>
<td>Contrat d’accueil et d’intégration (Welcome and Integration Contract)</td>
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<tr>
<td>CASNA</td>
<td>Cellule d’accueil scolaire pour élèves nouveaux arrivants (Reception desk for newly arrived pupils)</td>
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<tr>
<td>CCDH</td>
<td>Commission consultative des Droits de l’Homme (Consultative Commission on Human Rights)</td>
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<tr>
<td>CEFIS</td>
<td>Centre d’étude et de formation interculturelles et sociales (Centre for Intercultural and Social Studies and Training)</td>
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<tr>
<td>CESMI</td>
<td>Centre Ethnopsychiatrique de Soins pour Migrants et exilés (Ethnopsychiatric care centre for migrants and exiles)</td>
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<td>CET</td>
<td>Centre pour l’égalité de traitement (Centre for Equal Opportunities)</td>
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<td>CJEU</td>
<td>Court of Justice of the European Union</td>
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<tr>
<td>CLAE</td>
<td>Comité de liaison et d’action des étrangers (Foreigners’ Liaison and Action Committee)</td>
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<tr>
<td>CNPD</td>
<td>Commission nationale pour la protection des données (National commission for data protection)</td>
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<tr>
<td>CSA</td>
<td>Chèque-service accueil (care service vouchers)</td>
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<tr>
<td>EASO</td>
<td>European Asylum Support Office</td>
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<td>EUROSUR</td>
<td>European Border Surveillance System</td>
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<td>EMN</td>
<td>European Migration Network</td>
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<td>FAO</td>
<td>Food and Agriculture Organisation</td>
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<td>FRONTEX</td>
<td>European Border and Coast Guard Agency</td>
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<tr>
<td>GRETA</td>
<td>Council of Europe Group of Experts on Action against Trafficking in Human Beings</td>
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<td>ICP</td>
<td>Indicative Cooperation Programme</td>
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<td>ICT</td>
<td>Information and communication technology</td>
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<td>ILO</td>
<td>International Labour Organization</td>
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<tr>
<td>INL</td>
<td>Institut National des Langues (National Languages Institute)</td>
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<td>IOM</td>
<td>International Organization for Migration</td>
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<td>ISCO</td>
<td>International Standard Classification of Occupations</td>
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<td>ITM</td>
<td>Inspection du travail et des mines (Inspectorate of Labour and Mines)</td>
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<tr>
<td>LGBTI</td>
<td>Lesbian, gay, bisexual, transgender and intersex</td>
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<td>LISKO</td>
<td>Lëtzebuerger Integratiouns- a Sozialkohäsiounszenters (Luxembourgish Integration and Social Cohesion Centre)</td>
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<tr>
<td>NGO</td>
<td>Non-Governmental Organisation</td>
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<td>OECD</td>
<td>Organisation for Economic Cooperation and Development</td>
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<td>OLAI</td>
<td>Office luxembourgeois de l’accueil et de l’intégration - Luxembourg Reception and Integration Agency</td>
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<td>ONE</td>
<td>Office national de l’enfance (National childhood office)</td>
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<td>RMG</td>
<td>Revenu minimum garanti (guaranteed minimum income)</td>
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<td>SIRENE</td>
<td>Supplementary Information Request at the National Entries</td>
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<td>SIS</td>
<td>Schengen Information System</td>
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<tr>
<td>Acronym</td>
<td>Full Name</td>
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<tr>
<td>SNAS</td>
<td>Service national d’action sociale (National Social Action Service)</td>
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<tr>
<td>SNJ</td>
<td>Service National de Jeunesse (National Youth Service)</td>
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<tr>
<td>STATEC</td>
<td>Institut national de la statistique et des études économiques du Grand-Duché du Luxembourg (National Statistics and Economic Studies Institute of Luxembourg)</td>
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<tr>
<td>SYVICOL</td>
<td>Syndicat des villes et communes luxembourgeoises (Luxembourgish towns and local municipalities union)</td>
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<tr>
<td>TCN</td>
<td>Third-country national</td>
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<tr>
<td>UAM</td>
<td>Unaccompanied minor</td>
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<td>UNDP</td>
<td>United Nations Development Programme</td>
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<tr>
<td>UNHCR</td>
<td>United Nations High Commissioner for Refugees</td>
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<tr>
<td>UNIDO</td>
<td>United Nations Industrial Development Organization</td>
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<tr>
<td>VIS</td>
<td>Visa Information System</td>
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1. Summary

The total population of Luxembourg continued to increase during 2016, growing by 2.5% year-on-year and reaching 590,667. As of 1 January 2017, the Luxembourghish population represented 52.3% of the total population. The 2016 growth can be largely attributed to an increase in non-Luxembourgish EU28 nationals (+4.7%), with overall increases also seen for third-country nationals (+3.8%). The native population increased by 0.7% year-on-year. This growth is in line with overall trends: since the beginning of the migration crisis in 2014, the number of third-country nationals in Luxembourg has increased by 19.3% in Luxembourg – from a low base of 34,195 people in 2014 to 40,792 in 2017. During the same period, the EU28 population (excluding Luxembourg) rose by 12.1%, and the native population by 2.8%. Overall, the resident population has grown by 7.5% between 2014 and 2017.

From 2015 to 2016, the number of new arrivals to Luxembourg decreased from 23,803 to 22,888, breaking a six-year period of continuous increase.

Emigration has been on the rise since 2012, reaching 13,440 in 2016. Emigration from the eight most significant foreign populations (Belgium, France, Germany, Italy, Netherlands, Spain, Portugal, and USA) rose during 2016, and also for country groups such as Africa, Other European Countries and Other Countries. Most emigration took place to other EU28 countries (4886), Portugal (2160) and France (1942). Immigration grew slightly (2%) during 2016, with immigration from other EU28 countries reaching a record high (6425) during the year. High rates of immigration can also be seen from France (3962) and Portugal (3355). Of recorded non-EEA countries, the USA recorded negative net migration (-88), with Africa and the rest of the Other Countries (excluding EU and USA/Africa) showing positive net migration (917 and 1609 respectively).

Net migration has been at its lowest within the last six years, with net immigration accounting for 81.9% of the population growth (compared with 84% in 2015). Natural increase accounts for 18.1% (versus 16% in 2015).

Immigrants from other European Union (EU28) Member States and neighbouring countries make up the main share of the foreign population residing in Luxembourg. Portuguese are the largest foreign population (16.4% of total population as of 1 January 2017), with the highest inflow in 2016. They are followed by nationals of France (7.5%), Italy (3.6%), Belgium (3.4%) and Germany (2.2%). Among non-EU countries, Montenegro ranks eighth, with a population share of 0.75%, followed by China (0.55%), Cape Verde (0.48%), Serbia (0.39%) and Bosnia and Herzegovina (0.37%).

While the proportion of Luxembourghish nationals among the resident working population was above 50.3% in 2015, it dropped below 50% in the first quarter of 2017. Some 44% of the working population were EU28 nationals and 6% non-EU nationals. Luxembourg’s economy is reliant on its employment of cross-border workers. In 2016, French nationals maintained and increased their proportion of over 50% of the cross-border working population, reaching 51.4% in Q1 2017, at the expense of both Belgian (24.4%) and German (24.2%) cross-border workers. They mainly work in sectors such as construction, administrative/support service, accommodation/food service, as well as in the financial/insurance sector or professional, scientific and technical activities. Between 2010 and 2017, the number of foreign salaried workers showed the greatest continuous increase in sectors such as professional, scientific and technical activities, administrative and support services, and financial and insurance services. Regarding specific permits, nationals of China (119 permits), India (70 permits) and Montenegro (40 permits) accounted for 31% of all first issues of residence permits for salaried workers. Indian nationals were the single largest nationality group receiving their first issue of EU Blue Cards, with 90 issued during 2016. This was followed by US nationals (58 permits) and Russian nationals (36 permits).
After reaching a peak in 2015, the number of applications for international protection slightly decreased in 2016, from 2447 in 2015 to 2035 in 2016 (decrease of 16.8%). Even if the trend slowed down, it remains higher than the levels of 2013-2015. Syrian nationals remain the first nationality of applicants for international protection (14.3%), Iraqi nationals dropping to 4th place (7.9%) after Albanian nationals (11.2%) and Kosovars (10.2%). Luxembourg remains the Member State hosting the 4th highest number of applicants for international protection applicants in relation to the national population. The international protection recognition rate increased from 228 (200 refugee status and 28 subsidiary protection) in 2015 to 790 (764 refugee status and 26 subsidiary protection) in 2016. This represents an increase of 246.5% of positive decisions year-on-year.

Luxembourg continues to demonstrate its solidarity in respect of the relocation and resettlement of international protection applicants. In 2015, Luxembourg pledged to relocate 557 individuals to Luxembourg in the framework of the EU Council decision to relocate 160,000 international protection applicants from Greece and Italy. Within this framework, 197 refugees had been relocated by the end of 2016. From January 2017 to 18 August 2017, Luxembourg relocated 186 people. With regards to resettlement, 52 refugees were resettled from Turkey in 2016 as a result of Luxembourg’s pledge to resettle 194 refugees from Turkey in the context of the EU-Turkey agreement of March 2016. 115 people were resettled between 1st January 2017 and 18th August 2017.

New pieces of legislation were enacted during 2016/2017 to assist with the specific migration situation in Luxembourg. Major policy developments related to the implementation of changes to asylum legislation and procedures, education and language reform, and revised integration measures in response to changing migration profiles within Luxembourg. A focus on economic migration took place to promote economic diversification, start-ups and the repositioning of the financial centre.

The Law of 8th March 2017 transposes two EU directives into law: 2014/36/EU on seasonal workers and 2014/66/EU on intra-corporate transfers. This law amends existing legislation in the domain of legal migration affecting salary workers, independent workers, European Blue Card holders, students, family members. It also introduces a new “investor” authorisation to stay. New salary thresholds apply to European Blue Card holders and their validity has increased from 2 to 4 years. A newly introduced mechanism for continuation of activity allows Luxembourgish backup centres to become operational centres in the event of a major incident in a third country, as well as for their employees. To attract the TCNs needed to satisfy the labour demand of the Luxembourgish economy, the Law of 8th March 2017 eliminates the one-year waiting period for immediate family reunification (spouse, partner, minor child) previously in place for certain categories of TCN sponsors (e.g. salaried workers, independent workers), except for the applicant’s first degree relatives in a direct ascending line. New amendments facilitate the granting of residence permits to salaried workers and independent workers. Simplified rules have been brought in for TCN students to remain in Luxembourg after finishing their studies without leaving the country first.

Following the outcome of the 2015 referendum in Luxembourg on the granting of voting rights to foreign residents, discussions relating to the particular demographic situation and its consequences for Luxembourg resulted in the Law of 8th March 2017 on Luxembourgish Nationality. The main changes relate to decreasing the length of residence requirement for naturalisation from 7 to 5 years, introducing the right of birthplace for the first generation, and reintroducing a simplified way of acquiring Luxembourgish nationality by ‘option’ in 10 different cases with varying conditions. New scenarios to avoid cases of statelessness have also been introduced. Language and other

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requirements have been modified to ensure that a basic knowledge of Luxembourgish is acquired, as well as associated civic knowledge.

The integration context in Luxembourg has changed following the large increase in applicants for international protection (AIP) in Luxembourg since 2015. A series of pilot projects were launched to identify and address new integration needs. A pilot project called “Welcome to Luxembourg” ran during the year and specifically targeted AIPs, to provide education about the fundamental values of Luxembourgish society, such as equality. Major developments include the setting up of integration projects by the municipalities in the context of the “Communal Integration Plan” project and the opening of Luxembourg’s Centre for Integration and Cohesion (LISKO), supporting refugees in their integration process. The development of a national action plan on integration is underway and expected by the end of 2017.

The composition of the pupil population in Luxembourg – with 36.5% speaking Luxembourgish as their first language at home – reflects a growing heterogeneity of Luxembourgish society. 2016/2017 saw efforts to diversify educational offerings at all levels, including new public international schools and additional primary/post-primary international English-speaking classes to encourage foreign investors, companies or scientists to settle with their families in Luxembourg.

The Law of 28th October 2016 on the recognition of professional qualifications, which transposes EU Directive 2013/55/EU, simplifies the procedure for the recognition of professional qualifications, and creates a register for professional titles and a register for qualification titles. This law enlarges the scope for recognition of qualifications, allowing immigrants to further integrate into Luxembourgish society by entering the labour market. In addition, the University of Luxembourg created an ‘integration office’ to facilitate the university entry of AIPs and BIPs, by offering them individual interviews and orientation support. AIPs can follow courses as guest attendees, and after receiving BIP status, they can register for a study programme.

With the Law of 8th March 2017 on Luxembourgish nationality coming into force, demand for Luxembourgish courses from TCNs who wish to obtain Luxembourgish nationality has increased. Access to language courses is guaranteed through the Welcome and Integration Contract (CAI), which offers courses in French, German or Luxembourgish at a reduced price.

Several initiatives around counter-trafficking have taken place in recent years, and specifically on 29th June 2016; a new strategy on prostitution was presented, including an action plan around legal/social support in relation to prostitution and Draft law no. 7008 to penalise clients in cases involving minors, vulnerable persons or victims of sexual exploitation, amongst others.

With the immigration influx in 2015/2016, the number of TCNs in an irregular situation has increased substantially, and return policy became a priority during 2016. Luxembourg confirmed its willingness to cooperate on returns and wants to further explore the potential for cooperation. Following the significant increase of unfounded applications, a number of administrative changes were introduced in the international protection procedure. Among others, the Refugee Department of the Directorate of Immigration is working on an ultra-expedited procedure for these applicants. On 1st April 2017, a new emergency accommodation centre, called "Structure d'hébergement d'urgence au Kirchberg" (SHUK), became operational. The structure, under the responsibility of the Detention Centre, accommodates APIs for whose application Luxembourg has declared itself not to have competence (these applicants having applied for international protection in another Member State (Dublin cases) or being applicants from safe countries of origin).
2. Major developments in migration and integration policy

In 2016, several significant policy changes were introduced in the migration and integration arena in Luxembourg. Major developments related to the implementation of changes to asylum legislation and procedures, education language reform and new integration measures adapted to specific needs of a changed migration profile. In addition, the Luxembourgish government introduced economic migration amendments, with the aim of encouraging economic diversification and entrepreneurship.¹

2.1. Legislative changes regarding entry, stay and work of foreigners for different purposes

2.1.1. Amendments to the Immigration Law

Draft law no. 6992, amending the law on free movement of persons and immigration, was introduced to parliament on 18th May 2016. The draft law enhances the mobility of workers and creates a legal situation for investors by amending: (1) the amended law of 29th August 2008 on the free movement of persons and immigration; (2) the amended law of 28th May 2009 on the detention centre; and (3) the law of 2nd September 2011 regulating access to the professions of craftsmen, traders, industrialists and certain liberal professions.²

Draft law no. 6992 was approved by the Law of 8th March 2017³ and transposes two EU directives into national law: 2014/36/EU on seasonal workers and 2014/66/EU on intra-corporate transfers.⁴

The Law of 8th March 2017 amends existing legislation in the domain of legal migration affecting salaried workers, independent workers, European Blue Card holders, students and family members. It introduces a new authorisation to stay for investors.

The law introduced the following main amendments:

1. Transposition of EU Directive 2014/36/EU on Seasonal Workers

The law transposes EU Directive 2014/36/EU on the conditions of entry and residence of third-country nationals (TCNs) for employment as seasonal workers. It introduces the notion of seasonal worker into national law.⁵

According to the law, a third-country national legally residing in his/her country of origin who has a valid working contract in Luxembourg for a seasonal activity,⁷ as well as proof of appropriate accommodation⁸ and health insurance⁹, will be issued an authorisation to work and if required, a short-term visa for a maximum of 90 days. If the seasonal work exceeds 90 days, the worker will be issued an authorisation to stay as a ‘seasonal worker’ under the same conditions.
Table 1: Main characteristics of seasonal worker residence permits

<table>
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<tr>
<th>Provisions</th>
<th>Specifications</th>
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<tr>
<td>Application</td>
<td>The seasonal worker’s application can be lodged either by the applicant or the employer in Luxembourg to simplify and accelerate the procedure.¹¹</td>
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<tr>
<td>Duration</td>
<td>The duration of the residence permit cannot exceed a total of five months in a period of 12 months.¹²</td>
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<tr>
<td>Qualification recognition</td>
<td>Seasonal workers have the right to have their diplomas recognised, and the right to education or professional training if directly linked to their professional activity.¹³</td>
</tr>
<tr>
<td>Status/Authorisation</td>
<td>A seasonal worker cannot change his/her status to “salaried worker”¹⁴, and an authorisation to stay for seasonal work or a seasonal worker’s work permit can be withdrawn in cases where the employer creates such a short-term vacancy by cutting an existing full-time job.¹⁵</td>
</tr>
<tr>
<td>Employer sanctions/Worker protections</td>
<td>Employers are sanctioned in cases where the seasonal worker’s work authorisation or visa is withdrawn for reasons related to the employer’s conduct: the employer is required to pay the worker compensation equivalent to the salary due for the rest of the duration of the contract.¹⁶</td>
</tr>
</tbody>
</table>


The law also transposes EU Directive 2014/66/EU on intra-corporate transfers (“ICT”) into national law.¹⁷

With the new law, managers or specialists, as well as trainees, are eligible for an intra-corporate transfer under certain conditions.

**Managers or specialists** can receive an “ICT” permit for a minimum duration of one year (maximum duration of three years) if they have worked with the company for an uninterrupted period of three to twelve months before the application is filed.¹⁸

**Trainees** who have worked at the company for an uninterrupted period of three to six months directly preceding the application are also eligible,¹⁹ with the maximum duration of the permit being one year. The ICT residence permit is renewable if the required conditions are still fulfilled.²⁰

The law introduced the concept of short-term²¹ and long-term mobility²² for persons holding an ICT residence permit issued by another EU Member State. Regarding short-term mobility, ‘ICT’ residence permit holders from another Member State will be authorised to work in Luxembourg for a duration of no more than 90 days within a period of 180 days (under several conditions).²³ With regard to long-term mobility, an ‘ICT’ residence permit holder from another EU Member State will be authorised to work in Luxembourg for a duration that exceeds 90 days.²⁴

3. Amendments to the EU “European Blue Card” residence permit

The law also makes the EU Blue Card Scheme more flexible and attractive by increasing the "European Blue Card" residence permit’s²⁵ period of validity for highly qualified workers from 2 to 4
New salary thresholds for applying for the European Blue Card as a highly qualified worker entered into force on 30th June 2016, requiring:

1. at least 1.5 times the average gross salary in Luxembourg;
2. at least the equivalent to 1.2 times the average gross annual salary in Luxembourg for jobs for which a particular need for workers from third countries is recognised by the government. The professions to which the salary threshold of 1.2 times the average annual salary applies are: mathematicians, actuaries and statisticians, systems analysts, software developers, web and multimedia developers, applications programmers, software and applications developers and analysts not elsewhere classified.

4. Introduction of a mechanism for continuation of activity

The law of 8 March 2017 introduces a mechanism for continuation of activity, which allows registered entities situated in a third country to continue their activities on Luxembourgish territory in the event of a major incident (e.g. geopolitical incident, data processing incident or natural disaster) occurring in their country of origin. While Luxembourg remains the site for continuation of activity functions as a backup centre during normal times, in times of crisis it is intended to become an operational centre from which the company’s key employees will work. In the event of a major incident, the third-country national workers will receive a residence permit of the category “salaried worker” valid for one year at most, and renewable for one year upon request if they can prove that they have health insurance and appropriate accommodation.

If the entity establishes itself in Luxembourg permanently, their third-country national employees can apply for a “salaried worker” or “highly qualified worker” authorisation to stay.

The authorisation to stay can be withdrawn once the situation in the country of origin has normalised and the continuation of activity from Luxembourg is no longer required.

5. Amendments to the rules on family reunification

The new law extends the right to immediate family reunification for salaried and independent workers by abolishing the one-year waiting period that applied to those categories of TCN sponsors wishing to apply for family reunification.

The waiting period is only applicable to parents of the sponsor or of his/her spouse/partner and unmarried adult children of the sponsor or their spouse/partner when they are objectively unable to provide for themselves because of their health status). According to the amendment, the sponsor’s spouse, registered partner or minor child can now join the sponsor directly after his/her residence permit has been granted.

6. Amendments to the rules applying to salaried and independent workers, investors and students

The law amends certain articles of the Immigration Law regarding salaried and independent workers, to allow greater flexibility in order to further attract these categories of workers.

A third-country national who is a corporate officer or manager of a corporation for which s/he is the holder of an authorisation of establishment, a ministerial accreditation, and has a contract of employment is allowed either to apply for a European Blue Card residence permit or a salaried worker’s residence permit. The corporation must be part of a corporate group and it must be established and have a genuine economic activity in the Grand Duchy of Luxembourg.
The law also introduced amendments to facilitate the granting of an independent worker’s residence permit to a corporate officer who does not have a direct dependency link with the corporation. Amendments were introduced around the authorisation to stay for students. They aimed to simplify the possibility for TCNs to remain in Luxembourg after the conclusion of their studies (see Section 2.5.8.5.1), and in particular to access the labour market as a salaried worker or as an independent worker and the duration of validity of the relevant residence permit is no longer limited to two years.

Finally, the law creates a new authorisation to stay for “investors” (see Chapter 4). \(^{42}\)

7. Change of status

The law clearly specifies categories of third-country nationals (TCNs) not authorised to change their status during their stay. Individuals holding a residence permit for medical treatment, as well as persons with a residence permit in the categories ‘pupil’, ‘trainee’, ‘volunteer’, ‘au pair’ and ‘seasonal worker’ are not authorised to change their permission status during their stay. \(^{43}\)

2.1.2. Other developments regarding economic migration

2.1.2.1. Agreement between Luxembourg and Cape Verde

On 9th December 2016, \(^{44}\) the Council of Government approved a draft law in order to ratify the agreement between the Grand Duchy of Luxembourg and the Republic of Cape Verde on the concerted management of migratory flows and solidarity-based development. The Draft law no. 7107 was approved by Parliament on 6th July 2017 \(^{45}\) and it became the Law of 20th July 2017. \(^{46}\)

The purpose of the agreement is to facilitate the movement of persons, and to encourage temporary circular work-related migration between Luxembourg and Cape Verde. The two countries will facilitate the issuing of short-term visas for nationals of the other country. \(^{47}\) The agreement also foresees leveraging migrants’ skills and resources for solidarity-based development and the implementation of incentives to facilitate the reintegration of migrants in their countries of origin. \(^{48}\)

Cape Verdean students who have completed their studies and wish to gain initial post-qualification experience now have the possibility to access a salaried worker’s residence permit in Luxembourg for a maximum duration of two years. \(^{49}\)

2.1.2.2. ‘Working Holiday’ Visa Agreements

On 1st January 2017, an agreement between Luxembourg and Australia concerning the ‘working holiday visa’ entered into force. It enables 100 individuals per partner state - aged between 18 and 30 - to travel and work or study for the duration of a year in the other partner country. \(^{50}\)

Luxembourg also reached a ‘Working Holiday’ Visa Agreement with New Zealand, allowing 50 individuals from each partner country - between 18 and 30 years of age - to obtain a 12-month visa for the partner country, for the duration of which they can work or study. \(^{51}\) The agreement entered into force on 9th May 2017.

2.1.3. Visa policy

The final implementation phase of the Schengen Visa Information System was completed in February 2016, and all stations connected to the VIS are operational. Certain categories of applicants must
provide their fingerprints when they submit visa requests.\textsuperscript{52} 

As Luxembourg retains few diplomatic representations abroad\textsuperscript{53}, the granting of entry visas is done through diplomatic representations of other Member States of the Schengen Area (Austria, Belgium, France, Germany, Hungary, Italy, Netherlands, Norway, Portugal, Slovenia, Spain, Sweden and Switzerland).\textsuperscript{54} 

During 2016, the \textit{visa liberalisation} regime was reviewed by the European Council. On 17\textsuperscript{th} November, the Committee of Permanent Representatives agreed, on behalf of the Council, a negotiating position on visa liberalisation for Ukraine.\textsuperscript{55} However, due to the migration influx, the European Commission’s proposals for visa liberalisation for Georgia, Ukraine, Turkey and Kosovo triggered a revision of the current suspension mechanism. In this context, the Luxembourg Minister of Foreign and European Affairs confirmed that strict guarantees are an indispensable precondition for Luxembourg’s agreement to a liberalisation of the visa regime for Kosovar citizens. Concerning Ukraine and Georgia, the minister noted that Luxembourg demands that both states fulfil the criteria defined by the European Council, to avoid abuse.\textsuperscript{56} 

\textbf{2.2. Legislative and policy changes in naturalisation policy} 

\textbf{2.2.1. New law on Luxembourgish nationality} 

On 24\textsuperscript{th} March 2016, draft law no. 6977\textsuperscript{57} regarding Luxembourgish nationality was introduced to parliament. The draft law was approved by parliament, resulting in the Law of 8\textsuperscript{th} March 2017 on Luxembourgish Nationality.\textsuperscript{58} The legislation provides for the particular demographic situation of Luxembourg, which is characterised by a significant increase in the total population and a decreasing proportion of Luxembourgers within it.\textsuperscript{59} 

The main changes introduced by the law are summarised in the table below.
Table 2: Main changes to Luxembourgish nationality law by way of the Law of 8th March 2017

<table>
<thead>
<tr>
<th>Area</th>
<th>Requirements</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Residence</strong></td>
<td>The length of the residence required to allow a person to apply for naturalisation is decreased from 7 to 5 years, and only the last year of residence prior to the application must be uninterrupted.60</td>
</tr>
</tbody>
</table>
| **Special considerations / Application process** | The law introduces the right of birthplace (jus soli) for the first generation. Thus, persons born in Luxembourg automatically become Luxembourgish at the age of attaining majority if they have completed an uninterrupted period of residence during the 5 years preceding their majority, and if one of the foreign (adoptive) parents lawfully resided in Luxembourg during the 12 months immediately preceding the birth of the child. They are exempted from language and civic courses.61 Children born in Luxembourg have the possibility to access the option procedure from the age of 12 (see below) if they fulfil the double requirement of residence mentioned above. The Law introduces a simplified way of acquiring Luxembourgish nationality by ‘option’, which was abandoned in the Law of 23 October 2008. The option concerns persons who have a particularly close connection with Luxembourg:62  
1. to adults with a parent, adoptive parent or grandparent who is or was Luxembourgish; or  
2. to parents of a Luxembourgish minor; or  
3. in the event of marriage to a Luxembourgish national; or  
4. to persons born in Luxembourg, over the age of 12; or  
   • to adults having completed 7 years of schooling in Luxembourg; or  
   • to adults residing legally in Luxembourg for at least 20 years; or  
   • to adults having fulfilled the obligations arising from the Welcome and Integration Contract (Contrat d'accueil et d'intégration); or  
   • to adults who settled in Luxembourg before the age of 18; or  
   • to adults with stateless person, refugee or subsidiary protection status; or  
   • to volunteer soldiers.  
Even though the procedure of option is the same in all the ten foreseen cases, the conditions to access to nationality differ according to case. The required duration of residence varies depending on the option pursued, and certain individuals are exempted from the linguistic requirement and from following the course “Vivre ensemble au Grand-Duché de Luxembourg”. One of most important changes in the 2016 Law is that the individuals who have resided in Luxembourg for at least 20 years can opt for Luxembourgish nationality if they have followed a language course of 24 hours provided by the National Institute of Languages (INSL) or by an approved service provider. The Law introduces new scenarios to avoid cases of statelessness.63  
The possibility of acquiring Luxembourgish nationality by way of recovery for the descendants of a Luxembourgish ancestor on the date of 1 January 1900 is limited in time. Thus, the request for the certification as a descendant of a Luxembourgish ancestor must be submitted to the Ministry of Justice until 31 December 2018 and the declaration of recovery must be signed before the registrar until 31 December 2020.64 |
| **Language** | Successful completion of the oral expression exam is sufficient to pass the |
**requirement**

language test, while an insufficient result on the oral expression exam can be balanced by the score obtained in the oral comprehension test.

**Other requirements**

Introduction of the course "*Vivre ensemble au Grand-Duché*"^67, covering three modules: a) fundamental rights of citizens (6 hours); b) state and local institutions in the Grand Duchy of Luxembourg (12 hours); c) the history of the Grand Duchy of Luxembourg and European integration (6 hours), with a total duration of 24 hours^68 that the applicant must pass in order to apply for nationality.

2.2.2. Statelessness

On 23 March 2016, the government introduced to parliament draft law no. 6974 approving three international conventions on the topic of *statelessness*: the UN Convention on the Reduction of Statelessness concluded in 1961; the European Convention on Nationality concluded in 1997, as well as the Council of Europe Convention on the avoidance of statelessness in relation to the succession of States concluded in 2006.^69

By adhering to these international conventions, Luxembourg expressed its will to combat the issue of statelessness and cooperate with its international partners in the domain of nationality. Draft law no. 6974 was approved by parliament and it became the Law of 8th March 2017.

In August 2016, Luxembourg adopted an administrative procedure relating to the application for recognition of stateless status.^70 One of the changes introduced by this administrative procedure is that the stateless person has to legally reside in Luxembourg in order to apply for statelessness status.^71

2.3. Human trafficking

Luxembourg held the Presidency of Benelux in 2016, and trafficking was a flagship topic of this Presidency within the domain of Justice and Home Affairs. Two days of exchange were organised in September and October 2016, with the aim of encouraging regional cooperation among reception facilities for victims and to provide the best possible protection to the victims.^72

In 2016 the government undertook several actions on the subject.

On 29th June 2016, the Minister for Equal Opportunities and the Minister of Justice presented a new strategy with regard to prostitution. The strategy consists on the one hand of a draft law and on the other of the first National Action Plan (PAN) on “Prostitution”:

(1) The **Action Plan** is organised around several key priorities including strengthening of the social, psychosocial and medical support on offer, as well as the reinforcement of the existing legal framework to combat exploitation of another person’s prostitution, procuring and trafficking of human beings.^73

(2) **Draft law no. 7008**^74 foresees, among other things, the penalisation of clients in cases involving minors, vulnerable persons or victims of sexual exploitation, with the possibility of waiving public prosecution of the client under certain conditions (i.e. client testimonial). It furthermore foresees the institutionalisation of the “prostitution” platform as a permanent committee, and the creation of synergies with the “trafficking” monitoring committee.^75

In addition, Luxembourg collaborated with the Netherlands, Slovakia and Malta on the organisation of a conference on trafficking relating to illegal employment, organised in Amsterdam in January.
Experts from GRETA (Group of Experts on Action against Trafficking in Human Beings) were welcomed to Luxembourg at the end of 2015 to discuss Luxembourg’s report by GRETA, which was sent to the Council of Europe and was subject to a second evaluation in the beginning of 2017.76

On 2nd December 2016, under Luxembourg’s presidency of Benelux, the Ministers of Justice of Luxembourg and Belgium and the Deputy Ambassador of the Netherlands to Luxembourg signed a declaration of intent regarding cooperation in the fight against human trafficking. The declaration covers cooperation regarding reception centres, assistance to victims, judicial authorities, police services, immigration and integration and the services of social and labour inspection. An ad hoc working group will be set up to develop approaches to multidisciplinary cooperation across the Benelux borders. It will focus on exchange of best practice, organisation of common training, facilitating exchange, improve cooperation on the existing national instances of orientation for victims, as well as the need to develop a Benelux legal tool. An information brochure has also been developed to explain the various Benelux legislations, principal actors and the varying national mechanisms to aid victims of human trafficking.77

2.4. International Protection

2.4.1. Applications for international protection

After reaching a peak in 2015, the number of applications for international protection slightly decreased in 2016, from 2447 in 2015 to 2035 in 2016 (a decrease of 16.8%). Even if the trend has slowed down, it remains higher than the levels of 2013-2015. Syrian nationals account for the highest proportion of applicants for international protection (14.3%), Iraqi nationals falling to the 4th place (7.9%) after Albanian nationals (11.2%) and Kosovars (10.2%). Luxembourg remains the 4th highest host Member State of international protection applicants in relation to their national population.2

In 2016, 1,476 of all applicants for international protection (AIPs) were men (72.5%) and 559 (27.5%) were women.78 There were 51 applications from unaccompanied minors.79

2.4.2. Implementation of the Common European Asylum System

2.4.2.1. Coming into force of the new asylum law

The Law of 18 December 2015 on international protection and temporary protection transposed the Directive 2013/32/EU (re-cast procedure) into national law.

Its aim is to establish the procedures for granting and withdrawing international protection, and to standardise the status of refugees and beneficiaries of subsidiary protection as regards the content of this protection (for details of changes introduced, see the SOPEMI report published in 2016).

Following the EU Common Asylum and Integration System policy and negotiations with the Republic of Georgia, on 14th July 2017 the Luxembourg Government Council approved an amendment to the Grand Ducal regulation on safe country of origin to include Georgia as a safe country of origin in accordance with Article 30 of the Law of 18th December 2015 on international protection and temporary protection.

During his intervention in parliament on 8th February 2017, the Minister for Immigration and Asylum mentioned the implementation of an ultra-expedited procedure to deal with unfounded applications (applicants from safe countries of origin and Dublin cases) and to expedite the return of individuals whose applications for international protection had been rejected. The Directorate of Immigration is developing legal mechanisms to implement this new ultra-expedited procedure.

2.4.2.2. Coming into force of the Law on the reception of applicants for international protection and temporary protection

The Law of 18th December 2015 on the reception of applicants for international protection and temporary protection transposes Directive 2013/33/EU (re-cast reception conditions) into national law.

The entry into force of the law provides, among other things, special care to vulnerable groups of AIPs and reduces the time for application for a temporary occupation authorisation (AOT) from nine to six months (for details of the changes introduced, see the SOPEMI report published in 2016).

2.4.3. Organisational changes

The reorganisation of the Luxembourg Reception and Integration Agency (OLAI), which was started in 2015, continued during 2016. A new organisational structure, split into several divisions, was set up and additional resources were allocated to recruit additional staff (permanent and temporary) in order to deal with the increased influx of APIs. The recruitment of additional staff enabled:

- the reinforcement of assistance and social care agents as well as the teams who guarantee the accommodation and rehousing of international protection applicants
- the creation of an administrative team dedicated to the drafting and monitoring of procurement activities as well as sustainable quality control of the reception facilities
- the specific training needs of the staff to be met.

OLAI also implemented a communications strategy in order to respond to the increased need for information with regard to international protection and the work of OLAI in general. This communications strategy includes, most notably, the creation of a transparent information procedure, informative tools aimed at the media and the general public, as well as the publication of an information brochure for municipal staff and residents on all aspects of the reception of applicants for international protection.

The Directorate of Immigration, falling under the responsibility of the Ministry of Foreign and European Affairs, recruited additional staff in order to respond to the increasing number of applications and reorganised the Refugee Department, creating a Country of Origin Information Unit. It also provided specialised training to interviewing officers and decision-makers according to geographical regions. The number of decisions taken increased from 1232 decisions in 2015 to 2319 in 2016.

2.4.4. Reception of applicants for international protection

Since 2015, numbers of applicants for international protection have remained at a high level, with on average 170 new applicants per month in 2016. Throughout the mass influx, the priority of the

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Please note that this number does not include refugees arriving in Luxembourg within the European
Luxembourghish authorities has been to ensure the wellbeing of AIPs by providing adequate material reception conditions (housing, food, clothing, hygiene products, financial allowances, free public transport, vouchers for school materials). In addition to the material conditions, applicants are provided with health care, schooling, professional training and welfare guidance.

OLAI is the authority in charge of providing material conditions and welfare guidance to AIPs. After filing a request for international protection at the Immigration Office of the Ministry of Foreign and European Affairs, applicants will meet a social worker posted by OLAI, who will explain their rights and obligations during their stay in Luxembourg.

In order to be able to continue benefiting from material assistance, applicants are required to report to OLAI on a monthly basis. For instance, in October 2016, 1,222 people presented themselves at OLAI offices. On average, in 2016 one social worker had a case load of 150 applicants. The most frequently raised questions and the most frequently encountered problems relate to housing, financial matters and access to training.

2.4.5. Housing

Even though the number of available beds for AIPs significantly increased from 2,000 beds to 4,400 beds in 2016 due to increased collaboration at the local level, the steady flow of new applicants for international protection continues to pose a major challenge to OLAI in terms of housing.

In 2016, the accommodation facilities of AIPs managed by OLAI were organised in three phases (phase 1, 2 and 3). OLAI has 360 beds in phase 1 (first 72 hours), 308 beds in phase 2 (emergency shelters – 6 to 8 weeks) and 3,640 beds in phase 3 (permanent structures). The total accommodation capacity was spread over 93 different sites.85

The continued high inflow registered in 2016 led to a growing concern regarding the number of beds available for AIPs in Luxembourg. At the end of 2016, the average occupation rate of beds in its permanent reception facilities was 76%.86

The pressure that the closure of existing structures due to expiry of contracts, sanitary requirements or risk control puts on the number of available beds is further intensified by the considerable number of returnees and beneficiaries of international protection (BPI) living in reception structures. BIPs frequently struggle to find affordable accommodation in Luxembourg and are thus unable to vacate the reception facilities. At the end of 2016, 23% of those housed in OLAI structures were BIPs. Additionally, 14% of those housed in reception facilities were rejected AIPs who were awaiting their return to their country of origin.87 Furthermore, the number of BIPs seeking family reunification has steadily increased throughout 2016, a trend which is most likely to intensify in 2017.

Most reception facilities function without permanent supervisory staff on site, but OLAI has continued to increase the number of reception facilities which are administered by external partners such as the Luxembourgish Red Cross, Caritas and ASTI.

The largest reception facilities and facilities that host vulnerable individuals are provided with permanent security staff.

65 different nationalities were accommodated in 93 accommodation facilities during 2016 (from Syria (25%), Iraq (20%), western Balkan countries (20%) and Afghanistan (7%)).

The establishment of a reception facility takes place in coordination with different partners: municipal authorities, the Ministry of Home Affairs, the Ministry of Sustainable Development and Infrastructure and the Ministry of Education, Children and Youth. Each time a new reception facility resettlement programme.
is opened, OLAI can, with the collaboration of ministerial partners and the administrations of the other reception facilities and at the request of the municipalities, organise public information meetings at the local level.

2.4.6. Strengthened inter-ministerial and local collaboration

Over the course of 2015, OLAI reinforced its collaboration with its ministerial partners, for instance the Ministry of National Education, Childhood and Youth, the Ministry of International and European Affairs, the Ministry of Health, Public Buildings Administration of the Ministry of Infrastructures and Sustainable Development and the Ministry of Housing and the Ministry of Interior.

The collaboration was implemented through the creation of working groups comprising representatives of various ministries who meet regularly to discuss issues related to the reception and integration of new arrivals, especially in relation to schooling, medical and psychological care and housing. This collaboration has since been further strengthened and perpetuated.

Since 2015, OLAI has strengthened its collaboration at the local level, and the exchange of information with municipalities and residents has been a priority. Information sessions were organised by OLAI with the municipalities receiving applicants for international protection, and amongst other things, OLAI has published an information kit (“Kit Info Communes 2016), specifically targeted at municipalities and residents. It provides information on various aspects of the hosting of applicants for international protection and beneficiaries of international protection.88

2.4.7. Relocation and resettlement programmes

Luxembourg continues to demonstrate its solidarity with regard to the relocation and resettlement of applicants for international protection.

Relocation

In 2015, Luxembourg pledged to relocate 557 individuals to Luxembourg in the framework of the EU Council decision to relocate 160,000 applicants for international protection from Greece and Italy. Within this framework, 30 refugees were relocated in 2015 and 167 (106 individuals from Greece and 61 from Italy) in 2016. Between January 2017 and 18 August 2017, Luxembourg relocated 186 refugees.

Resettlement

The EU-Turkey Agreement of 18th March 2016 envisages that for each Syrian national readmitted by Turkey from the Greece, another Syrian asylum seeker residing in Turkey should be resettled in a Member State of the European Union. In the framework of this agreement, Luxembourg pledged to resettle 194 refugees. Furthermore, Luxembourg committed to resettle 30 refugees from Turkey in the context of a decision of the JAI Council in July 2015. At a UNHCR conference that took place in March 2016, Luxembourg committed to resettle 20 refugees to Luxembourg.

52 refugees were resettled from Turkey in 2016 (46 in 2015). 115 people were resettled between 1 January 2017 and 18 August 2017.
The Asylum, Migration and Integration Fund (AMIF) was established on 16th April 2014, with Regulation (EU) no. 516/2014 of the European Parliament and of the Council. It aims to promote the efficient management of migration flows and to implement, strengthen and develop a common Union approach to asylum and immigration. The responsible authority for the implementation of the AMIF programme in Luxembourg is the Luxembourg Reception and Integration Agency (OLAI), and the Directorate of Immigration acts as delegated authority. A selection committee that chooses the projects to be funded under the programme is composed of representatives of the ministries concerned, SYVICOL and the National Council for Foreigners.

On 18th March 2015, the European Commission adopted Luxembourg’s proposed multi-year programme. Two calls for projects were launched in 2015 and a number of projects were selected and launched over the course of the year. In 2016, another call for proposals took place and the selection committee met twice in November to select a number of projects.

On 21st June 2016, OLAI organised the first “Committee of project holders”, an exchange, information and synergy-creation platform bringing together AMIF project holders and institutional partners. The first half of the day was dedicated to strengthening collaboration between the different actors in the fields of asylum, migration and integration; the second half focused on the development of tools for the management and financial monitoring of projects.

The national programme for the fund is organised around three main objectives: asylum, integration/legal migration and returns.

The projects under the objective of ‘asylum’ are:

- **DPI - Santé mentale** (IPA – mental health) is a project run by Caritas in collaboration with the association *Mosaiques*, and aims to improve the care of vulnerable IPAs who reside in Caritas structures, by providing its social workers with the necessary tools and advice.

- **Des mots pour guérir** (words for healing), provided by the Red Cross and the organisation *Doheem Versuergt* (cared for at home) *asbl*, aims to improve the psycho-/medico-/social care of IPAs, and vulnerable IPAs in particular, by providing intercultural translators and by raising awareness amongst professional actors.

- **Répondre à la vulnérabilité du DPI: former, outiller et guider le travailleur de l’accueil** (dealing with the vulnerability of IPAs: providing training, tools and guidance for reception workers), which is provided by the Red Cross, aiming, amongst other things, to develop a process for early recognition of vulnerability and to optimise observation skills.

- The translation of an information brochure for IPAs by the Directorate for Immigration.

- A resettlement mission on the part of the Directorate for Immigration and OLAI.

- The training of agents of the Refugee Service of the Directorate for Immigration.

An exhaustive list of the projects co-financed under the objective of integration/legal migration appears in the SOPEMI report 2015/2016.

2.4.9. Access to the labour market

Applicants for international protection are permitted access to the labour market six months after submitting their application, under a number of conditions. In 2016, 2 temporary occupation authorisations (AOT) were issued, while three applicants saw their AOT renewed.
It should be noted that both the Directorate for Immigration and OLAI collect information regarding the applicants’ level of qualification and linguistic skills, which will later be used by the Agency for Development of Employment (Agence du développement de l’emploi – ADEM) and the National Service for Social Action (Service national d’action sociale – SNAS) when they assist recognised refugees. Furthermore, ADEM, the Business Federation Luxembourg and the University of Luxembourg’s Centre for Systems Biomedicine are collaborating on the development of an evaluation system to test competence. This would enable ADEM to provide a more appropriate professional orientation and, if needed, direct recognised refugees towards training and other existing measures in a more focused way.

2.5. Developments in integration

2.5.1. Development of a National Action Plan for integration

Since the increased influx of applicants for international protection which began in 2015, the integration context has changed significantly with the arrival of a changed migration profile. In order to effectively address new integration challenges, new needs had to be identified. To this end, in 2015 OLAI decided to put on hold the development of a new National Action Plan for integration and against discrimination, and use the time to gather and analyse specific needs on the ground. In tandem, OLAI launched a series of pilot projects. Based on this experience, a new National Action Plan for integration will be finalised by end of 2017.

2.5.2. Integration at the local level – Communal Integration Plans

The Communal Integration Plan (Plan Communal d’Intégration – PCI) is an action plan to define and implement an integration policy at the local level. The objective of the PCI is to provide a framework and concrete measures for municipalities wishing to implement an integration policy on their territory. The government provides financial support to municipalities in their setting up of PCIs, which is independent of future election campaigns. Since the inclusion of non-Luxembourgers on the electoral lists is part of the integration process, municipalities are free to include awareness-raising actions in their PCI.

On 1st July 2016, the Syndicat des villes et communes luxembourgeoises (Luxembourgish towns and local municipalities union – SYVICOL) and OLAI published a practical guide intended to serve as a tool for municipal authorities for establishing a Communal Integration Plan. This document enables municipal authorities to develop sustainable and transversal integration policies specific to the local context.

On 22nd March 2016 and 3rd October 2016, OLAI launched two calls for projects within municipal administrations, offering co-financing of projects linked to the elaboration of a PCI in collaboration with SYVICOL. Each municipality can request co-financing once per year. At the same time, another call for projects was launched providing financial support to municipalities initiating actions that promote integration.

Since the launch of the PCI project and the PCI brochure in 2016, 2 municipalities have implemented concrete measures to realise a PCI and 14 municipalities are in the preparation phase of a common “intercommunal plan”. Other municipalities are working on their individual priorities and preparing a future action plan.
2.5.3. Welcome and Integration Contract

The Welcome and Integration Contract (Contrat d’accueil et d’intégration – CAI), established by the law of 16th December 2008 concerning the reception and integration of foreigners in Luxembourg, is a state-funded programme intended to facilitate integration of the target population into Luxembourgish society. It constitutes a reciprocal and optional undertaking between the state and foreigners aged 16 years or older, legally established in Luxembourg, and wishing to stay there on a permanent basis.

Open to all foreigners legally residing in Luxembourg, the CAI offers linguistic and citizenship training courses as well as an orientation day, all three of which have to be taken in order to obtain a certificate of fulfilment. Individuals who have fulfilled the Welcome and Integration Contract are currently exempted from one of the mandatory citizenship training courses required during the process of acquiring Luxembourgish nationality.

Since its launch in October 2011, approximately 6000 people of 146 nationalities have signed the contract. Overall, 2198 new people signed up for the Welcome and Integration Contract in 2016 compared to 1018 in 2015 (an increase of 116%). The profile of people signing the contract has also become more diverse in 2016, with 146 nationalities represented, compared to 103 in 2015.

2.5.4. Second National Conference on local integration

On 11th February 2017, the second Luxembourg national conference on integration, organised by SYVICOL, OLAI and ASTI (Association de Soutien aux travailleurs immigrés), took place. The main objective of this conference was to bring together local government and local integration bodies in order to exchange good practice around topical areas such as education, access to housing, social assistance, employment, culture and social life.

The conference enabled municipalities to have better instruments to deal with the integration of foreigners in the short and medium term, and to exchange points of view on the different integration policies at the local level.

In the wake of the conference, a support and exchange group on integration issues was created at the local level. On a regular basis, this group gathers together the individuals who are active in the field of integration at the local level to exchange information on challenges and best practice.

2.5.5. Pilot project “Welcome to Luxembourg”

In 2016, OLAI launched the pilot project “Welcome to Luxembourg”, specifically targeting applicants for international protection. The project aims to sensitise them to the fundamental values of Luxembourgish society, such as equality and mutual respect between women and men.

During the awareness-raising sessions proposed in this project, a behavioural approach is adopted, based on concrete situations and the active participation of applicants for international protection. During three workshops entitled "Photography", "Dialogue played" and "Poster", they learn about their rights and duties in Luxembourg, as well as about types of behaviour valued in Luxembourg in the light of their own values.
2.5.6. Inauguration of Luxembourg’s Centre for Integration and Cohesion- LISCO

The Luxembourgish Centre for Integration and Social Cohesion (Lëtzebuerger Integratiouns- a Sozialkohäsiounszenter - LISCO) opened its doors in April 2016 and was officially inaugurated on 13\textsuperscript{th} June 2016 by the Luxembourgish Minister for Family and Integration. This service, provided by the Red Cross and financed by the Ministry of Family and Integration, supports, guides and accompanies beneficiaries of international protection in their process of integration into Luxembourgish society.

LISCO intends to support refugees in two ways, which have a positive effect on integrative actions taken at the local level:

1. Firstly, **refugees are given individual support** in taking steps that will empower them, if necessary supporting them with **intercultural comprehension and translation**.
2. Secondly, LISCO **connects refugees with social services and associations**. The intention is to empower refugees to take part in local integrative actions and make connections with the local population.\textsuperscript{113}

Through the personalised approach of LISCO, specific needs are identified, which can be communicated to the municipal authorities and can thus be integrated into the implementation of a Communal Integration Plan.\textsuperscript{114} Target groups are supported from their first administrative steps onwards, and they are helped to get to know the cultural life of Luxembourg.\textsuperscript{115}

The Red Cross focuses on the most vulnerable and those who do not have the skills which would allow them to take the necessary steps autonomously, and are living in reception centres or social housing. There is direct collaboration between LISCO and OLAI regarding the care of people who arrive in the framework of the resettlement programme.\textsuperscript{116}

With regard to the priority of facilitating access to housing for beneficiaries of international protection, LISCO works in close collaboration with the Agence Immobilière Sociale (AIS), and appealed to private homeowners willing to rent their property to refugees, either through direct rental contracts or via the social accommodation agency or the non-profit organisation Wunnéngshëllef. LISCO has furthermore stated its intention to institute a Luxembourgish Red Cross guarantee, under which refugees renting accommodation will receive social follow-up and financial guidance to guarantee, amongst other things, the payment of rent to the owner.

LISCO employs 10 full-time social workers who draw up individual integration plans for the beneficiaries, plans that include steps such as taking language courses, finding accommodation and having their qualifications recognised.\textsuperscript{117}

The Red Cross has also issued a call to home owners interested in renting out their homes to refugees to come forward; follow-up with the families in question will take by undertaken by the Red Cross.\textsuperscript{118}

2.5.7. Oeuvre Nationale de Secours Grande-Duchesse Charlotte

Launched on 10\textsuperscript{th} December 2015 at the time of the migration crisis, the “Mateneen” initiative of the Œuvre Nationale de Secours Grande-Duchesse Charlotte was endowed with 15 million euros in order to facilitate the reception and integration of AIPs and BIPs. The initiative has generated about 100 projects for this purpose, coming mainly from civil society.\textsuperscript{119}

The projects are launched in one of the following nine sectors: culture, sustainable development, education and training, employment, information and coordination, housing, mingle and meet, health and psychological support, and material support. First results were seen during 2016, and
Mateneen will continue to promote social inclusion through aid, benefiting the resident population beyond 2020.\textsuperscript{120}

2.5.8. Education

2.5.8.1. Diversification of the educational profile

The composition of the pupil population reflects Luxembourg’s heterogeneity. As Table 3 shows, the proportion of pupils with Luxembourgish as the first language spoken at home has been decreasing in recent years.

<table>
<thead>
<tr>
<th>Nationalities (%)</th>
<th>First spoken language (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Luxembourgish</td>
<td>51.0</td>
</tr>
<tr>
<td>Portuguese</td>
<td>25.5</td>
</tr>
<tr>
<td>Other</td>
<td>23.5</td>
</tr>
</tbody>
</table>


In the academic year 2015/2016, 36.5\% of pupils in primary education spoke Luxembourgish as their first language, while 28.5\% spoke Portuguese and 13.3\% French. In post-primary education 47.6\% spoke Luxembourgish as first language, while 25.9\% spoke Portuguese and 8.1\% spoke French in 2015/16.\textsuperscript{121}

Consequently, there is a growing demand for more diversity in school language profiles. Broadening the country’s educational offer is of major importance to supporting pupils in succeeding, as the traditional Luxembourgish system requires the learning of German and French.

Among the 11,297 pupils who were not following the official Luxembourgish curriculum, 5,474 attended international school, 5,374 private school and 449 public school, with 1,026, 2,125, and 376 pupils following English-speaking courses respectively.\textsuperscript{122}

During 2016, the government introduced several new measures to address some of the challenges created by the increasing heterogeneity of Luxembourg’s student population.

1. Reform of post-primary education

On 29\textsuperscript{th} July 2016, 7 draft laws and 2 draft Grand Ducal regulations were presented for the reform of the post-primary education system in Luxembourg. The regulations that were presented aimed to further diversify Luxembourg’s educational offering, and to introduce three national education mediators who can be called upon by pupils, parents, teachers or staff.\textsuperscript{123}

2. Creation of the École internationale Differdange & Esch-sur-Alzette

A new public international school opened in Differdange in September 2016: the École internationale Differdange & Esch-sur-Alzette (EI).\textsuperscript{124}

The opening of the EI further diversifies the schooling offer in the country and, being the first
international school in the south of the country, it responds to the increased demand for international schooling opportunities in this region, where many non-Luxembourgish residents live. Composed of a primary school, a secondary school as well as preparatory and reception classes, the school offers more flexibility regarding languages than traditional Luxembourgish schools, and increases the currently limited offer of education in English and French in Luxembourg.

Pupils select their first language from French, German, English and Portuguese. Luxembourgish language is considered the language of integration, and learning oral communication of the language is obligatory for all classes in primary school, the lower levels of secondary school as well as preparatory and reception classes.

Following the high demand, it was announced that the offer of the EI will be further extended.

3. English-speaking educational offer

A law broadening the English-speaking public educational offering at Lycée Michel Lucius, a state-funded secondary school, was adopted as an answer to the linguistic heterogeneity prevalent within Luxembourg’s pupil population, as well as to encourage foreign investors, companies or scientists to settle in Luxembourg.

The law introduces primary and post-primary international English-speaking classes in the secondary school. The government intends to increase the offering across the country in the coming years.

4. Binational school

The project of the binational school Lycée de Mondorf (Mondorf secondary school) is the result of Luxembourg’s and Saarland’s joint commitment to strengthening trans-border cooperation, focusing on trades and occupations that will be relevant for the region’s development. The Mondorf secondary school will offer English, French and German education segments with the European Baccalaureate, starting from September 2018. It will be decided later whether primary level education will be offered as well.

5. Multilingual education in nurseries

To stimulate children’s potential from the earliest age onwards and equip them to tackle the linguistic reality in Luxembourg, the government aimed to implement multilingual education in nurseries.

Draft law no. 7064 was tabled on 21 September 2016. The draft law introduces a multilingual education programme to early childhood education (for children aged 1-4) and modifies the care service voucher system to mitigate social and cultural inequality and to provide an equal start for all children.

Before rolling out the multilingual education on the national scale, a test phase of the concept was undertaken in eight nurseries from March to December 2016. The concept intends to provide children with the opportunity to familiarise themselves with both Luxembourgish and French in a more playful way. Children in these nurseries are provided with the opportunity to familiarise themselves with both Luxembourgish and French in a playful way, while in parallel, nurseries partner up with parents to coherently develop the children’s mother tongues.

The draft law furthermore introduces ‘multilingual education support’ for CSA service providers.
welcoming children aged 1 to 4. In other words, children have free access to multilingual education for a duration of 20 hours per week, per calendar year.\textsuperscript{133}

2.5.8.2. Reform of in-kind benefits: ‘care service vouchers’

The Law of 24\textsuperscript{th} April 2016 modifying the modified law of 4\textsuperscript{th} July 2008 on youth\textsuperscript{134} puts in place quality care in welcoming structures and reforms the in-kind-benefit ‘care service vouchers’ (chêques-service accueil -CSA).\textsuperscript{135} Parents must choose from official CSA service providers that fulfil a number of quality requirements.\textsuperscript{136} State aid is transferred to recognised CSA structures and not to individuals.

This law opens up access to ‘care service vouchers’ as an in-kind benefit for cross-border workers from 5\textsuperscript{th} September 2016 onwards\textsuperscript{137} and allows establishments outside of Luxembourg to become official CSA service providers if they meet the requirements.\textsuperscript{138}

2.5.8.3. Integration of newly-arrived foreign pupils in primary and secondary education

To facilitate the integration into the compulsory schooling system of Luxembourg of newly-arrived foreign pupils, who often do not speak all, or any of the administrative or working languages of Luxembourg, special reception classes are organised.

The school reception unit for newly-arrived pupils (Cellule d’accueil scolaire pour élèves nouveaux arrivants – CASNA) provides information on Luxembourg’s schooling system and on the schooling available for pupils who speak foreign languages. Children’s educational levels and knowledge are tested so that they can be guided towards the most appropriate class or training.\textsuperscript{139}

In primary education, intensive language lessons in German and/or French (also called ‘welcome classes’ – cours d’accueil) are organised. The number of hours of intensive language lessons varies according to the child’s age and language abilities.

Children between 12 and 15 years of age arriving in the Grand Duchy with no knowledge of either German or French may be admitted to a welcome class (classe d’accueil – ACCU), where they are taught French intensively and introduced to Luxembourghish. Children who are 16 years old may join an insertion class for young adults (classe d’insertion pour jeunes adultes – CLIJA), where they are taught French or German intensively and receive basic training to prepare them for technical secondary education or for getting a job.

Children between 17 and 24 years of age arriving in Luxembourg without any knowledge of either German or French can join an insertion class for young adults (classe d’insertion pour jeunes adultes). These classes provide intensive French lessons and basic training, preparing students for undertaking training or getting a job.

With regard to the education of applicants for international protection (AIPs), the age group of youths welcomed and provided with orientation by CASNA was extended. Starting from June 2016, this age group now includes young people up to 24 years of age, whereas previously only those aged 12 to 17 had been covered.\textsuperscript{140}

With regard to the children of applicants for protection, the Minister for Immigration and Asylum explained that during 2016 there were 142 children who were not of school age, 297 were attending school and 60 who were not obliged to attend school.\textsuperscript{141}
A pilot project to provide apprenticeships through English in high-tech professions to youngsters has been welcomed by CASNA. It is under development, and the economic sectors to be targeted are currently being determined.142

In January and March 2016, two classes targeting 17- and 18-year-old applicants for and beneficiaries of international protection were launched at the Centre national de formation continue (CNFPC – National centre for lifelong learning). With the aim of giving participants a toolkit to gain a certificate of professional capacity or a diploma of professional aptitude, the classes provide participants with intensive French and Luxembourgish language classes and introduce them to the different trades. In 2015/16, 201 students participated in post-primary education offered by CNFPC institutions in Esch-sur-Alzette (122) and Ettelbruck (79).143

2.5.8.4. Developments in higher education

2.5.8.4.1. Financial state aid for higher education

The Law of 23rd July 2016 amended the Law of 24th July 2014 on financial state aid for higher education.144 The main changes relate to:145

- An increase in the amount of mobility grants per semester from €1,000 to €1,225
- An increase averaging 20.8% in the amount of bursaries per semester based on social criteria
- Students who are pursuing studies outside the EU Member State recognising the academic programme are eligible for financial aid starting from 1st August 2016. The definition of eligibility for financial aid corresponds to what is used for registering a grade, diploma or certificate in the registry of higher education qualifications. In this way, students cannot register diplomas or certificates in the above-mentioned registry if they were refused a financial aid grant from the state.
- Students with acknowledged disabilities may now obtain bursaries or loans for a maximum number of two additional semesters per cycle in relation to current regulations for first cycle, second cycle and the research training cycle, and for a maximum number of four additional semesters compared to current regulations allowing only for studies of a single cycle.
- Beginning with the academic year 2017/2018, the amounts of the various bursaries, i.e. basic bursary, mobility grants, social bursary and family-based bursary, will vary proportionately to changes in the threshold for sliding wage scales as calculated by STATEC.

2.5.8.4.2. Jurisprudence of the Court of Justice of the European Union

On 14th December 2016, the Court of Justice of the European Union (CJEU) ruled146 that the Law of 24th July 2014 on financial state aid for higher education and its provision that the granting of financial aid for higher education to students who do not reside in Luxembourg is conditional on being the children of workers who have been employed or have pursued their professional activity in Luxembourg for an uninterrupted period of at least five years at the time when the aid is applied for is not compatible with EU law.

However, the ruling does not apply to the Law of 23rd July 2016 amending the Law of 24th July 2014, which is currently in force, but relates to the previous legislation on financial state aid for higher education which was applicable only for the academic year 2013/2014. Under current legislation, the condition of five years of continuous work in Luxembourg has been replaced by a period of work of at least five years over a seven-year reference period.147
On 15th December 2016, the CJEU ruled that the required filiation link is to be understood in its economic sense and not its legal sense. Thus, a child depending on a newly-formed household in which the spouse or registered partner of the parent is a cross-border worker has the right to financial aid for higher education\textsuperscript{148} \textsuperscript{149}. The ruling of the CJEU does however not apply to the Law of 23rd July 2016 amending the Law of 24th July 2014, which is currently in force, but to the previous legislation on financial state aid.

The CJEU has prompted the Luxembourgish parliament to rethink the relevant law which was found to be too restrictive. The parliament has broadened the possibilities for cross-border workers regarding higher education aid eligibility. Cross-border workers will therefore see a greater impact.

2.5.8.5. International / foreign student policy

2.5.8.5.1. Amendments by the Immigration Law

The main higher education institution is the University of Luxembourg, which was founded in 2003.\textsuperscript{150} With this international context and following the Lisbon Strategy, when drafting the Law of 29th August 2008 on the free movement of persons and immigration, the legislature established the attraction of third-country national students as a key objective.\textsuperscript{151} The legislator was also concerned with the “brain drain” that international students can create in their countries of origin.\textsuperscript{152} In order to reconcile these two elements, the Immigration Law foresaw the possibility that students who had accomplished their higher education in Luxembourg can have their first post-qualification professional experience in the country for a maximum duration of two years.\textsuperscript{153} However, this restriction of two years created problems for highly-skilled students who have obtained employment and whose employers wanted to keep them.

One of the principal amendments introduced by Draft law no. 6992 (which later became the Law of 8th March 2017) is to allow TCN students to have wider access to the labour market on a permanent basis after having successfully concluded their higher education studies.

The amendment allows TCN students, at the end of their studies, to apply for authorisation to stay as a salaried worker or an independent worker without leaving the territory. Previously, such TCN students could only apply for a special salaried worker residence permit for up to 2 years as a first professional experience.\textsuperscript{154} They were required to leave Luxembourg and apply from their country of origin for access to the labour market as normal salaried workers.\textsuperscript{155}

According to the Immigration Law,\textsuperscript{156} a student who has finished their studies can apply for authorisation to stay as salaried worker. The applicant must pass the labour market test\textsuperscript{157} and fulfil the conditions of the ‘salaried worker’ authorisation to stay.\textsuperscript{158}

The first salaried worker residence permit is issued for a maximum duration of one year\textsuperscript{159} and during this period it is limited to a single sector and a single profession.\textsuperscript{160} After the residence permit is renewed, it is no longer limited to activity within a single sector.\textsuperscript{161}

2.5.8.5.2. Opening of the Lunex University

In April 2016, Lunex University opened its doors in Differdange. This is an internationally oriented university focused on the sectors of sport, health, prevention and therapy, and has already been successfully accredited by an international committee of experts.\textsuperscript{162}
2.5.8.6. Recognition of academic qualifications

In 2016, the number of diplomas obtained abroad and registered in the Luxembourgish registry of titles of higher education increased by 17.8% - from 3,170 in 2015 to 3,734 in 2016. This follows a 31.4% drop in 2015 compared to 2014. Some 138 applications were rejected because the titles were not issued in conformity with the laws and regulations that regulate higher education in the country of issue.

In 2016, 346 foreign higher education diplomas were approved. Five applications were rejected as they did not fill the necessary criteria.

During 2016, several policy and procedural changes took place regarding the recognition of qualifications of third-country nationals and beneficiaries of international protection. While the first policies were promoted by the Luxembourgish state, the latter was implemented by the University of Luxembourg.

1. Assessment and recognition of foreign qualifications

On 18th November 2016, the Law of 28th October 2016 on the recognition of professional qualifications, which transposes EU Directive 2013/55/EU, 163 entered into force. 164 It simplifies the procedure for the recognition of professional qualifications, and creates a register for professional titles and a register for qualification titles. 165 It also clarifies the concept of “professional experience” (to include full- and part-time occupation), and that of the “aptitude test” (which describes the assessment of skills, knowledge and qualifications of the applicant). 166

The new law enlarges the scope of the general system for the recognition of qualifications, allowing immigrants present on Luxembourgish territory to further integrate into Luxembourgish society by means of remunerated activities. 167

It should be noted that non-integrated third country nationals (TCNs) do not fall within the scope of this law, and will not benefit from this qualification recognition, whether their qualifications were obtained within the EU or in a third country (even if equivalent). However, this does not prevent the competent authorities from applying or adapting their recognition criteria to address such requests according to Luxembourg’s economic needs. By limiting the scope of application, Luxembourg intends to minimise the risk of “forum shopping”: any practice whereby TCNs – non-residents – without any economic connection to Luxembourg would apply for recognition of their qualifications in Luxembourg with the sole purpose of facilitating their access to another European market. 168

However, the law does apply to the following third-country nationals:

- Persons who have applied for an authorisation to stay under the Immigration Law and for whom the Minister for Immigration confirms to the competent authority that the applicant fulfils all the conditions for obtaining the requested authorisation, subject to the recognition of professional qualifications for the pursuit of the activity concerned.
- Persons who have a valid residence permit.
- Persons who are a beneficiary of international protection. 169

2. Assessment and recognition of academic qualifications for beneficiaries of international protection

At the beginning of 2016, the University of Luxembourg established a ‘recognition of academic qualifications’ working group for beneficiaries of international protection (BIPs). This working group brought together academic staff across faculties, as well as representatives of the Ministry of
National Education, Childhood and Youth, the Ministry of Higher Education and Research and OLAI. The working group focuses on adapting the linguistic regime of university programmes, evaluating academic qualifications (if documentation is lacking) and integrating BIPs into the university community. On 18th May 2016, the procedures proposed by the working group were approved by the University Council, with the exception of the procedure for language testing for refugees, which is awaiting approval.\(^{170}\)

The University of Luxembourg has created an ‘integration office’ as a further step to facilitate the university entry of AIPs and BIPs. If an AIP wishes to join the university, the candidate will take part in an individual interview during which s/he will receive an outline of the university’s offer, an overview of candidate’s skills will be established and the university will offer orientation support to the candidate. AIPs will only be allowed to register on a study programme once they have received the status of BIP. While the candidate is still within the protection application procedure, s/he can follow courses as a guest attendee.\(^{171}\)

To improve candidates’ ability to integrate, the University offers free intensive language courses with the support of the National Language Institute and a number of student associations. On 1st January 2017, 51 AIPs were registered at the University of Luxembourg as guest attendees.\(^{172}\)

### 2.5.8.7. Language courses

As discussed in section 2.2.1, with the entrance into force of the Law of 8th March 2017 on Luxembourgish Nationality,\(^{173}\) a significant increase in demand for Luxembourgish courses can be seen by TCNs wishing to obtain Luxembourgish nationality.

Language courses are offered under the responsibility of the Ministry of Education, which has within its responsibilities adult and continuing education through contracted providers under the ministry’s Department of Adult Education.\(^{174}\) The main service providers are the National Language Institute, municipalities, public secondary institutions and agreed associations.\(^{175}\)

Access to language courses is, among others, guaranteed through the Welcome and Integration Contract (CAI). The language courses are offered at reduced rates (e.g. currently, the price for a person who signs the CAI is 10 euros per course).\(^{176}\) Within the framework of the CAI, participants take part in French, German or Luxembourgish language courses.\(^{177}\)

In 2016, 952 adults received a voucher from the OLAI that enables them to register on a recognised language course.\(^{178}\)

The Service for Adult Learning (SFA - Service de formation des adultes), in collaboration with the Luxembourg Reception and Integration Agency (OLAI), is developing a coherent approach that ensures that adults are guided and supported in their education from the moment they arrive in Luxembourg. This includes translation of the brochure ‘Step by step towards education and adult training’ into Arabic and Portuguese,\(^{179}\) as well as offering basic literacy courses in which 796 individuals were enrolled as of June 2016.\(^{180}\)

To help integrate applicants for international protection, an elementary French-Arabic-Luxembourgish dictionary was launched on 15th November 2016. The dictionary, containing 1590 words, was developed by ASTI (Association de Soutien aux Travailleurs Immigrés - Support Association for Migrant Workers) and supported by the Oeuvre Nationale de Secours Grande-Duchesse Charlotte. The Ministry for National Education developed the layout and covered the costs of printing.\(^{181}\)
2.5.8. Access to the labour market

2.5.8.1. Initiatives to attract foreign talent

Over the course of 2016, the Luxembourgish government continued its efforts to adapt its economy to the challenges of globalisation and maintain its competitiveness.

The main reforms were introduced by the Law of 8\textsuperscript{th} March 2017 (previously Draft law no. 6992) \textbf{on immigration}, facilitating the access of third-country nationals to the labour market (section 2.1.1.).\textsuperscript{182} The amendments aim to further attract skilled workforce from abroad in order to satisfy the labour demands of the Luxembourgish economy.\textsuperscript{183}

In October 2014, the government launched the “Digital Luxembourg” initiative with the aim of strengthening and consolidating the long-term positioning of Luxembourg in the field of ICT (Information and Communication Technologies) and to position the country as a “high tech” centre of excellence.\textsuperscript{184} To meet the need for Luxembourgish companies to hire highly-skilled third-country nationals in the ICT sector, the government has determined specific professions in urgent need in the sector, and has consequently set a reduced salaried threshold for granting of the EU Blue Card\textsuperscript{185} (see section 2.1.1, point 3).

Several new projects/events around this recruitment were launched and organised in 2016, from which third-country nationals could benefit:\textsuperscript{186}

- As a response to the changing nature of jobs in the digital economy, an ICT competence centre is to be created, to offer continuing vocational training adapted to the ICT know-how needs of enterprises and their employees. The aim is also to cooperate with the ADEM by proposing vocational retraining measures for jobseekers.
- An evaluation of the best way to promote the idea of the “Digital Luxembourg” abroad and to optimise efforts to promote and welcome investors and entrepreneurs in Luxembourg was carried out.
- In November 2016, the event “Digital Plug&Work 2016”, dedicated to the recruitment of ICT specialists who have already graduated, was organised in Luxembourg. The aim was to help to fill the shortage of ICT specialists and to support the companies in finding ICT specialists outside of Luxembourg. Besides attracting potential candidates, such events increase the visibility of Luxembourg as a “digital nation” abroad.

2.5.8.2. Specific measures for beneficiaries of international protection

Beneficiaries of international protection (BIPs) can access the labour market and receive a guaranteed minimum income (RMG). Being eligible for an insertion allowance, the Service nationale d’action sociale (SNAS) reception service developed a specific procedure providing information meetings in Arabic.

In coordination with LISKO and ADEM, the SNAS also devised a new procedure to welcome and orient BIPs and facilitate their entry into the labour market as much as possible. Depending on their linguistic capabilities, people are granted either an integration contract with the obligation to collaborate regularly with the ADEM, or an integration contract requiring them to collaborate regularly with LISKO and to participate in French language courses.

From July to December 2016, 203 people participated in such a session, 116 people signed a "LISKO" contract and 87 people signed a contract to work with the ADEM.\textsuperscript{187}
A series of projects have been launched by OLAI in the framework of AMIF (see section 2.4.8) and by the *Oeuvre nationale du secours Grand Duchesse Charlotte* (see section 2.5.7).

### 2.6. Anti-discrimination policies and diversity programmes

#### 2.6.1. Annual report of the Centre for Equal Treatment (CET)

On 14th October 2016, the Council of Government adopted a Draft law\textsuperscript{188} to enable two changes to the functioning of the Centre for Equal Treatment (CET).

Firstly, it aims to link the CET, which is currently organised under the auspices of the Ministry of Family, Integration and Greater Region, to the parliament. The government’s broader goal is to create a Human Rights House, bringing together the services of the Ombudsman, the CCDH, the ORK and the CET.

Secondly, the draft law transposes EU Directive 2014/54/EU on measures facilitating the exercise of rights conferred on workers in the context of freedom of movement. The CET’s mission would be to lead or commission independent investigations and analyses on unjustified restrictions, and obstacles to free movement or on discrimination against workers who are EU citizens and their families, due to their nationality. The CET is the designated national contact point envisaged by the directive.

#### 2.6.2. Draft law no. 7102

On 13th December 2016 the government introduced to parliament Draft law no. 7102 in order to attach the CET to parliament and to transpose Directive no. 2014/54/EU of the European Parliament and the Council of 16th April 2014 on measures facilitating the exercise of rights conferred on workers in the context of freedom of movement for workers.\textsuperscript{189}

The draft law proposes to extend the missions and powers of the CET, allowing it to conduct or commission independent studies and surveys on unjustified restrictions or challenges to the free movement of persons, or on any type of discrimination based on nationality against workers who are EU citizens and their family members. It also establishes that the CET will become the national contact point for the implementation of the directive.\textsuperscript{190}

#### 2.6.3. Diversity Charter Lëtzebuerg

On 16th May 2016, 23 companies committed to taking steps beyond the legal obligations with regard to non-discrimination, by signing the Diversity Charter Luxembourg, which was launched in 2012.

With this act, the total number of participating companies is brought to 170, accounting for 15% of the total Luxembourgish wage share. Some 75% of the participating companies are from the private sector, 15% belong to the association network and 11% to the public sector.\textsuperscript{191}

In 2016, further meetings of the Diversity Network took place, during which participating companies shared information and best practice on a wide range of subjects, such as ways to promote objective recruitment,\textsuperscript{192} how to attract and keep diverse talent,\textsuperscript{193} methods of integrating new colleagues\textsuperscript{194} or methods of running a diversity diagnostic.\textsuperscript{195} The diversity diagnostic allows comparison of the representability of certain groups (i.e. age, gender, according to disability, nationality) of which the staff and different positions within the company are comprised.
On 29th November 2016, the second Barometer ‘Diversité & Entreprise Lëtzebuerg’ was published, presenting the state of affairs regarding actions taken by the signatories of the Diversity Charter. According to the findings of the barometer, 78% of signatories integrated their diversity management policies into the company’s social responsibility policy, 48% have engaged in a diversity analysis of the company and 52% have implemented at least one action in favour of diversity since signing. Furthermore, 85% of signatories followed the methodology presented in the ‘Diversity Management’ practical guide to establish the company’s diversity policy. Company diversity policies most often cover the topic of equality between men and women, followed by the language spoken, age, racial or ethnic origin, nationality, disability, and maternity, the state of health or level of education. The barometer further established that 60% of participating companies recognise an improvement in their image and reputation due to their participation in the Diversity Charter.

2.6.4. Diversity Day

The Diversity Day 2016 took place on 12th May 2016. During this, conferences, workshops and other informative events were organised in schools, companies, associations and public organisations, in order to celebrate the diversity of Luxembourg and to strive for a more inclusive society.196

2.7. Legislative and policy changes in international agreements regarding readmission and/or the return of foreigners

Due to the immigration influx of 2015/2016, the number of third-country nationals in an irregular situation has increased substantially. However, the number of returns taking place has not been proportional to this increase. As a result, the return policy has become a priority during 2016.

a) Draft law no. 6992 on the detention of families with children

On the legislative front, draft law no. 6992 proposed an amendment to allow an increase in the time allowed for detention of families with children from 72 hours to 7 days. The extension should allow for improved organisation of the return, ensuring that it would be carried out successfully.197

The State Council made its assent to the proposed modification conditional on compelling reasons outside the constraints of public authorities to justify a placement of seven days.198 Concerns were raised by the Luxembourgish Council for Refugees (Lëtzebuerger Flüchtlingsrot LFR). In their opinion, the proposed change would undermine the fundamental rights of the persons concerned, especially of children. They criticised the extension of the detention period for minors, the legislature considering that this period should be as brief as possible.

The draft law was adopted by the parliament199 and became the Law of 8th March 2017 amending article 6 (3) of the amended Law of 28th May 2009 on the Detention Centre.

b) Strengthening cooperation in return

Luxembourg’s Minister of Foreign and European Affairs indicated his willingness to strengthen cooperation in matters of return of rejected applicants for international protection in his speech during the launch of Luxembourg’s Presidency of Benelux.200

This willingness was confirmed at the Benelux Summit in Schengen, during which the three prime ministers affirmed that the potential for cooperation would be further explored (e.g. joint actions, visits to countries, joint return flights, exchanging best practice, working on communal reintegration programmes) where return proves to be difficult. 201
c) Schengen evaluation

An on-site visit took place in Luxembourg from 25th to 28th January 2016 in the framework of the evaluation mechanism for the correct application of the Schengen acquis. A team of eight Member State and two Commission experts, accompanied by a representative of the European Union Agency for Fundamental Rights as observer, met with Luxembourg’s main actors in the field of return of irregularly remaining TCNs. Based on meetings with the Directorate of Immigration, the Grand Ducal Police, the Detention Centre and organisations active in the reception and return of migrants, the experts produced an evaluation report which was subsequently adopted by the Schengen Committee on 13th July 2016.202

Additionally, seven recommendations on addressing identified deficiencies were adopted on 12th December 2016 at the European Council. According to the recommendations, Luxembourg should:203

- Ensure that return decisions are enforced both effectively and proportionately by taking all necessary measures
- In the case of prolonged detention periods, verify whether the conditions for a TCN detention still exist, by ensuring that the decisions on detention are subject to judicial review
- Carry out removals of families throughout the year, as a way of making removal operations of families less predictable, thereby addressing abuses and preventing absconding
- Create a clear policy on the legal status of unaccompanied minors (UAMs) which allows for a return decision to be issued, or for the granting of right to stay. This decision should be based on an individual assessment of the UAM’s best interests carried out by a multidisciplinary and experienced team and including the UAM’s appointed guardian
- Ensure effective removal of TCNs by bringing the capacity for detention in line with actual needs
- Provide for a realistic and practicable period for the detention of families with minors with a view to removal
- Provide a national legal framework that makes the monitoring of all types of forced return operations possible

d) Benelux agreement on readmission with the Republic of Kazakhstan

The Law of 31st August 2016 approves the agreement between the Benelux countries and the Republic of Kazakhstan regarding the readmission of people in an irregular situation and its protocol of application. It creates the legal framework and the procedure for readmission of persons in irregular residence, be they nationals, TCNs or stateless persons.204

In addition to readmission agreements, the Directorate of Immigration also seeks to strengthen relations with consular authorities in countries of origin of TCNs obliged to leave Luxembourg. In this context, the Directorate of Immigration organised a consular day with the aim of familiarising consular authorities with the relevant legislation and procedures in the field of international protection and immigration. As in previous years, this project benefited from European co-financing through the AMIF.205

e) New detention centre for rejected refugees in Kirchberg

On 1st April 2017, a new emergency accommodation centre became operational for individuals whose international protection would not be assessed by Luxembourg as they fell under the Dublin regulation - “Structure d’hébergement d’urgence au Kirchberg” (SHUK).206
This new structure was created in order to deal with applicants for international protection whose application has been declared inadmissible because they have applied for international protection in another Member State (Dublin III) and are waiting for their transfer to the other Member State. It also houses the EURODAC positive cases (individuals who have applied for international protection in Luxembourg and been found to have already applied in another Member State following collection of fingerprints by the judicial police.)

The centre is a semi-open structure and has the capacity to accommodate 216 people. This structure falls under the responsibility of the Detention Centre, which reports to the Ministry of Foreign and European Affairs.

f) Exclusion of Kosovar nationals from the AVRRL programme

In 2016, 234 individuals benefited from the **assisted voluntary return and reintegration programme** in Luxembourg. 116 (49.6%) of these were nationals of Kosovo.207

Since 1st December 2016, Kosovar nationals to whom the AVRRL programme applies are no longer eligible for pre-departure financial assistance as well as financial aid for reintegration. However, they are still assisted in obtaining travel documents, as well as assistance during the journey, which is organised by the International Organization for Migration (IOM). Nevertheless, they have access to voluntary return by bus organised and financed by the Directorate of Immigration, targeted at nationals from western Balkan countries that do not have access to the AVRRL programme. The aim of the programme is to allow people to return to their country of origin in a dignified manner.208

g) Joint Way Forward on migration issues between Afghanistan and the EU

On 2nd October 2016, Afghanistan and the EU signed the declaration “Joint Way Forward on migration issues”. This declaration expressed, inter alia, the intention to organise joint return flights for irregularly staying Afghans from several EU Member States, under the organisation and coordination of FRONTEX.209

The Minister for Immigration and Asylum stated his intention to participate in these joint flights to repatriate irregular migrants to regions of the country considered as safe.210

Concerns were raised by several associations and initiatives211, fearing the declaration could result in a negative influence on the recognition rate for applicants from Afghani origin. In response, the Minister of Foreign and European Affairs published a statement which reiterated Luxembourg’s commitment to the respect of fundamental rights and *non-refoulement*, and underlined that every application is considered on a case-by-case basis in which the existence of a readmission agreement with the applicant’s country of origin is not taken into consideration. The Minister pointed out that the agreement includes procedural guarantees, offering the best possible assistance and protection to the most vulnerable.212

h) Asylum Migration Integration Fund (AMIF) 2014-2020

Of the original budget (€7,160,577) allocated to Luxembourg for implementing the national programme for the AMIF 2014-2020, 28.7% (€2,057,548) was allocated to the return of third-country nationals. These amounts were subsequently increased to €7,938,900 and €2,398,813 respectively. As of 9th May 2017, the Directorate of Immigration has committed €1,523,216 and has spent €850,508.213
i) Commission to assess the best interests of third-country nationals who are unaccompanied minors

As of 7th July 2017, the Governing Council decided to set up a commission to assess the best interests of unaccompanied minors (UAMs) seeking international protection. In accordance with the "Return" Directive, the Immigration Act provides that a return decision can only be taken in the case of an UAM if it is in the best interests of the minor, without specifying how the interests of the child are determined.

The council therefore decided to set up a committee consisting of the representative of the child, and representatives of the ministries and departments who will be responsible for conducting an individual assessment of the best interests of the child, to decide whether to issue return orders and remove the minor applicant in an illegal situation in accordance with Article 10 of Directive 2008/115/EC, or to issue them a residence permit.

2.8. Legislative and policy changes in migration and cooperation for development policies

2.8.1. International Development Cooperation

In his declaration to parliament on 23rd November 2016, Luxembourg’s Minister for Cooperation and Human Action confirmed that development aid can, through programmes in health, education or vocational training, lessen poverty and enhance the prospects of partner countries’ populations, and thereby influence migration trends. He stated that migration management ought not to be the sole goal of development policies, and highlighted the developmental benefits attributed to remittances. The importance of the EU Emergency Trust Fund set up at the Valletta Summit in November 2015 was also noted.214

Following the Valletta Summit in November 2015, Luxembourg - through its Directorate for Development Cooperation and Humanitarian Action - has contributed € 3.1 million to the new EU Emergency Trust Fund for Stability as well as the fight against the root causes of irregular migration and the phenomenon of displaced persons in Africa. In consultation with other departments of the Ministry of Foreign and European Affairs, a member of the directorate participates in meetings of the strategic board and the operational committees of the fund in Brussels. The executing agency ‘Lux-Development’ was chosen for the execution of programmes of this Sahel / Lake Region Chad Fiduciary Fund in Mali, Niger and Senegal for a total of € 36 million.215

Bilateral vocational training projects (Senegal, Cape Verde, Burkina Faso, Niger) aim to create opportunities for young people, most of which are linked with multilateral actors (ILO, UNDP, etc.) for employment access programmes.216

2.8.2. Cooperation agreement with Kosovo (2017-2020)

A new cooperation agreement with Kosovo (2017-2020) maintains education, and more particularly vocational training, as one of the three sectors of intervention in relation to Luxembourg’s cooperation with Kosovo. The budget foreseen for vocational training is €5 million.217

It is planned to specifically support the Kosovo Ministry of Finance through technical assistance provided by Luxembourg’s House of Training, to support this ministry in adopting and implementing European and international standards, as well as to share Luxembourg’s experience in this field. All eight banks in Kosovo are members of the KBA, which means that the programme – which covers
training on key issues such as compliance, international banking standards and risk management – has an important impact on the entire sector. Luxembourg has implemented this policy to share its know-how in banking and thus strengthen capacity.  

2.8.3. Indicative Cooperation Programmes (IPC)

Training and professional integration were among the priority sectors of the 2008-2015 Indicative Cooperation Programme (IPC) with Burkina Faso, which has been extended to 2016. The new IPC for the period 2017 to 2021 was signed on 7th December 2016 and maintains training and professional integration as a priority sector.

Within the framework of the ICP 2011-2015, almost 50% of the €60 million was earmarked for training and professional integration. This covers sectoral budget support, the setting up of 6 vocational training centres (including a hotel school) and related curricula, an employability project, and support for the implementation of the integrated education, training and employment policy of the Cape Verdean government.

In the framework of the new ICP 2016-2020, signed in March 2015, training and professional integration account for 55% of the €45 million budget. It covers sectoral budget support, bilateral employment and employability programmes (through Luxdev), as well as multilateral ones (in collaboration with UNDP and ILO), support for inclusive finance (through the non-governmental organisation Support for Autonomous Development) and triangular cooperation (with São Tomé and Príncipe and Guinea-Bissau).

2.9. International migration in the public debate

2.9.1. Efficiency of the returns of rejected asylum seekers

With the immigration influx in 2015/2016, the number of third-country nationals in an irregular situation has increased substantially and questions regarding the efficiency of the return policy were discussed in the public and political arenas. The Minister for Immigration and Asylum noted in his intervention in parliament on 8th February 2017 that one of the main issues surrounding the increased inflow of international protection applicants was the related low numbers of effected returns of rejected applicants for international protection.

The movement of applicants inside and outside the territory was one of the issues raised several times in debates. The Minister for Immigration explained that rejected APIs that are not in detention or house arrest and can move freely inside the territory. Some of them leave the country voluntarily without informing the Directorate of Immigration and travel to their country of origin or to another Member State.

Following the significant increase in unfounded applications, a number of administrative changes were introduced in the international protection procedure. An ultra-expedited procedure for Dublin cases or applications from safe countries of origin is being elaborated, and on 1st April 2017, a new emergency accommodation centre, called "Structure d'hébergement d'urgence au Kirchberg" (SHUK), was opened. The structure falls under the responsibility of the Detention Centre and accommodates APIs whose application has been declared inadmissible.
2.9.2. The reform of the law on Luxembourgish nationality

The debates surrounding nationality, conditions for acquisition of nationality and the ensuing reform of nationality, which had emerged in 2015 from the debates and results of the referendum, continued over the course of 2016. By a large majority, Luxembourg’s voting population rejected the idea of extending legislative voting rights to resident foreigners.

Perceiving facilitation of acquisition of Luxembourgish nationality as the only remaining possibility to reduce Luxembourg’s democratic deficit,223 on 24th March 2016 the Minister of Justice introduced to parliament Draft law no. 6977. This draft law introduces substantial modifications to the conditions for acquisition of nationality (shortening the required duration of residence, softening language requirements and increasing the number of required civics courses), as well as the procedures.

The political lines drawn during the referendum debate were thus to a large extent transplanted into the debate on the new law on Luxembourgish nationality.

The Consultative Committee on Human Rights224 (CCDH), the Chamber of Private Employees,225 the Chamber of Commerce226 and the Council of State227 all noted their preference for lighter language requirements than those proposed in the draft law. In this context, the Chamber of Commerce underlined the country’s multilingual reality,228 while the Council of State and the Chamber of Private Employees stressed the importance of ensuring that the requirements would not become an obstacle to access to Luxembourgish nationality.229 The CCDH regretted the lack of value the draft law attributed to knowledge of the other two official administrative languages of Luxembourg (French and German).230

The Chamber of Civil Servants and Public Employees (Chambre des Fonctionnaires et Employés Publics - CHFEP) expressed its concern that the proposed language requirements would not be sufficient to enable people’s effective participation in Luxembourg’s civil and political life. It argued that the proposed compensatory measures would decrease their effective level of knowledge of the Luxembourgish language,231 furthermore criticising the complete lack of language requirements for some groups.

The extension of the duration of civics courses from 6 to 24 hours was welcomed by the CCDH232 and the CSL233, while the Council of State234 and the CC235 expressed concern that it might have a dissuasive effect on candidates. The CCDH and the CSL proposed to extend the 24 hours of civics courses to all candidates for nationality (naturalisation, option and recovery).236 The CSL, as well as the Chamber of Trades and Crafts, noted that to accommodate the high demand for language and/or civics courses, the offer would have to be increased considerably, as would resources and personnel assigned to the tasks.237

The United Nations High Commissioner for Refugees (UNHCR) and the CCDH remarked that beneficiaries of international or subsidiary protection as well as stateless persons should be exempt from producing official documents from their country of origin, as this is often challenging.238 The UNHCR also recommended the option of allowing the rights of adult stateless persons, beneficiaries of international or subsidiary protection to be extended to minors.239 Furthermore, while welcoming the steps taken by the legislator in the fight against statelessness, it asked that minors be permitted to acquire Luxembourgish nationality if the lack of effective implementation of foreign laws would render them stateless.240

The Council of State241 and the CCDH242 enquired why the procedure of ‘option’ was open to people married to a Luxembourgish person, but not to those in a partnership with a Luxembourgish person,
while the CC\textsuperscript{243} took a critical stance regarding the double condition of residence for both the minor child and one of its parents.

The draft law also generated reactions from organisations outside of the legislative process. Criticisms were expressed concerning the softening of language conditions and that the acquisition of nationality ought to be the last step of integration, and not a step along the way.\textsuperscript{244} Others regretted that the Luxembourgish language condition remains indispensable and thus a tool for exclusion.\textsuperscript{245}

The largest opposition party noted that it could vote in favour of the draft law, viewing it as a good balance between the protectionist identity debate on the one hand, and the more pragmatic approach leaning towards integration on the other.\textsuperscript{246}

2.9.3. Encouraging participation in local elections

Foreign residents who have reached the age of 18 on the day of the municipal elections and who have resided for at least five years in Luxembourg, based on their registration on the electoral lists, have the right to participate in local elections in Luxembourg.

To encourage foreign residents to register on the electoral lists and to participate in local politics, in January 2017 the Ministry of Family, Integration and the Greater Region, in collaboration OLAI, launched an \textit{awareness-raising campaign entitled ‘I can vote’ amongst Luxembourg’s foreign population}, providing information on the rights and procedures relating to local elections and encouraging registration on the electoral roll.\textsuperscript{247}

In the framework of this campaign, OLAI provided interested municipalities, associations, professional chambers, local and national sports and leisure organisations, as well as the media, with free and easily comprehensible promotional material, and a website available in five languages was launched in 2017. ‘Multipliers’ raising awareness of the importance of political participation amongst the foreign population were trained in October 2016. Since October 2016, OLAI has launched multiple calls for projects aimed at non-profit organisations wishing to organise complementary actions or projects for this planned national campaign.\textsuperscript{248}
3. Statistical overview of migration movements

This section provides an overview of how international migration has evolved in Luxembourg. Analysis of trends is provided for foreign nationalities, naturalisations, demography, and migration movements to Luxembourg for 2016/mid-2017, as well as on specific topics such as visas and residence permits, change of status, international protection, irregular migration, human trafficking and voluntary and forced returns, international students, and cross-border workers. An overview of migration stocks and flows, and of the developments in the labour market, completes the chapter’s analysis.

3.1. Demography

3.1.1. General population characteristics

In 2016, the total population grew by 2.5%, from 576,249 to 590,667. As of 1st January 2017, the Luxembourgish population accounts for 52.3%, with foreign nationals and stateless persons comprising the other 47.7% of the total population.

Panel A of Figure 1 shows consistent increases for all nationality groups over the years, as well as for the total population. The growth rate of the total population increased from 2012 to 2015, moving from a yearly growth of 12,186 to 13,291 persons. Last year, there was a break in the series. The total population has grown by 11,529 year on year; however, the difference between 2016 and 2017 is 14,418 persons, as shown in panel A of Figure 1. This number is the result of taking into account three factors: net migration4, natural increase and a statistical adjustment of 2,889 persons due to the break in the series. The growth in 2016 can mainly be attributed to the influx of non-Luxembourgish EU28 citizens. The population grew in 2016, with increases for all sub-populations (see Figure 1, panel A). The largest percentage increase was recorded for non-Luxembourgish EU28 citizens (4.7%), followed by third-country nationals (TCN, 3.8%), and native population (0.7%). As shown in Figure 1, panel B, accumulated population growth from 2014 to 2017 was the greatest for TCNs (19.3%), then for non-Luxembourgish EU28 citizens (12.1%), then for Luxembourgish citizens (2.8%).

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4 Net migration is the difference between the number of people who entered the territory (immigration) and the number of people who left the territory (emigration) during a period.
Although the number of resident TCNs in Luxembourg has increased by 19.3% since 2014, the beginning of the migration crisis, this growth was associated with a low base of 34,195 persons in 2014 (see panel A of Figure 1) – rising to 40,792 by 2017. Overall, the resident population has grown by 7.5% between 2014-2017.

The overall birth rate has decreased to 10.24‰ in 2016, the lowest in recorded history (since 1891). Natural increase\(^5\) and net migration have both contributed to population growth; albeit at a decreasing rate in 2016, falling back to the level of 2008-2010.

### 3.2. Migration

#### 3.2.1. Net migration

From 2015 to 2016, the number of immigrants to Luxembourg decreased from 23,803 to 22,888, breaking a six-year period of continuous increase (see Figure 2). Departures have been on the rise since 2012, reaching 13,440 in 2016. Consequently, net migration is at its lowest within the last six years. In fact, net immigration accounts for 81.9% of the population growth (compared with 84% in 2015) and natural increase accounts for 18.1% (against 16% in 2015).

Comparing 2016 to 2014, immigration grew by only 2%, while emigration increased by 19%, adding up to a 14% decrease in net migration overall.

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\(^5\) Natural balance refers to the difference between the number of births and the number of deaths registered during a period. Natural increase indicates that the number of births exceeds the number of deaths.
Table 4 shows the migration flows by country of origin and destination. In 2016, France accounted for the biggest share of net migration (21.4%), followed by Portugal (12.6%), Italy (11.3%), Spain (5.4%), Belgium (5%), Germany (1.8%) and Netherlands (0.4%). Other European countries accounted for 16.3% of the net migration flow, while Africa had a share of 9.7%.

The slowdown in net migration is mainly due to the continued decrease in Portuguese, Belgian and USA citizens’ immigration as well as net migration. However, immigration from other European countries was at a record high (6,425) in 2016, with overall net migration from these countries inferior only to 2011 and 2014 numbers.

Emigration from the eight most significant foreign populations (Belgium, France, Germany, Italy, Netherlands, Spain, Portugal, and USA) was on the rise during 2016, and also for country groups such as Africa, Other European Countries and Other Countries.

Table 4: Migration flows by country of origin and destination

<table>
<thead>
<tr>
<th>Country/Region</th>
<th>Immigration</th>
<th>Emigration</th>
<th>Net migration</th>
<th>% share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Belgium</td>
<td>1320</td>
<td>845</td>
<td>475</td>
<td>5.0</td>
</tr>
<tr>
<td>France</td>
<td>3962</td>
<td>1942</td>
<td>2020</td>
<td>21.4</td>
</tr>
<tr>
<td>Germany</td>
<td>945</td>
<td>774</td>
<td>171</td>
<td>1.8</td>
</tr>
<tr>
<td>Italy</td>
<td>1800</td>
<td>737</td>
<td>1063</td>
<td>11.3</td>
</tr>
<tr>
<td>Netherlands</td>
<td>235</td>
<td>198</td>
<td>37</td>
<td>0.4</td>
</tr>
<tr>
<td>Spain</td>
<td>771</td>
<td>263</td>
<td>508</td>
<td>5.4</td>
</tr>
<tr>
<td>Portugal</td>
<td>3355</td>
<td>2160</td>
<td>1195</td>
<td>12.6</td>
</tr>
<tr>
<td>Other European countries</td>
<td>6425</td>
<td>4886</td>
<td>1539</td>
<td>16.3</td>
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<tr>
<td>U.S.A.</td>
<td>407</td>
<td>495</td>
<td>-88</td>
<td>-0.9</td>
</tr>
<tr>
<td></td>
<td>Immigration</td>
<td>Emigration</td>
<td>Net migration</td>
<td></td>
</tr>
<tr>
<td>----</td>
<td>-------------</td>
<td>------------</td>
<td>--------------</td>
<td></td>
</tr>
<tr>
<td>Africa</td>
<td>1180</td>
<td>263</td>
<td>917</td>
<td>9.7</td>
</tr>
<tr>
<td>Other countries</td>
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<td>857</td>
<td>1609</td>
<td>17.0</td>
</tr>
<tr>
<td>Unknown</td>
<td>22</td>
<td>20</td>
<td>2</td>
<td>0.0</td>
</tr>
<tr>
<td><strong>All countries</strong></td>
<td><strong>22888</strong></td>
<td><strong>13440</strong></td>
<td><strong>9448</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>


**Figure 3: Immigration, emigration and net migration to Luxembourg**

2013-2015


3.3. State of foreign population in Luxembourg

3.3.1. Main nationalities

In Luxembourg, the proportion of foreigners in the total population is 47.7%, with a growing tendency. In parallel, the native population has decreased from 55.5% to 52.3% in the last five years (see Figure 4).
Figure 4: Composition of population living in Luxembourg¹

2014-2017, as of 1st January

1. Starting from 2017, there is a break in the series due to the new data source CTIE. Source: STATEC, 2017.

Immigrants from other European Union (EU28) member countries and neighbouring countries make up the main share of the foreign population. Portuguese are – by far – the largest foreign population (16.4% of total population as of 1st January 2017), with the highest influx in 2016. They are followed by France (7.5%), Italy (3.6%), Belgium 3.4%) and Germany (2.2%).

Among non-EU countries, Montenegro ranks eighth with a share of 0.75% of the population, followed by China (0.55%), Cape Verde (0.48%), Serbia (0.39%) and Bosnia and Herzegovina (0.37%). USA (0.33%) and Brazil (0.31%) have a share of the total population corresponding to rank seventeen and twenty respectively. With eight major Chinese banks having established a Luxembourg base, China’s economic presence is significant, with Montenegro, Cape Verde and Serbia having large diasporas already established in the country.
Figure 5: Top five nationalities of the foreign population living in Luxembourg
2014-2017, as of 1st January

The number of citizens arriving from the top three sending countries has gradually picked up during the last three years (see Figure 5, panel B). Portugal, France and Italy are the main source countries in terms of both previous immigration levels and newly-arrived immigrants in 2016. During the last three years, the numbers of French, Italian and Portuguese nationals have risen by 19%, 14% and 10% respectively. In 2016, there was a more than 10% increase the nationals of Montenegro (15.5%), China (15%) and Spain (10.8%). Conversely, there was a decrease of 13.6% in immigrants arriving in Luxembourg from the USA. After the record high increases during 2014 and 2015 (244% and 461% respectively), the number of Syrian immigrants coming to Luxembourg decreased sharply in 2016. As of 1st January 2017, Syria ranked as the twelfth TCN country of origin.

3.4. Naturalisations

3.4.1. Residents and non-residents

For the third consecutive year, the increase in naturalisations has continued in 2016, with a year-on-year jump similar to 2009. However, unlike 2009, this 2016 increase was mainly due to one temporary factor: the impact of Article 29 of the abrogated Law of 23rd October 2008 concerning the recovery of Luxembourgish nationality (see Figure 6).

Figure 6: Naturalisations¹ in Luxembourg

2009-2016

1. The term "naturalisation" covers all types of nationality acquisition since the Law of 23rd October 2008 entered into force: naturalisation, option, recovery (which is mainly based on Article 29, that relates almost exclusively to non-residents). However, it does not cover the acquisition of nationality by children who become Luxembourgers due to the naturalisation of one or both parents.


According to Article 29 of the 2008 Law on nationality, ‘recovery of citizenship’ is possible if a person has a Luxembourgish ancestor in direct maternal or paternal line who existed on 1st January 1900, provided the nationality was lost due to pre-existing laws. This possibility will expire after 31st December 2018. As a result, the significant rise in the naturalisation of both Belgian and French citizens can be largely attributed to persons availing themselves of Article 29 (see Figure 6). It concerns mainly non-resident individuals.
Nationals of other countries with significant levels of naturalisation under the scope of Article 29 (recovery of nationality mainly by non-residents) are the USA and Brazil (with 216 and 84 naturalisations respectively). TCNs had lower number of naturalisations issued. Excluding the Balkan states (Montenegro - 134, Bosnia-Herzegovina - 71, Serbia and Kosovo – 47) only Cape Verde, Russia and China had more than 20 naturalisations granted in 2016. These TCNs did not benefit from Article 29.

3.5. Visa and residence permits

3.5.1. European citizens and family members (including EU citizens and TCNs)

In 2016, most registration certificates were issued\(^6\) to Portuguese (3,655), French (3,613), Italian (1,666), Belgian (1,173) and German nationals, accounting together for 73.14% of all registration certificates issued.

Overall, the number of registration certificates, permanent residence certificates and residence cards of EU citizens’ family members increased by 12.66%, 21.1% and 15.48% respectively in 2016 (see Figure 8). There is, however, a noticeable decrease of 11.34% in the number of permanent residence cards issued for EU citizens’ family members. 2016 saw a turn of the negative trend since 2012.

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\(^6\) Registration certificates are dealt with on the spot, and they are issued immediately.
There are two countries whose nationals were granted over 100 residence cards in 2016: Brazil and Cape Verde (see Panel A of Figure 9). With regard to TCNs coming from certain African countries such as Guinea (28.8%), Bissau-Guinea (24.3%) and Senegal (14.8%), residence permits issued to EU citizens’ family members represent more than 10% of all residence cards issued for the nationals of these countries residing in Luxembourg respectively (see panel B of Figure 9).

**Figure 8: Registration certificates and residence cards granted to EU citizens and family members**

2014-2016


**Figure 9: Top 10 nationalities of TCNs receiving residence cards as EU citizens’ family members**

Residence cards and permanent residence cards (first issues), 2016

3.6. Third-country nationals

The composition of residence permits in 2016 followed a similar pattern to the previous year. During 2016, 10,935 residence permits were issued, of which 1,734 were long term. Regarding first issues, there were 5,004 residence permits granted, including 4,210 permits for all types of authorisation of stay, and 794 long-term residence permits, representing 84.1% and 15.9% respectively, in 2016.

As Table 5 illustrates, the top three categories of residence permits issued for TCNs in 2016 were TCN’s family member (31.6%), salaried worker (17.5%) and long-term resident (15.9%).

<table>
<thead>
<tr>
<th>Category</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>European blue card</td>
<td>481</td>
<td>615</td>
<td>639</td>
</tr>
<tr>
<td>Researcher</td>
<td>68</td>
<td>76</td>
<td>63</td>
</tr>
<tr>
<td>Pupil</td>
<td>233</td>
<td>208</td>
<td>191</td>
</tr>
<tr>
<td>Student</td>
<td>377</td>
<td>414</td>
<td>381</td>
</tr>
<tr>
<td>Au pair</td>
<td>25</td>
<td>48</td>
<td>70</td>
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<tr>
<td>TCN’s family member</td>
<td>3170</td>
<td>3575</td>
<td>3460</td>
</tr>
<tr>
<td>International protection</td>
<td>414</td>
<td>385</td>
<td></td>
</tr>
<tr>
<td>International protection - Refugee status</td>
<td></td>
<td></td>
<td>814</td>
</tr>
<tr>
<td>International protection - Subsidiary protection</td>
<td></td>
<td></td>
<td>28</td>
</tr>
<tr>
<td>Long-term resident</td>
<td>1422</td>
<td>1432</td>
<td>1734</td>
</tr>
<tr>
<td>Athlete</td>
<td>79</td>
<td>60</td>
<td>51</td>
</tr>
<tr>
<td>Trainee</td>
<td>16</td>
<td>18</td>
<td>21</td>
</tr>
<tr>
<td>Posted worker</td>
<td>36</td>
<td>25</td>
<td>20</td>
</tr>
<tr>
<td>Community service provider worker</td>
<td>1</td>
<td>1</td>
<td>4</td>
</tr>
<tr>
<td>Self-employed person</td>
<td>71</td>
<td>73</td>
<td>65</td>
</tr>
<tr>
<td>Salaried worker</td>
<td>1993</td>
<td>1559</td>
<td>1910</td>
</tr>
<tr>
<td>Transferred worker</td>
<td>298</td>
<td>372</td>
<td>356</td>
</tr>
<tr>
<td>Personal reasons – 78 (1) a sufficient resources</td>
<td>107</td>
<td>74</td>
<td>92</td>
</tr>
<tr>
<td>Personal reasons - 78 (1) b autonomous title</td>
<td>8</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Personal reasons - 78 (1) c personal or family ties</td>
<td>348</td>
<td>390</td>
<td>488</td>
</tr>
<tr>
<td>Personal reasons - 78(1) d humanitarian reasons</td>
<td>1</td>
<td>15</td>
<td>21</td>
</tr>
<tr>
<td>Personal reasons - other</td>
<td>657</td>
<td>767</td>
<td>520</td>
</tr>
<tr>
<td>Volunteer</td>
<td>1</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>9806</strong></td>
<td><strong>10114</strong></td>
<td><strong>10935</strong></td>
</tr>
</tbody>
</table>

Regarding first issues of residence permits, the leading categories were TCN’s family member (28.7%), salaried worker (17.6%) and beneficiaries of international protection (BIP, 17.4%).

### Table 6: First issues of residence permits by category

<table>
<thead>
<tr>
<th>Category</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>European blue card</td>
<td>335</td>
</tr>
<tr>
<td>Researcher</td>
<td>44</td>
</tr>
<tr>
<td>Pupil</td>
<td>191</td>
</tr>
<tr>
<td>Student</td>
<td>208</td>
</tr>
<tr>
<td>Au pair</td>
<td>70</td>
</tr>
<tr>
<td>TCN’s family member</td>
<td>1209</td>
</tr>
<tr>
<td>Athlete</td>
<td>32</td>
</tr>
<tr>
<td>Trainee</td>
<td>20</td>
</tr>
<tr>
<td>Posted worker</td>
<td>15</td>
</tr>
<tr>
<td>Community service provider worker</td>
<td>1</td>
</tr>
<tr>
<td>Self-employed person</td>
<td>36</td>
</tr>
<tr>
<td>Salaried worker</td>
<td>739</td>
</tr>
<tr>
<td>Transferred worker</td>
<td>140</td>
</tr>
<tr>
<td>Personal reasons - 78 (1) a sufficient resources</td>
<td>32</td>
</tr>
<tr>
<td>Personal reasons - 78 (1) b autonomous title</td>
<td>-</td>
</tr>
<tr>
<td>Personal reasons - 78 (1) c personal or family ties</td>
<td>318</td>
</tr>
<tr>
<td>Personal reasons - 78(1) d humanitarian reasons</td>
<td>7</td>
</tr>
<tr>
<td>Personal reasons – other</td>
<td>78</td>
</tr>
<tr>
<td>Volunteer</td>
<td>4</td>
</tr>
<tr>
<td>International protection - Refugee status</td>
<td>716</td>
</tr>
<tr>
<td>International protection - Subsidiary protection</td>
<td>15</td>
</tr>
<tr>
<td>Long-term resident</td>
<td>794</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>5004</strong></td>
</tr>
</tbody>
</table>


### 3.7. Status changes by main categories of entry

Taking a closer look at the continent of nationality, there are visible patterns in the change of immigration statuses. In 2016, Asian citizens who changed their status most frequently had family reasons (36.9%) or education (31.6%) as a former reason of their immigrant status, followed by other reasons (26.3%). In 84.2% of the time, the resulting reason for the change of status was remunerated activities.

European citizens have changed from family reasons or other reasons status 66.6% of the time, and 3 out of 4 Europeans who changed their immigration status ended up changing for one of two reasons: family reasons or other reasons. In slightly more than half of the cases, the resulting reasons for changes of immigrant status was remunerated activities (51%).
Figure 10: Changes of immigration status by continent of citizenship

2016

A. Share of former reasons by continent

<table>
<thead>
<tr>
<th>Continent</th>
<th>Education</th>
<th>Family</th>
<th>Remunerated Activities</th>
<th>Other Reasons</th>
</tr>
</thead>
<tbody>
<tr>
<td>ASIA</td>
<td>6</td>
<td>7</td>
<td>1</td>
<td>5</td>
</tr>
<tr>
<td>EUROPE</td>
<td>3</td>
<td>5</td>
<td>3</td>
<td>7</td>
</tr>
<tr>
<td>AFRICA</td>
<td>2</td>
<td>5</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>AMERICA</td>
<td>1</td>
<td>2</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>AUSTRALIA</td>
<td>1</td>
<td>1</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>


B. Share of resulting reasons by continent

<table>
<thead>
<tr>
<th>Continent</th>
<th>Education</th>
<th>Family</th>
<th>Remunerated Activities</th>
<th>Other Reasons</th>
</tr>
</thead>
<tbody>
<tr>
<td>ASIA</td>
<td>11</td>
<td>16</td>
<td></td>
<td>2</td>
</tr>
<tr>
<td>EUROPE</td>
<td>5</td>
<td>9</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>AFRICA</td>
<td>3</td>
<td>4</td>
<td></td>
<td></td>
</tr>
<tr>
<td>AMERICA</td>
<td>2</td>
<td>3</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>AUSTRALIA</td>
<td>1</td>
<td>1</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
3.8. International students

3.8.1. General student population

In Luxembourg, the student population is more diverse – at all levels – than in most of EU countries. Concerning primary and secondary education, the issuing of residence permits gives an indication of TCNs studying as pupils or students in Luxembourg (see Figure 11).

As Figure 11 shows, the number of residence permits issued has moderately decreased for both pupils and students in 2016. For pupils, this is the continuation of a negative trend.

![Figure 11: TCN residence permits for pupils and students](image)


As illustrated by Figure 12, there were no renewals of TCN residence permits for pupils in 2016. Regarding students, the number of first issues was 20.2% higher than the number of renewals in 2016.

---

7 According to Article 60 of the immigration law, pupils may hold a residence permit for one year, not renewable.
Looking at higher education, the University of Luxembourg is the provider of education at this level in Luxembourg. As of the end of 2016, there were 6,140 students enrolled, of whom 3,000 students were registered as Bachelor students, 1,500 as Masters students, 640 as PhD students and 1,000 professionals were taking vocational or lifelong learning courses.

There were 3,200 mobile students at the end of 2016 enrolled at the University of Luxembourg who had graduated with a high school diploma awarded outside of Luxembourg.

3.8.2. Students by nationality

At the end of 2016, the University of Luxembourg had 120 different student nationalities. Some 45.2% of the students had Luxembourgish nationality, 54.3% had other EU nationalities and a further 15.5% other nationalities. Since some students had multiple nationalities, the totals thus add up to more than 100% (see Figure 13).
Figure 13: Composition of the student population at the University of Luxembourg

2016-2017

Source: University of Luxembourg, 2017.

Figure 14: Top 5 EU nationalities of the University of Luxembourg

Students, 2016-2017

1. Other students include EU and non-EU citizens as well.

Source: University of Luxembourg, 2017.

At the end of 2016, the top five TCNs of the University of Luxembourg represented together 4.61% of all the students enrolled. Chinese students ranked first among TCNs, and comprised 1.5% of all students.
3.8.3. New students

The decreasing number of total new students shows a negative trend in the last two years at the University of Luxembourg. EU28 students (excluding Luxembourg) were the sole group showing an increase in 2016.

Table 7: New students’ nationalities and registrations at the University of Luxembourg

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Luxembourg</td>
<td>960</td>
<td>893</td>
<td>837</td>
</tr>
<tr>
<td>Total EU28 foreigners</td>
<td>1237</td>
<td>1172</td>
<td>1173</td>
</tr>
<tr>
<td>Non-EU28 foreigners</td>
<td>306</td>
<td>313</td>
<td>343</td>
</tr>
<tr>
<td>Total UL nationalities</td>
<td>2503</td>
<td>2378</td>
<td>2353</td>
</tr>
<tr>
<td>Mobile</td>
<td>1165</td>
<td>1113</td>
<td>1159</td>
</tr>
<tr>
<td>Domestic</td>
<td>1040</td>
<td>955</td>
<td>903</td>
</tr>
<tr>
<td>Total new students</td>
<td>2205</td>
<td>2068</td>
<td>2062</td>
</tr>
</tbody>
</table>

Source: University of Luxembourg, 2017.
3.9. International protection

Following a peak in international protection applications during 2011-12, another significant increase was observed in 2015 (2,447 applications). While there was a strong increase at the end of 2015, the trend slowed down slightly in 2016, with 2,035 applicants for international protection (AIP). This shows a decrease of 16.8% in AIPs year on year (see Figure 17). Some 905 applicants had been received by May 2017, indicating that the number of AIPs continues to remain higher than levels in 2013 or 2014.
After the peak of the Mediterranean crisis in 2015, the monthly data show a more linear and balanced accumulation of international protection applications during 2016. There was an average of 170 applicants per month during 2016, with a peak in October (see Figure 18).

1. Relocated people from Greece and Italy are included; however, resettled persons are not included.

3.9.1. Resettlement

Following the 18th March 2016 Agreement between the EU and Turkey regarding the resettlement and readmission of Syrian nationals in the EU and Turkey respectively on a 1:1 base, Luxembourg has pledged the resettlement of 190 Syrian citizens (see Table 8). These nationals would become beneficiaries of the refugee status directly.

In 2016, 52 Syrian nationals were transferred to Luxembourg, which was followed by the resettlement of 46 Syrian nationals by 7th May 2017.

Luxembourg has also agreed to resettle 20 Syrian nationals following the 30th March 2016 UNHCR call.

Table 8: Resettlement¹ to Luxembourg

<table>
<thead>
<tr>
<th></th>
<th>2015-17</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Obligations</td>
</tr>
<tr>
<td>1:1 Turkey</td>
<td>190</td>
</tr>
<tr>
<td>Classic resettlement</td>
<td>50</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>240</strong></td>
</tr>
</tbody>
</table>

1. 39 persons have been selected for ‘classic’ resettlement from Lebanon; the agreement has not been finalised yet.


3.9.2. Relocation

Following the two EU Council decisions (2015/1523 on 14th September 2014 and 2015/1601 on 22nd September 2015), Luxembourg pledged to relocate 557 people from Greece and Italy. In line with these obligations, Luxembourg will relocate 248 people from Italy and 309 from Greece by the end of 2017. As shown in Table 9, by 7th May 2017 111 and 272 individuals have been relocated from Italy and Greece respectively.

In 2016, 106 people were relocated from Greece to Luxembourg, comprising nationals of Syria (84), Iraq (20), Turkey (1), and Eritrea (1). The 61 people arriving from Italy in 2016 were mostly from Eritrea (58) and from Syria (3).

Table 9: Relocation¹ to Luxembourg

<table>
<thead>
<tr>
<th></th>
<th>2015-17</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Obligations</td>
</tr>
<tr>
<td>Greece</td>
<td>309</td>
</tr>
<tr>
<td>Italy</td>
<td>248</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>557</strong></td>
</tr>
</tbody>
</table>

1. The arrival of 100 people from Italy is envisaged, although the date has not been set.

3.9.3. Profiles of applicants

In 2016, just over 50% of all AIPs were nationals of Syria (14.2%), Albania (11.1%), Kosovo (10.2%), Iraq (7.9%) and Serbia (7.5%) (see Figure 19).

**Figure 19: Share of top five countries of origin in the total number of applicants for international protection**

![Pie chart showing the share of top five countries of origin in the total number of applicants for international protection in 2016]


Up to 7th May 2017, some 905 applications for international protection had been registered by the Directorate of Immigration. Nationals from Syria (18.6%), Serbia (12.5%), Morocco (9.5%), Algeria (8.7%) and Albania (6.9%) represented 56.1% of all applications. Other countries made up for less than half.

Three of the top five countries (Syria, Serbia and Albania) overlap in 2016 and 2017 (up until 7th May), and their combined share grew from 32.8% to 37.9% (see Table 9).

In 2016, the top five countries of origin representing more than half of the international applications were associated with two conflict zones, the Syrian war and the Balkan conflict. Among the first 15 countries, we also find countries from the Middle East and North African region or from Sub-Saharan Africa, together accounting for 32%, while other countries represent only 17% (see Table 10 and Figure 20).
Table 10: Distribution of applicants for international protection, by country of origin

<table>
<thead>
<tr>
<th>Country of Origin</th>
<th>Number of persons</th>
<th>Distribution (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Syria</td>
<td>289</td>
<td>14.2</td>
</tr>
<tr>
<td>Albania</td>
<td>226</td>
<td>11.1</td>
</tr>
<tr>
<td>Kosovo</td>
<td>208</td>
<td>10.2</td>
</tr>
<tr>
<td>Iraq</td>
<td>161</td>
<td>7.9</td>
</tr>
<tr>
<td>Serbia</td>
<td>153</td>
<td>7.5</td>
</tr>
<tr>
<td>Eritrea</td>
<td>106</td>
<td>5.2</td>
</tr>
<tr>
<td>Bosnia-Herzegovina</td>
<td>82</td>
<td>4.0</td>
</tr>
<tr>
<td>Algeria</td>
<td>75</td>
<td>3.7</td>
</tr>
<tr>
<td>Morocco</td>
<td>75</td>
<td>3.7</td>
</tr>
<tr>
<td>Georgia</td>
<td>64</td>
<td>3.1</td>
</tr>
<tr>
<td>Nigeria</td>
<td>60</td>
<td>2.9</td>
</tr>
<tr>
<td>Afghanistan</td>
<td>56</td>
<td>2.8</td>
</tr>
<tr>
<td>Serbia</td>
<td>51</td>
<td>2.5</td>
</tr>
<tr>
<td>FYR Macedonia</td>
<td>45</td>
<td>2.2</td>
</tr>
<tr>
<td>Tunisia</td>
<td>39</td>
<td>1.9</td>
</tr>
<tr>
<td>Other</td>
<td>345</td>
<td>16.95</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2035</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>


Figure 20: Number of applicants for international protection by country of origin

3.9.4. Decisions and recognition rates

In 2016, Luxembourg achieved a record recognition rate of 60.3% regarding applications for international protection (see Figure 21). Out of 1,310 decisions taken during this year, 790 were positive and 520 were negative.

The rate of recognition describes the relationship between positive decisions and negative decisions. Positive decisions result in either refugee or subsidiary protection status while negative decisions range from the refusals of applications for protection in the normal or accelerated procedure to decisions of inadmissibility. People who have withdrawn their application and whose application for international protection has been implicitly withdrawn are excluded from the calculation of the rate of recognition.

However, also including persons who were resettled in 2016 and automatically obtained refugee status upon arrival in Luxembourg, the total number of BIPs becomes 842, corresponding to an overall recognition rate of 61.8%. In this case, the overall recognition rate takes into account the number of persons resettled during the year who are granted refugee status upon arrival in Luxembourg without being required to go through the examination procedure of an application for international protection as well.

Figure 21: Recognition rates for international protection applications


The high recognition rate in 2016 is explained by the profile of individuals benefiting from international protection: 538 new beneficiaries of refugee status are from Syria (70.4%) and 93 from Iraq (12.2%) (see Figure 22).
Figure 22: Share of top five countries of origin in the total number of beneficiaries of refugee status

2016


Although the Syrian conflict dominated as the origin of persons obtaining refugee status in 2016, Eritrea, Palestine and Iran have also accounted for 57 more refugees (see Figure 23). Compared with 2015, there was sharp increase in the number of refugee statuses granted for nationals of Syria and Iraq. The rate has moderately increased for Palestine and Iran as well.

Figure 23: Top five countries of origin for beneficiaries of refugee status

2015-2016

Among the people obtaining refugee status in 2016, all continents except Australia and Oceania are represented. For instance, North Korea ranked 9th with 6 refugees, while both Ethiopia and Mexico accounted for 5 refugees, ranking 10th.

**Table 11: Beneficiaries of refugee status by country of origin and distribution**

<table>
<thead>
<tr>
<th>Country of origin</th>
<th>Number of statuses granted</th>
<th>Distribution of statuses granted (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Syria</td>
<td>538</td>
<td>70.42</td>
</tr>
<tr>
<td>Iraq</td>
<td>93</td>
<td>12.17</td>
</tr>
<tr>
<td>Eritrea</td>
<td>23</td>
<td>3.01</td>
</tr>
<tr>
<td>Palestine</td>
<td>19</td>
<td>2.49</td>
</tr>
<tr>
<td>Iran</td>
<td>15</td>
<td>1.96</td>
</tr>
<tr>
<td>Afghanistan</td>
<td>8</td>
<td>1.05</td>
</tr>
<tr>
<td>Democratic Republic of Congo</td>
<td>7</td>
<td>0.92</td>
</tr>
<tr>
<td>Somalia</td>
<td>7</td>
<td>0.92</td>
</tr>
<tr>
<td>People's Republic of Korea</td>
<td>6</td>
<td>0.79</td>
</tr>
<tr>
<td>Ethiopia</td>
<td>5</td>
<td>0.65</td>
</tr>
<tr>
<td>Mexico</td>
<td>5</td>
<td>0.65</td>
</tr>
<tr>
<td>Armenia</td>
<td>4</td>
<td>0.52</td>
</tr>
<tr>
<td>Gabon</td>
<td>4</td>
<td>0.52</td>
</tr>
<tr>
<td>Nigeria</td>
<td>4</td>
<td>0.52</td>
</tr>
<tr>
<td>Azerbaijan</td>
<td>3</td>
<td>0.39</td>
</tr>
<tr>
<td>Togo</td>
<td>3</td>
<td>0.39</td>
</tr>
<tr>
<td>Albania</td>
<td>2</td>
<td>0.26</td>
</tr>
<tr>
<td>Burundi</td>
<td>2</td>
<td>0.26</td>
</tr>
<tr>
<td>Cameroon</td>
<td>2</td>
<td>0.26</td>
</tr>
<tr>
<td>Gambia</td>
<td>2</td>
<td>0.26</td>
</tr>
<tr>
<td>Kosovo</td>
<td>2</td>
<td>0.26</td>
</tr>
<tr>
<td>Sudan</td>
<td>2</td>
<td>0.26</td>
</tr>
<tr>
<td>Turkey</td>
<td>2</td>
<td>0.26</td>
</tr>
<tr>
<td>Algeria</td>
<td>1</td>
<td>0.13</td>
</tr>
<tr>
<td>Egypt</td>
<td>1</td>
<td>0.13</td>
</tr>
<tr>
<td>Jordan</td>
<td>1</td>
<td>0.13</td>
</tr>
<tr>
<td>Uganda</td>
<td>1</td>
<td>0.13</td>
</tr>
<tr>
<td>Russia</td>
<td>1</td>
<td>0.13</td>
</tr>
<tr>
<td>Senegal</td>
<td>1</td>
<td>0.13</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>764</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>


Iraq, Montenegro, Afghanistan, Eritrea and Iran were the top five countries whose nationals became beneficiaries of subsidiary protection status in 2016. Taken together, nationals of these top five countries represented 80.8% of all beneficiaries (see Table 11).
Table 12: Beneficiaries of subsidiary protection status by country of origin and distribution

<table>
<thead>
<tr>
<th>Country of origin</th>
<th>Number of statuses granted</th>
<th>Distribution of statuses granted (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Iraq</td>
<td>8</td>
<td>30.77</td>
</tr>
<tr>
<td>Montenegro</td>
<td>4</td>
<td>15.38</td>
</tr>
<tr>
<td>Afghanistan</td>
<td>3</td>
<td>11.54</td>
</tr>
<tr>
<td>Eritrea</td>
<td>3</td>
<td>11.54</td>
</tr>
<tr>
<td>Iran</td>
<td>3</td>
<td>11.54</td>
</tr>
<tr>
<td>Turkey</td>
<td>2</td>
<td>7.69</td>
</tr>
<tr>
<td>Belarus</td>
<td>1</td>
<td>3.85</td>
</tr>
<tr>
<td>Nigeria</td>
<td>1</td>
<td>3.85</td>
</tr>
<tr>
<td>Somalia</td>
<td>1</td>
<td>3.85</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>26</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>


There is less overlap between 2015 and 2016 regarding the top five countries in the list of beneficiaries of subsidiary protection status than for refugee status. However, as opposed to the distribution of beneficiaries, the overall number of beneficiaries has not changed much, from 28 to 26 between 2015 and 2016 (see Figure 24).

Figure 24: Beneficiaries of subsidiary protection status, by nationality

3.9.5. Transfers under the Dublin III Regulation

After a relatively stable period from 2011 to 2015, the number of transfers from Luxembourg to other EU member states under the Dublin III Regulation increased significantly in 2016 (see Figure
Consequently, from 2015 to 2016, the net transfers more than doubled (108 to 217). In 2016, 617 decisions of "incompetence" were taken based on the Dublin III agreement as opposed to 284 in 2015. A number of these transfers were effected only in 2017.

**Figure 25: People transferred to states applying the Dublin¹ regulations**

2011-16

For years 2011 to 2013, the corresponding regulation is Dublin II, whereas for years 2014 to 2016, the Dublin III regulation is applicable.


**Figure 26: Transfers under the Dublin III Regulation**

2016

3.9.6. Decisions on international protection

From 2015 to 2016, refugee status grants increased by 282%, while the number of total decisions taken has increased by 88% (see Table 13). Overall, refusals have declined by 14.4% in one year, while the refusals in the fast-track procedure have decreased by 40%. The high recognition rate during 2016 is due to the Syrian nationals. Refugee status was granted to 538 Syrians, which represents 70.4% of the total granted during 2016. The top five nationalities are completed by the Iraqis (93), Eritreans (23), Palestinians (19) and Iranians (15). These five nationalities represent 90% of the refugee statuses granted during 2016 (see Table 11).

Table 13: Overview of decisions concerning requests for International Protection

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Refugee status granted</td>
<td>44</td>
<td>59</td>
<td>125</td>
<td>149</td>
<td>200</td>
<td>764</td>
</tr>
<tr>
<td>Subsidiary protection status granted</td>
<td>9</td>
<td>7</td>
<td>39</td>
<td>31</td>
<td>28</td>
<td>26</td>
</tr>
<tr>
<td>Refusals (normal procedure)</td>
<td>510</td>
<td>820</td>
<td>467</td>
<td>244</td>
<td>137</td>
<td>212</td>
</tr>
<tr>
<td>Refusals (fast-track procedure)</td>
<td>215</td>
<td>1057</td>
<td>386</td>
<td>455</td>
<td>375</td>
<td>226</td>
</tr>
<tr>
<td>Implicitly withdrawn</td>
<td>23</td>
<td>16</td>
<td>162</td>
<td>48</td>
<td>114</td>
<td>391</td>
</tr>
<tr>
<td>Decision of transfer/Incompetence</td>
<td>229</td>
<td>187</td>
<td>197</td>
<td>235</td>
<td>284</td>
<td>617</td>
</tr>
<tr>
<td>Inadmissible - citizen of the European Union</td>
<td>7</td>
<td>2</td>
<td>2</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Inadmissible - safe first country of asylum or safe third country</td>
<td>2</td>
<td>8</td>
<td>6</td>
<td>18</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inadmissible - subsequent demand</td>
<td>38</td>
<td>26</td>
<td>23</td>
<td>70</td>
<td>85</td>
<td>63</td>
</tr>
<tr>
<td>Exclusion</td>
<td>3</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revocation of status</td>
<td>1</td>
<td>7</td>
<td>2</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total of decisions taken</strong></td>
<td><strong>1075</strong></td>
<td><strong>2178</strong></td>
<td><strong>1404</strong></td>
<td><strong>1248</strong></td>
<td><strong>1232</strong></td>
<td><strong>2319</strong></td>
</tr>
<tr>
<td>Waiver of request</td>
<td>424</td>
<td>972</td>
<td>198</td>
<td>109</td>
<td>126</td>
<td>190</td>
</tr>
</tbody>
</table>

3.10. Irregular migration

3.10.1. Detention

There was no significant change in the number of detainees in detention centres in 2016 (391), compared to the previous year (394). The number of single males increased by 10% (from 261 to 288) while the number of single females increased by 44% (from 16 to 23). By contrast, the number of families arriving decreased by 32%.

![Figure 27: Outcomes for detainees in the Detention Centre](image)


3.11. Human trafficking

In 2016, 8 traffickers were convicted in Luxembourg. However, there were several other unknown perpetrators.

According to the Ministry of Justice, five TCNs were identified as victims of human trafficking in 2016: four women and one man. Additionally, another woman was presumed to be victim of human trafficking in 2016. The nationality of four victims is known: China, Bissau-Guinea, Pakistan and Albania. The man and one woman were victims of labour exploitation, with three women suffering sexual exploitation.

3.12. Returns

In 2016, the total number of returns decreased by 28.2% in comparison to 2015 (see Table 14). The number of forced returns decreased by an even greater rate (35.8%). The decrease in the number of
voluntary returns is in 26.1%. However, with regard to voluntary returns, the percentage of assisted voluntary returns has grown from 23% to 51.3%.

The two significant trends are the decrease in both voluntary and forced returns to the Balkans (700 in 2015 to 407 in 2016), and the increase of voluntary assisted returns to the Middle East (24 in 2015 and 71 in 2016).

Table 14: Distribution of returns by region of origin

<table>
<thead>
<tr>
<th>Region</th>
<th>Voluntary - total</th>
<th>Voluntary - assisted*</th>
<th>Forced</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Africa</td>
<td>10 16</td>
<td>8 9</td>
<td>29 21</td>
<td>39 37</td>
</tr>
<tr>
<td>America</td>
<td>4 12</td>
<td>1 10</td>
<td>3 5</td>
<td>7 17</td>
</tr>
<tr>
<td>Australia</td>
<td>0 0</td>
<td>0 0</td>
<td>0 0</td>
<td>0 0</td>
</tr>
<tr>
<td>Balkans</td>
<td>562 328</td>
<td>101 117</td>
<td>138 79</td>
<td>700 407</td>
</tr>
<tr>
<td>Remaining Europe</td>
<td>12 27</td>
<td>8 26</td>
<td>4 4</td>
<td>16 31</td>
</tr>
<tr>
<td>Middle East</td>
<td>27 72</td>
<td>24 71</td>
<td>0 1</td>
<td>27 73</td>
</tr>
<tr>
<td>Remaining Asia</td>
<td>2 1</td>
<td>0 1</td>
<td>2 3</td>
<td>4 4</td>
</tr>
<tr>
<td>Total</td>
<td>617 456</td>
<td>142 234</td>
<td>176 113</td>
<td>793 569</td>
</tr>
</tbody>
</table>


* Assisted by the IOM (through the AVRR programme)
3.13. Immigration and labour market

3.13.1. Structure of the labour market

In Luxembourg, the labour market is significantly bigger than the available resident work force. Consequently, the economy relies on cross-border workers who provide the missing share of work force and are attracted by the favourable working conditions. As Figure 28, Panel A illustrates, the share of cross-border workers was 45% in 2016, and it is slowly growing.

Figure 28: Structure of the labour market, by country of residence

2017 Q1, seasonally adjusted

Resident workers grew from 207,150 to 216,319 from 2014 to 2016, and further to 220,274 in the first quarter of 2017. The number of cross-border workers increased from 164,332 to 176,569 persons between 2014 and 2016, to reach 180,567 in the first quarter of 2017.

The three larger groups of the resident working population were Luxembourgish, EU citizens and TCNs, with 107,577, 95,268 and 13,436 persons respectively (see Figure 28, Panel B). The proportion of EU citizens within the resident working population follows a long-term positive trend and stands at 44% as of 2016. Luxembourgish nationals made up 50% of the resident working population last year.

Cross-border workers represent 45% of the labour force in Luxembourg. In 2016, the number of cross-border workers commuting from France was 90,278, corresponding to 51%. This is the single largest group of cross-border workers, as well as the fastest growing one in the last two years.
While the share of Luxembourgish nationals among the resident working population was above 50.3% in 2015, it has dropped below 50% in the first quarter of 2017 (see Figure 29, Panel A). In 2016, French nationals maintained and increased their share among cross-border workers above 50% in the first quarter of 2017, at the expense of both Belgian and German cross-border workers.

TCNs amounted to only 6% of the labour workforce during 2016. Nevertheless, there are several characteristics of the TCN workforce:

The top three TCN nationalities to which the European Blue Card was granted in 2016 are India, USA and Russia - together accounting for 55% of all first European blue card issues.
The top three nationalities to be issued salaried worker residence permits were China, India and Montenegro, together accounting for 31% of all first salaried worker residence permits issued.
3.14. Main changes in labour market outcomes of immigrants

3.14.1. Sectors

In March 2017, looking at sectors and distribution of Luxembourgish/non-Luxembourgish residents, Luxembourgish residents were underrepresented in sectors such as construction, administration and support service, accommodation and food service (see Figure 32), while they were overrepresented in public sector activities. Non-Luxembourgish residents were most overrepresented in sectors such as financial and insurance activities, as well as in the sector of professional, scientific and technical activities.

**Figure 32: Salaried workers by sector of activity**

2017, March 31st


Between 2010 and 2017, the number of foreign salaried workers has shown the greatest continuous increase in sectors such as professional, scientific and technical activities, administrative and support services, and financial and insurance services (see Figure 33). From 2010 to 2015, the number of foreign salaried workers has grown significantly also in information and communication, human health and social work, as well as in accommodation and food service.
Figure 33: Foreign salaried workers¹ by sector 2010, 2015, 2017

As of 31st March

1. Foreign salaried workers are non-Luxembourgish nationals, residing in Luxembourg.

In 2017, Luxembourgish residents had almost no share of temporary employment except for some sectors such as professional, scientific and technical activities, as well as financial and insurance activities. TCNs and cross-border workers residing in France were overrepresented in most sectors of activity (see Figure 34).

Figure 34: Temporary workers by sector of activity

2017, March 31st

In terms of gender, non-Luxembourgish resident women represent 21.7% of the resident population (see Figure 35). With regard to temporary workers, non-Luxembourgish resident women are in second place after French cross-border female workers, while Luxembourgish women have the smallest share of temporary employment (see Figure 36).

**Figure 35: Salaried workers by gender**

2017, March 31st

[source image]

**Figure 36: Temporary workers by gender**

2017, March 31st

[source image]
3.14.2. Unemployment

In the second quarter of 2017, the unemployment rate in Luxembourg dropped back to that of the level of the first quarter of 2012, after continuously staying higher than 6% for five years (see Figure 37).

**Figure 37: Unemployment rate, Luxembourg**

Seasonally adjusted, Q1 of 2008 – Q2 of 2017


As shown in Figure 38, foreign citizens faced a significantly higher unemployment rate in every quarter during the second half of 2015 and during 2016 than the average unemployment rate of the whole population.

**Figure 38: Unemployment rate by citizenship¹**

2015 Q4 to 2016 Q4

1. The data concerning the flagged series have low reliability, as indicated by the data source.

Other EU Member State female citizens are exposed in much larger numbers to involuntary part-time work than their Luxembourgish national counterparts (see Figure 39).

**Figure 39: Underemployed part-time workers by gender and citizenship¹²³**

1. An underemployed part-time worker is a person aged 15–74 working part-time who would like to work additional hours and is available to do so. Part-time work is recorded as self-reported by individuals.
2. The category "All" includes all nationalities employed in Luxembourg whereas "Foreign country" refers to "All" minus "Luxembourg".
3. The data have been rounded to the nearest hundred. Values under thousand have low reliability.


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2. The category "All" includes all nationalities employed in Luxembourg whereas "Foreign country" refers to "All" minus "Luxembourg".
3. The data have been rounded to the nearest hundred. Values under thousand have low reliability.

3.14.3. Other integration outcomes for immigrants and their children

The admission rate into the next school class differs between Luxembourgish children, Portuguese and other foreign children. The gap between the Luxembourgish and Portuguese admission rates is the largest, followed by the gap between other nationalities and Portuguese admission rates.

Figure 40: Admission rate to the next class by nationality

Academic years 2009/10 to 2015/16

4. Investor, start-up and entrepreneur visas

4.1. “Investors” residence permit

Luxembourg is a unique place to live and do business in Europe. Since the origins of industrial development in Luxembourg, the availability of a cross-border workforce and the attraction of foreign capital and know-how have been essential to its economic success.

The objective of the government is to guarantee the attractiveness, competitiveness and growth of the Luxembourgish economy which is very open to foreign investment. In the corporate world, almost 75% of the creators of enterprises are foreigners. In 2012, the global foreign direct investment amounted to 90,149 million Euros, of which 22.480 million Euros (24.9%) came from non-EU countries.

The promotion of Luxembourg as a host country for foreign investment and as an export country is one of the main objectives of the governmental programme for 2013-2018, and this will be based on the concept of “nation branding”. A systematic approach will be established to measure, establish and manage Luxembourg’s reputation.

The government programme for 2013-2018 intends to focus on attracting and developing highly value-added activities focused on the following sectors: industry, environmental technologies, logistics, health technologies (biomedicine and biotechnologies), information and communication technologies, maritime clusters and research. It is a priority to attract corporate headquarters and start-ups in innovative technologies with high added value. The objective of the government is to develop all these sectors to guarantee the attractiveness, competitiveness and growth of the Luxembourgish economy. In order to do so, the government is not only targeting corporate investors but private investors as well. For this second group, the government needed an instrument to facilitate the entry and stay of third-country national investors. The two main targets groups are:

- Financial investors
- Investors in small and medium enterprises

Until the introduction of Draft law no. 6992, there was no definition of a third-country national investor in the Immigration Law. In Luxembourg, a third-country national investor could only receive a residence permit as: 1) a self-employed worker or 2) for personal reasons. The decision will depend on whether the investor would like to work actively in the company s/he invests in or if s/he wishes to be a passive investor.

1) The residence permit for personal reasons can be granted based on the wealth of the person, independently of whether the person is going to invest.

2) With regard to the self-employed worker residence permit, the legislation defines three major categories of how to develop the activity:

   a) as a physical individual (artisan, trader, liberal professional, industrialist, farmer, etc.)
   b) as a general manager with an authorisation of establishment and a holding of at least 25% in a limited liability partnership (i.e. société à responsabilité limitée)
   c) as a general manager who runs the day-to-day business of a company (i.e. société anonyme (SA), société européenne (SE))

However, as the Private Banking Group mentioned in 2011, the immigration legislation does not reflect this openness for third-country nationals, because it is complicated to enter the territory even for business travel, and working permits as well as authorisations of stay are required for family
members. They suggest establishing new procedures to simplify the authorisation of stay for residents with high added value to the Luxembourgish economy, and creating a one-stop shop for the administrative procedure.

However, not having an exclusive residence permit for “investors” presented several challenges:

- The need to establish a clear legal framework defining the different categories of residence permits
- Allowing immediate family reunification and establishing fast-track procedures for investors and other business people
- Developing a fiscal policy that guarantees competitiveness and balances the operating costs of establishment in the country
- The simplification of administrative procedure
- The shortages of a qualified workforce in certain sectors of the economy
- Limited housing and working space
- Access to credit for small and medium-sized enterprises (SMEs)

To attract highly net-worth individuals, draft law no. 6992 was introduced to parliament by the Ministry of Immigration and Asylum on 18th May 2016. The draft law was adopted by parliament and became the Law of 8th March 2017, amending 1) the amended Law of 29th August 2008 on the free movement of persons and immigration, 2) the amended Law of 28th May 2009 on the Detention Centre, 3) the Law of 2nd September 2011 regulating access to the professions of craftsmen, traders, industrialists and certain liberal professions.

The main amendments introduced by the Draft law no. 6992 (later Law of 8th March 2017) were the introduction of the “investor” authorisation of stay, the simplification of administrative procedures and the right to immediate family reunification.

The new “investor” authorisation of stay, introduced by the Law of 8th March 2017, aims to attract high-quality third-country national investors to the country as part of a push towards the diversification of Luxembourg’s economy and to boost entrepreneurship.

To be eligible for this authorisation to stay, the third-country national must fulfil the following conditions:

1. **Type of investment**

The applicant must fulfil one of the four types of investment so s/he can apply for the authorisation of stay:

- a. Invest at least €500,000 in an existing commercial, artisanal or industrial company based in Luxembourg and commit to maintaining the investment and the level of employment for at least five years
- b. Invest at least €500,000 in a commercial, artisanal or industrial company yet to be created, this including the creation of five jobs within three years of having founded the company
- c. Invest at least €3,000,000 in an investment structure that is already in existence or yet to be created in Luxembourg, which has an appropriate substance (targeting ‘family office’ structures)
- d. Invest at least €20,000,000 as a deposit in a financial institution established in Luxembourg, committing to maintaining this investment for at least five years (targeting ‘high net worth individuals’)
It is important that the types of investment (except the one under c) are subject to time conditions, which guarantees the government that the investment is genuine and that the investor is committed to his/her investment. If the investor does not respect the conditions, the residence permit can be withdrawn or not renewed.279

The investments can be made personally or using an investment structure.280

Another important element with regard to the type of investment is that the applicant cannot make investments in real estate281 (renting or buying), so as not to worsen the already difficult real estate situation in Luxembourg.282 It is important to mention that this limitation applies to investments which have as their main objective the acquisition or rental of real estate. However, investments with structural products based on real estate are not prohibited.283

Furthermore, 75% of the investments described under a), b) and c) must be made using one’s own funds, while 25% can be borrowed over a duration of at least three years.284 This limitation prevents back-to-back practices, and it is in full compliance with money-laundering regulations (beneficial owner). The investment described under d) must stem completely from one’s own funds285 and must be deposited at one single financial institution.286 The law prevents the possibility of abuses, establishing that the applicant, his/her spouse or registered partner must be the beneficial owners of the money287. If it belongs to any other person, the application is rejected.288

Related to points a) and b), there must be a minimum of 5 employees.289 However, this requirement is not necessary if the investor acquires a company with financial problems, in the framework of an agreed social plan by the Ministry for Employment.290

With regard to point c), the requirement of necessary substance refers to the required physical and tangible installation of a business to operate properly, and is assessed in the context of business structures, the setting up of professional premises, the need for financial, human and technical resources, the number of employed workers (minimum 2) and contractual relationships with professionals in the financial sector.291 This prevents the possibility of using mailbox address companies.

Concerning the investment described in point d), the legislator targets high net-worth individuals (HNWI) who have large personal wealth and who wish to entrust part of their wealth to professionals in the private banking sector established in Luxembourg.292 However, the legislator emphasises that any transactions made regarding the depositing of funds or of the investments fall under the scope of the amended law of 12th November 2004 on combating money laundering and against financing terrorism.293

2. Business plan

Before filing an application for a residence permit, the applicant must submit the project (business plan) to the Minister of Economy294 or to the Minister of Finance295, who verify its viability and provide their opinion to the Minister for Immigration.296 The competent authorities will analyse whether the assets and salaries envisaged in the business plan are adequate to meet the objectives that the investor wants to attain.297

3. Residence permit

The Minister for Immigration verifies whether the applicant fulfils the criteria for entry and stay and that the applicant has obtained the prior approval of the respective Ministry (Finance or Economy) with regard to the viability of the project.298
In cases where there are more than one investor in the same project, the Minister for Immigration must verify whether the amount of the investment is approved by each of the applicants, and that the investment is already freed and cleared by the financial institutions. The amount of the investment has to be individually provided by the applicant. Regardless, the amount of the employees will be the same for the group of the investors.

The investor must provide proof that s/he has adequate housing. Once all the documents have been filed with the Directorate of Immigration, the Minister for Immigration will grant the investor a residence permit. This permit is valid for three years and is renewable for three years if the conditions remain fulfilled and the opinion of the minister having initially provided an opinion remains positive.

In the following 12 months after the minister grants the residence permit, the minister will check whether the holder of the residence permit continues to respect the conditions under which the document was issued. The investor will be notified in advance. If, after checking, the minister considers that the conditions are not fulfilled, he will provide a deadline, which cannot exceed 12 months, for the investor to rectify the situation. If the deadline expires and the situation has not been corrected, the minister will revoke the residence permit.

4. Family reunification

The investor residence permit entitles its holder to apply for immediate family reunification of his/her spouse and children and it is not subject to a waiting period.

As the investor residence permit has just been introduced, statistics are not available regarding the number of applications submitted since the Law of 8th March 2017 came into force. It is too early to determine the effectiveness of the investor residence permit to attract high net-worth individuals.

5. Sectors of the economy in which third-country nationals are authorised to invest

Article 53bis (1) last paragraph establishes that a Grand Ducal regulation will determine in which sectors of the economy third-country nationals can invest directly (investment types 1 and 2). On 3rd March 2017, the government council approved the draft Grand Ducal regulation establishing the eligible sectors of the economy for investors targeted by article 53bis paragraph (1), points 1 and 2 of the amended law of 29th August 2008 on the free movement of persons and immigration. These sectors are the sectors promoted by the Luxembourgish government to diversify the economy, including the following sectors:

- Information and communication technologies
- Space technologies
- Environmental technologies
- Intelligent mobility technologies
- Health technologies
- Logistics, with the exception of simple road transport without generating any economic added value
- Industrial sector: only if the production or research are established in Luxembourg
- Tourism: projects which target regional or national tourism infrastructure and equipment, as well as hotels with more than 25 rooms
- Commercial activities subject to prior approval in accordance with article 35 of the law of 2nd September 2011 regulating access to the professions of artisans, traders, industrialists and certain liberal professions, with the exception of activities dedicated to the renting of real estate
4.2. Start-up authorisation to stay

The government programme 2013-2018 plans an active development and diversification policy by implementing a “multi-specialisation” strategy with the objective of reducing the dependency on the financial sector. One of the main sectors is high added value and innovative start-ups: start-ups are of major importance because they have high growth potential. If they can be attracted to Luxembourg to begin their European development, this will be very profitable for the economy. The main reason is their job creation potential, regardless of size. In cases where a start-up’s eco-system is built, synergies can be developed and highly qualified personnel can be attracted. This eco-system can then generate highly dynamic effects (incubators such as Technoport).

In Luxembourg, there is no legal definition of a “start-up”. There is no specific authorisation to stay for “start-ups” for third-country nationals. The founder of a start-up can apply for an authorisation to stay as an independent worker or as an investor. In situations where start-up employees are third-country nationals, they must apply for an authorisation to stay as a salaried worker.

In 2016, Luxembourg developed a new ‘nation branding’ strategy. It provides start-ups with information regarding Luxembourg’s attractive business environment for innovative companies. The proposed services include coaching and individual support to set up a business plan, to create a company (Fit4Start programme), to find private and public funding and to assist the company to enter the market. According to its 2016 report, 230 start-ups from 25 countries participated last year in one of two sessions organised by Luxinnovation as part of Fit4Start. The innovation stimulation programme launched by Luxinnovation offered 10 start-ups the opportunity to benefit from a 16-week programme of coaching at the Technoport of Belval, and weekly follow-up by “Lean Start-Up” experts, free access to the co-working space of an incubator and a grant up to €50,000.

Fit4Innovation, another flagship programme of the agency, attracted 15 new companies. Launched in 2013, by now it has 44 beneficiaries. In 2016, two new clusters were created for Luxinnovation: wood and the creative industry. Luxinnovation and the Ministry of the Economy aim to bring some cases to audiences in the more traditional sectors of the economy, such as SMEs in the craft sector, to show them the potential of innovation in their own structure.

The reform of the economic promotion of the Grand Duchy by nation branding provided for the pooling of the powers of the agency with Luxembourg for Business.

In 2017, Luxinnovation has three new tasks: 1) communicating Luxembourg’s new identity, 2) market intelligence or market analysis, to better target potential investors according to needs, and 3) prospecting. For the next two years, the increase in the budget indicates the strengthening of actions, to make the services offered more attractive.
ENDNOTES

1 Parliamentary document no. 6992/00 of 18th May 2016, exposition of motives, p. 19.
2 Parliamentary document no. 6992/00 of 18th May 2016.
4 See discussion in text.
5 A seasonal worker is a third-country national who retains his or her principal place of residence in a third country and stays legally and temporarily to carry out an activity dependent on the passing of the seasons, under one or more fixed-term work contracts concluded directly between that third-country national and a Luxembourgish employer.
6 Article 49bis (3) a) of the amended law of 29th August 2008.
7 Article 49bis (4) a) of the amended law of 29th August 2008.
8 Article 49bis (4) b) of the amended law of 29th August 2008.
9 Article 49bis (4) c) of the amended law of 29th August 2008.
10 Article 49bis (4) of the amended law of 29th August 2008.
11 Article 49bis (1) of the amended law of 29th August 2008.
12 Article 49quater (2) of the amended law of 29th August 2008. However, the authorisation to stay can be renewed multiple times if the worker’s contract with the same employer is prolonged. It can be renewed once if the worker finds seasonal work with another employer. See Article 49quater (3) a) of the amended law of 29th August 2008.
13 Article 49ter (1) a) of the amended law of 29th August 2008.
14 Article 49ter (2) of the amended law of 29th August 2008.
15 Article 49quinquies (1) f) and (2) f)) of the amended law of 29th August 2008.
16 Article 49quinquies (6) of the amended law of 29th August 2008.
18 Article 47-1 (1) of the amended law of 29th August 2008.
19 Article 47-1 (2) of the amended law of 29th August 2008.
20 Article 47-1 (3) of the amended law of 29th August 2008.
21 Article 47 (3) g) of the amended law of 29th August 2008.
22 Article 47 (3) h) of the amended law of 29th August 2008.
23 Article 47-4 (1) of the amended law of 29th August 2008.
27 Ministerial Regulation of 30th June 2016 setting the average annual gross salary under the amended Grand Ducal regulation of 26th September 2008 determining the level of minimum remuneration for highly qualified workers in application of the Law of 29th August 2008 on the free movement of persons and immigration, Memorandum A-94 of 2nd June 2015,
URL: www.legilux.public.lu/leg/a/archives/2015/0094/a094.pdf
28 73,296 euros in 2016
29 58,636.80 euros in 2016
30 Council of Government Decree of 22nd May 2015 on setting the minimum salary threshold for obtaining the European Blue Card for certain professions according to the ISCO08 classifications.
31 Article 3 i) of the amended law of 29th August 2008.
33 Article 44bis (1) of the amended law of 29th August 2008.
34 Article 44bis (10) of the amended law of 29th August 2008.
35 Article 44bis (12) of the amended law of 29th August 2008.
38 Parliamentary document no. 6992/00 of 18th May 2016, exposition of motives, p. 19.
39 Article 42 (5) of the amended law of 29th August 2008.
40 Article 42 (5) 1) of the amended law of 29th August 2008.
41 Article 42 (5) 2) of the amended law of 29th August 2008.
43 Article 39 (3) of the amended law of 29th August 2008.
47 The following persons are eligible for such “circulation” visas: a) state and local officials and local people with mission orders, b) businessmen, traders, lawyers, intellectuals, academics, researchers, artists and performers, high-level athletes, or (c) permanent professionals of trade unions and non-governmental organisations duly established in the territory of each party and which participate actively in economic, commercial, professional, academic, scientific, cultural or sports relations between the two countries. Parliamentary document 7107/00 of 17th January 2017.
49 The duration of two years fixed in this agreement is without prejudice to the application of article 59 of the Immigration Law amended by the Law of 8 March 2017.
50 Gouvernement.lu, 9th January 2017, 100 jeunes luxembourgeois et 100 jeunes australiens peuvent profiter de l’arrangement “work and holiday visa” entre les gouvernements australien et luxembourgeois à partir du 1er janvier 2017, URL: http://www.gouvernement.lu/6635337/09-work-travel?context=519177
51 http://www.gouvernement.lu/6839518/28-working-holiday-visa
53 Cape Verde, UAE (Abou Dhabii), USA (Washington D.C., New York, San Francisco), Japan, Russia (Moscow), Thailand, Turkey, LU EMN NCP answer to BE EMN NCP ad-hoc query on cooperation regarding Document Verification Officers, launched on 1st August 2017.
54 LU EMN NCP answer to BE EMN NCP ad-hoc query on cooperation regarding Document Verification Officers, launched on 1st August 2017.
56 Answer of the Minister of Foreign and European Affairs of 13th June 2016 to Parliamentary Question no. 2058 concerning visa liberalisation for the Republic of Turkey and the Republic of Kosovo. URL: http://www.chd.lu/wps/PA_ArchiveSolR/FTSShowAttachment?mime=application%2fpdf&id=1363533&fn=1363533.pdf
57 Parliamentary document no. 6977/00 of 24th March 2016, p. 21.
59 Parliamentary document no. 6977/00 of 24th March 2016.
60 Article 14 (1) 1 Law of 8th March 2017 on Luxembourg Nationality.
61 Article 6 of the Law of 8th March 2017 on Luxembourg Nationality.
62 Articles 23 to 33 of the Law of 8th March 2017 on Luxembourg Nationality.
63 Article 5 of the Law of 8th March 2017 on Luxembourg Nationality.
64 See articles 39 to 45 of the Law of 8th March 2017 on Luxembourg Nationality.
65 Article 14 (1) 2 of the Law of 8th March 2017 on Luxembourg Nationality.
66 Article 15 of the Law of 8th March 2017 on Luxembourg Nationality.
67 Article 14 (1) 3 of the Law of 8th March 2017 on Luxembourg Nationality.
68 Article 16 of the Law of 8th March 2017 on Luxembourg Nationality.
69 Parliamentary document no. 6977/00 of 24th March 2016.
70 Government of the Grand Duchy of Luxembourg, Application for the status as a stateless person,
Luxembourg, 24th August 2016, in: guichet.lu,

71 European Migration Network, Statelessness in the EU, Inform, November 2016.
72 Answer of the Minister of Justice to parliamentary question no. 2239 on the trafficking of human beings, Luxembourg, 21st July 2016.
73 Ministry of Equal Opportunities, Government of the Grand Duchy of Luxembourg, “Plan d’action national ‘Prostitution’ “, Luxembourg, 29th June 2016,
74 Parliamentary document no. 7008/00 of 27th June 2016.
75 Answer of the Minister of Justice to parliamentary question no. 2239 on the trafficking of human beings, Luxembourg, 21st July 2016.
78 Answer of the Minister of Immigration and Asylum to parliamentary question no. 2777 of 20th March 2017.
79 Answer of the Minister of Immigration and Asylum to parliamentary question no. 2825 of 5th April 2017.
80 François Aulner, Procédure accélérée pour les déboutés, Paperjamlu, 8th February 2017.
82 ibidem.
83 ibidem.
87 ibidem., p. 147
89 Ministry of Foreign and European Affairs, 2016, Fonds asile, migration et intégration (AMIF), http://www.gouvernement.lu/4210586/fonds-asile-migration-et-integration-amif [last viewed on 29th September 2016]
90 ibidem.
94 ibidem.
98 OLAI, 10th August 2016, Projets cofinancés, http://www.olai.public.lu/fr/fonds-programmes/amif/projets-

102 The Directorate of Immigration, through its Refugee Service (Service Réfugié), collects general information on AIPs’ language skills, namely mother tongue and proficiency in other languages, as soon as they apply for international protection and more precisely when filling in their personal data sheet (fiche données personnelles). This information is streamlined to OLAI, who will be their referral authority for everything relating to their reception and support. In a second phase, AIPs will be more precisely questioned on their language skills, including the level of proficiency as well as whether they are currently pursuing language courses, as soon as they are granted their statement of international protection status (the so-called “papier rose”). Information provided by the Directorate of Immigration on 26th April 2017.


105 Articles 8 to 13 of the amended law of 16th December 2008 on the reception and integration of foreigners in the Grand Duchy of Luxembourg and implemented by the Grand-Ducal Regulation of 2nd September 2001, 1. Fixing the conditions of application and modalities of execution relating to the welcome and integration contract; 2. Modifying the Grand-Ducal Regulation of 15th May 2001 fixing the cost of registering for a course of adult education organised by the adult training service; 3. Modifying the Grand-Ducal Regulation of 31st March 2000. 1) Fixing the modalities of the contracts of adult courses and the conditions for obtaining a quality label and a subsidy. 2) Creating a Consultative Commission on Adult Education. 4. Amending the Grand-Ducal Regulation of 3rd August 2010 fixing the cost of registering for a course at the Institut national des langues.


107 Ibidem.


110 Gouvernement.lu, Deuxièmes Assises nationales de l’intégration au niveau local: une plateforme d’échange pour les administrations communales en faveur de l’intégration locale, press release, 13.02.2017

111 Ibidem.


113 Ibidem.

114 Ibidem.

115 Ibidem.


117 Wort, 13th June 2016, Red Cross’ integration service for Luxembourg’s most vulnerable refugees, http://www.wort.lu/en/luxembourg/lisko-red-cross-integration-service-for-luxembourg-s-most-vulnerable-refugees-575ead2dac730f44e7f61e1a# [last viewed on 29th September 2016]


121. Information provided by the Ministry of National Education, Childhood and Youth on 2nd December 2016
122. Answer of the Minister of National Education and Youth to Parliamentary Question no. 2088 concerning private schools, Luxembourg, 5th July 2016.
123. Ministry of National Education, Childhood and Youth, 14th July 2016, Dossier de presse: "Ennerschiddlech Scholen fir Ennerschiddlech Schüler – La réforme du lycée", p. 17. One of these mediators will be in charge of issues related to integration of migrant children who are confronted with the challenge of having to master Luxembourg's three national languages in addition to English and their mother tongue. URL: http://www.men.public.lu/catalogue-publications/themes-transversaux/dossiers-presse/2015-2016/160714-reforme-lycee.pdf
126. Article 3 of the law of 26th February 2016 creating a Public International School in Differdange, Memorandum A-27 of 4th March 2015
130. Answer of the Minister of National Education to parliamentary question no. 3014 of 19th June 2017.
133. Parliamentary document 7064/00 of 21 September 2016, Art. 39(1)[2].
140. Answer of the Minister of National Education, Childhood and Youth to parliamentary question no. 2070 regarding the training offered to applicants for and beneficiaries of international protection, Luxembourg, 22nd June 2016, p. 1.
141. Answer of the Minister of Immigration and Asylum to parliamentary question no. 2777 of 20th March 2017.
142. Answer of the Minister of National Education, Childhood and Youth to parliamentary question no. 2070 regarding the training offered to applicants for and beneficiaries of international protection, Luxembourg, 22nd June 2016, p. 3.
145. Information provided by the Ministry for Higher Education and Research on 3rd December 2016.
146. See Court of Justice of the European Union, Judgment of the Court (Second Chamber) of 14th December
176 LU EMN NCP answer to FR EMN NCP ad-hoc query on integration measures regarding language courses and civic integration – Part 1 launched on 12th April 2017.
178 Answer of the Minister of National Education, Childhood and Youth to parliamentary question no. 2070 regarding the training offered to applicants for and beneficiaries of international protection, Luxembourg, 22nd June 2016, p. 3.
179 Answer of the Minister of National Education, Childhood and Youth to parliamentary question no. 2070 regarding the training offered to applicants for and beneficiaries of international protection, Luxembourg, 22nd June 2016, p. 2 and Ministry of National Education, Childhood and Youth, “Formations pour adultes”, URL: http://www.men.public.lu/fr/actualites/publications/adultes/index.html
180 Answer of the Minister of National Education, Childhood and Youth to parliamentary question no. 2070 regarding the training offered to applicants for and beneficiaries of international protection, Luxembourg, 22nd June 2016, p. 3.
182 Parliamentary document no. 6992/00 of 18th May 2016, Exposition of Motives, p. 19.
183 Parliamentary document no. 6992/00 of 18th May 2016, Exposition of Motives, p. 19.
185 Council of Government Decree of 22nd May 2015 on setting the minimum salary threshold for obtaining the European Blue Card for certain professions according to the ISCO08 classifications. URL: http://www.legilux.public.lu/leg/a/archives/2015/0094/a094.pdf
189 Parliamentary document no. 7102 of 13th December 2016.
190 Parliamentary document no. 7102 of 13th December 2016.
191 Charte de la Diversité Lëtzebuerg, “2e journée de formation “Gestion de la Diversité ”, URL: http://www.chartediversite.lu/conferences/2e-journee-formation-gestion-diversite
197 Ibidem., “Commentaire des articles”, p. 27.
198 In its opinion on draft law no. 6992, the State Council further recalled the previous position of the legislator on the amended law of 28th May 2009 concerning the Detention Centre, in which the authors emphasised that "[Persons or families accompanied by children] ... shall in no event be detained for more than 72 hours at the
Centre” as well as Article 17 (1) of Directive 2008/115/EC, which provides that "Unaccompanied minors and families with minors shall be detained only as a measure of last resort and for the shortest appropriate period". See Parliamentary document 6992/05 of 28th October 2016, p. 9.

The draft law was adopted with 58 votes in favour and 2 votes against (from the Left Party – Déi Lénk)


Dani Schumacher, The last stop in Luxembourg, Luxembourger Wort, 19th July 2017, URL: https://ronnendesch.lu/sh/


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Answer of the Minister of Asylum and Immigration to parliamentary question no. 2918.


Information provided by the Directorate for Development Cooperation and Humanitarian Action on 9th January 2017


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François Aulner, Procédure accélérée pour les déboutés, Paperjam.lu, 8th February 2017.

Answer of the Minister of Immigration and Asylum to parliamentary question no. 2719 of 20 February 2017.


Ibidem., p. 6


Ibidem.

Private Banking Group, Welcome to Luxembourg, February 2011, pp. 4 and 17. Luxembourg ranks 4th in global quality of life and 2nd in security, and has a work productivity per employee of US $77.60.

Chambre de Commerce, Le rayonnement transfrontalier de l’économie luxembourgeoise: la diversité règne, l’intégration piétonne, Actualité & Tendances, no. 12, mars 2012, p. 7. The development of the steel industry led to a successful take-off for the economy. However, between the period 1913 - 1950 the rate was negative (-0.05% per year). In the 1950s, the Luxembourgish economy began shifting to other economic sectors, implementing as the principal objective of its economic policy the achievement of full employment. In this period of industrial diversification, which began with the establishment of big corporations in the chemical and para-chemical industries such as Goodyear (1951) and DuPont de Nemours (1963), the establishment of research laboratories started. This industrial diversification policy forced the Luxembourgish government to make efforts to promote the attraction of foreign investment from abroad, especially from the United States. See Raymond Kirsch, La Croissance de l’économie luxembourgeoise, Cahiers économiques no. 48, Ministère de l’économie nationale, 1971, pp. 11, 16, 35, 49 and 82. Paul Zahlen, "L’économie luxembourgeoise: Une histoire mouvementée", "Luxembourg. Grand-Duché de Luxembourg", Service information et presse du gouvernement luxembourgeois, 2007, pp. 111 and 113-115.


Fontagne stated "Luxembourg has thus succeeded in having a growth rate worthy of a developing country" L. Fontagne, "Comptetivité du Luxembourg: après la bulle", February 2010.


Europaforum.lu, Dans son discours sur l’état de la nation, Jean-Claude Juncker a plaidé pour une Europe unie qui est "un élément important de la raison d’État luxembourgeoise", 8th May 2012 and Government
259 Interview with an official of the Ministry of Economy, 7th April 2014.
261 Article 51 of the amended law of 29th August 2008.
262 Article 78 (1) a) of the amended law of 29th August 2008.
263 Interview with an official of the Ministry of Finance, 22nd February 2013.
264 Article 78 (1) a) of the amended law of 29th August 2008.
266 Private Banking Group, Welcome to Luxembourg, February 2011, p. 10.
267 A letter of invitation is still required and the respective visit to the consular office of the country which represents Luxembourg’s interests in the country of origin. Private Banking Group, Welcome to Luxembourg, February 2011, p. 19.
268 Ibidem.
270 Article 53bis of the amended law of 29th August 2008.
273 Parliamentary document 6992/00 of 18th May 2016, Art 53bis 1 (1) of the amended Law of 29th August 2008. Amendment 8 adopted by the Commission of Foreign and European Affairs, of Defence, of Cooperation and Immigration on 7th November 2016 specifies that the economic sectors open for investment will be determined by Grand Ducal regulation. See Parliamentary document no. 6992/06, p. 3.
274 Parliamentary document 6992/00 of 18th May 2016, Art 53bis 1 (2) of the amended law of 29th August 2008.
275 Parliamentary document 6992/00 of 18th May 2016, Art 53bis 1 (3) of the amended law of 29th August 2008.
276 Parliamentary document 6992/00 of 18th May 2016, Exposition of motives, p. 19. Necessary substance is defined in article 53bis (19), as well as in amendment 10 adopted by the Commission of Foreign and European Affairs, of Defence, of Cooperation and Immigration on 7th November 2016, which specifies, amongst other things, that the structure must include 2 work places. See Parliamentary document.
278 Parliamentary document 6992/00 of 18th May 2016, exposition of motives p. 25.
279 Article 101 (1) 1 of the amended law of 29th August 2008.
280 Article 53bis (3) of the amended law of 29th August 2008.
281 LU EMN NCP answer to GR EMN NCP ad-hoc query on entry and residence of third-country nationals in the framework of real estate owners and time-sharing agreements launched on 1st August 2017.
282 Parliamentary document 6992/00 of 18th May 2016, Art 53bis (2) of the amended law of 29th August 2008
283 Parliamentary document 6992/00 of 18th May 2016, exposition of motives, p. 25.
284 Parliamentary document 6992/00 of 18th May 2016, Art 53bis (7) of the amended law of 29th August 2008.
286 Amendment 9 adopted by the Commission of Foreign and European Affairs, of Defence, of Cooperation and Immigration on 7th November 2016 further specifies the modalities of this deposit. See Parliamentary document no. 6992/06, p. 3.
287 Article 53bis (5) a) and b) of the amended law of 29th August 2008.
288 Parliamentary document 6992/00 of 18th May 2016, exposition of motives, p. 25.
289 Parliamentary document 6992/00 of 18th May 2016, exposition of motives, p. 25.
290 Article 53bis (9) of the amended law of 29th August 2008.
292 Parliamentary document 6992/00 of 18th May 2016, exposition of motives, p. 25.
293 Parliamentary document 6992/00 of 18th May 2016, exposition of motives, p. 25.
294 Article 53ter (1) 1 of the amended law of 29th August 2008.
295 Article 53ter (1) 2 and 3 of the amended law of 29th August 2008.
297 Parliamentary document 6992/00 of 18th May 2016, exposition of motives, p. 25.
298 Article 53ter (2) of the amended law of 29th August 2008.
Article 53ter (3) of the amended law of 29th August 2008.

Article 53ter (4) of the amended law of 29th August 2008.


Article 53ter (3) of the amended law of 29th August 2008.

Article 53quater (1) of the amended law of 29th August 2008.

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Article 53quater (2) of the amended law of 29th August 2008.

Article 53quater (2) of the amended law of 29th August 2008.

Article 53quater (2) of the amended law of 29th August 2008.

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Article 53quater (2) of the amended law of 29th August 2008.

Article 53quater (2) of the amended law of 29th August 2008.

Article 69 (1) of the amended law of 29th August 2008. Only with regard to applicants’ parents there is still a waiting period of 1 year before one can apply for family reunification. Article 69 (2) of the amended law of 29th August 2008.


LU EMN NCP, Admitting third-country nationals for business purposes, Focused Study, Luxembourg, 2015, p. 5.


LU EMN NCP, Admitting third-country nationals for business purposes, Focused Study, Luxembourg, 2015, p. 5. It is difficult to attract start-ups to Luxembourg because the owners are mainly young entrepreneurs and they are more interested in Silicon Valley (USA), Paris or Barcelona.

Articles 51 to 53 of the amended law of 29th August 2008.


Articles 42 and 43 of the amended law of 29th August 2008.