

His Royal Highness the Grand Duke Jean: A Symbol of History

*The death of Grand Duke Jean, who passed away on 23 April 2019 at the age of 98, marks the end of a chapter in the history of Luxembourg and Europe. **Dr Elena Danescu, research scientist of the Luxembourg Centre for Contemporary and Digital History (C²DH)**, looks back at the extraordinary life of the deceased monarch.*

As the fifth sovereign of the national dynasty since 1890, Grand Duke Jean was a head of state who perfectly embodied the ideals of service to his country and commitment to European integration. During the Second World War, while his mother, the illustrious Grand Duchess Charlotte, led the Resistance from London, Crown Prince Jean volunteered to join the Irish Guards, risking his life to participate in the Normandy Landings in June 1944 before he along with his father, Prince Félix, joined the forces that liberated Luxembourg on 10 September 1944. Guaranteed a place in history because of his royal birthright, he also earned his place in history for services rendered to the nation.

Hereditary Grand Duke Jean succeeded Grand Duchess Charlotte on 12 November 1964, beginning his 36-year reign. Much like his mother, he distanced himself from the political arena, which was dominated by the three major trends of Christian socialism, socialism and liberalism. Guided by the principles of the constitutional monarchy and in close synergy with the successive governments led by Pierre Werner, Gaston Thorn, Jacques Santer and Jean-Claude Juncker, he worked tirelessly to shape the future of his country as one characterized by prosperity and peace, to preserve its unique multiculturalism and consolidate its reputation as an honest broker in Europe, surrounded by its larger neighbours.

During the reign of Grand Duke Jean, Luxembourg underwent major economic and social changes. The largely agriculture-based economy became industrialised, driven by a powerful steel industry which remained the dominant sector from the immediate post-Second World War years to the mid-1970s. In the 1970ies , Luxembourg embarked on its second major transition, from an industrial economy to a service economy based on the financial sector. From the mid-1980s the country's economic growth accelerated, driven by its financial centre. During 1985–2007 average annual GDP growth was 5.3%, twice as much as that of neighbouring countries and of the member states of the EC/EU. The expansion of the financial industry resulted in the emergence of a new phenomenon in Luxembourg: in order to meet its workforce requirements, the country turned to cross-border workers. In 1998 cross-border workers made up one-third of the country's workforce. Of the total workforce, 55% were non-Luxembourgers.

During the reign of Grand Duke Jean, Luxembourg underwent major economic and social upheavals. The largely agriculture-based economy became industrialised, driven by a powerful steel industry which remained the dominant sector from the immediate post-Second World War years to the mid-1970s. The country had a considerable competitive advantage in this respect owing to iron ore deposits in Luxembourg itself and in the neighbouring French region of Lorraine. The industrial flagship was Aciéries Réunies de Burbach-Eich-Dudelange (ARBED), which developed its production in Europe and established a global network of sales outlets.

Between 1953 and 1968 the steel industry contributed approximately 25% of the country's GDP growth, while steel production represented 50% of its industrial added value. At the same time, the disparity between Luxembourg's thriving steel industry and its small population prompted it to look beyond its borders to augment its workforce. This resulted in several waves of immigration, especially from Italy at the turn of the 20th century and from Portugal in the late 1960s. The gap between the required and available capital in the country meant that it needed to tap into foreign capital. Luxembourg also looked abroad for expertise.

In 1974 the steel industry began to decline, marking the end of the "Trente Glorieuses". Luxembourg was forced to implement considerable structural changes and embarked on its second major transition, from an industrial economy to a service economy based on the financial sector. This was reflected by fundamental changes in the structure of the country's economic value added. Between 1970 and 2011 the share of industry contracted sharply from 47% to 8%, while the share of the steel industry shrank from 28% to 2%. From the mid-1980s the country's economic growth accelerated, driven by its financial centre. During 1985–2007 average annual GDP growth was 5.3%, twice as much as that of neighbouring countries and of the member states of the EC/EU. In 1998 the financial industry employed approximately 20,000 people (some 10% of the working population), generating 20% of GDP and directly providing between 30% and 40% of the country's public revenue. An indirect impact of this sector was the development of business in related specialist areas, including information technology, data processing, intellectual property, legal and accounting expertise, training and business services.

The expansion of the financial industry resulted in the emergence of a new phenomenon in Luxembourg: in order to meet its workforce requirements, the country turned to cross-border workers. This new development was made possible only by labour mobility, the discrepancy in unemployment rates between Luxembourg and its neighbours, and a positive wage differential. In 1998 cross-border workers made up one-third of the country's workforce. Of the total workforce, 55% were non-Luxembourgers. Concerted state intervention and the spectacular growth of the financial sector enabled the country to avoid a painful

socioeconomic crisis. Political leaders improved the legislative and institutional infrastructure underpinning the financial centre in three main areas: implementing international regulations; setting low taxes; and establishing strict rules on banking secrecy.

The leaders explored possibilities for further economic diversification in innovative, competitive areas such as audiovisual technologies and communications satellites, as reflected in companies such as the Compagnie Luxembourgeoise de Télédiffusion and the Société Européenne des Satellites (SES). SES is now the world's leading satellite operator, reaching 99% of the global population.

To reconcile economic interests and social stability, Luxembourg opted for a proactive social policy, with key measures including an automatic wage indexation mechanism based on increases in the cost of living (1965), the 40-hour working week (1975), a guaranteed minimum income (1986) and the expansion of the health care system. Labour relations were strengthened. In 1977, during the steel crisis, a Consultative Tripartite Committee (comprising the Government, employers and the unions) was established, acting as a shock absorber for both sides of industry. The Committee complemented the Economic and Social Council set up in 1966 as well as the various trade organisations and unions; it formed the basis of the Luxembourg social model, which relies on democracy, social solidarity and consensus to underpin social and economic development.

Grand Duke Jean was the best possible ambassador for a country at the crossroads of Europe. Luxembourg was a founding member of the European Communities in 1952, becoming one of the Communities' permanent seats in 1965. It went on to assume a leading role in European integration, in particular during the process of reflection on Economic and Monetary Union, which led to the 1970 Werner Report, and in laying the foundations for a social Europe in 1985.

As the embodiment of a multilingual, multicultural nation, the Grand Duke also personified Europe: his origins were Luxembourgish and German through his mother, French through his father and Portuguese through his grandmother – and his wife, Grand Duchess Joséphine-Charlotte, was a Princess of Belgium. He was profoundly influenced by the harrowing experience of the war, and as both heir to the throne and Grand Duke he was committed to the European cause, convinced that a union of nations was the only way of ensuring lasting peace on the old continent. He received the Charlemagne Prize in 1986 on behalf of the people of Luxembourg.

Mastering the art of small states diplomacy, the Luxembourg sovereign was particularly known for his non-conventional diplomacy, rooted in enduring values that transcended geographical and political borders, as reflected in his support for

the Scout and Olympic movements. He was an avid sports fan, joining the International Olympic Committee in 1946 and becoming an honorary member in 1998. As Honorary President of the Luxembourg Olympic and Sports Committee, he was also patron of many of the country's sports federations.

When he abdicated on 7 October 2000 in favour of Hereditary Grand Duke Henri, Grand Duke Jean entrusted the new sovereign with a country that was open to the world, prosperous and stable, leaving a legacy of quiet, modest dedication to the nation and service to others – much like his ancestor John of Bohemia, whose motto was “Ich dien” (I serve).

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