

Luxembourg: Political development and data for 2017

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Introduction

After one year of interruption that followed three years of elections and referendum, Luxembourgish voters were again invited to the polls, this time to select their local representatives. The local elections confirmed the positive trend of the Christian Social People's Party (CSV), continued losses for Luxembourg's Socialist Workers' Party (LSAP) and a stabilization of the other parties. While the issue of identity and language was not at the centre of the local campaign, fears concerning the loss of language and identity due to economic and population growth (essentially from resident foreigners and commuters) continued to haunt political debates throughout the year. These fears were fuelled by the new movement *Wee 2050-Nee 2015* that supports the protection of the Luxembourgish language and identity, and the controversies surrounding the new nationality law that simplifies the access to the Luxembourgish nationality, the introduction of a bilingual education (French and Luxembourgish) in nurseries, and the governmental action plan to promote the Luxembourgish language. Finally, 2017 was marked by the adoption of the long-awaited reform of the Council of State and important social reforms.

Election report

Local elections were held on 8 October. These take place every six years and rely on two electoral systems: a Westminster-type majoritarian system is applied for municipalities with fewer than 3000 inhabitants, and proportional representation (PR) is used in those with a larger population. In the first system, each candidate is presented individually, while in the second, candidates are clustered in electoral lists that mostly, but not always, correspond to the parties competing at the national level. In 2017, 46 of the 103 communes elected their local councillors through PR, corresponding to two more communes compared with 2011. The merging of some municipalities (in 2011 there were still 106 communes) and the increase of population over the country (largely due to immigration) explains why the number of local councillors elected on party lists in PR communes has increased from 555 in 2011 to 600 in 2017 (i.e., a 7.5 per cent increase).

A total of 3575 candidates vied for the votes of 285,335 registered voters. Among the voters, 12 per cent were foreigners, while among the candidates this share was 7.5 per cent; both stagnated in comparison with 2011 (Dumont et al. 2012).¹ Considering that almost half

the resident population is non-national, once more these figures pointed to a problematic involvement of foreigners in local-level democracy.²

It should be noted that more than three-quarters of Luxembourg MPs (49 of 60) have a local mandate, although the government had claimed it would seek measures to limit the holding of multiple mandates (Fayot 2017). On the other hand, the competition was more open in communes – including the three largest cities of the Grand Duchy – that saw their 2011 leaders become minister in the three-party national government in 2013, opening a more or less fierce successorship battle in 2017.

In the proportional communes, the CSV was the undisputed winner: from 30.5 per cent it raised to 34.8 per cent of the seats (209 of 600), arriving as the leading party in 21 of the 46 PR communes (for a longitudinal analysis of local elections, see Dumont et al. 2010). In particular, the CSV managed to outperform the LSAP in its historical stronghold of Esch-sur-Alzette, the second largest city of the country, and to oust it from power, forming a new coalition with The Greens (DG) and the Liberal Party (DP). In the city of Luxembourg, the CSV also made important electoral gains to reassert its rank as the second largest party of the capital and to come back to the local executive table as junior partner of a new coalition still headed by the Democratic Party (DP). The broad success of the CSV is largely explained by the large participation of its MPs to the local elections (20 of 23 participated in the local elections and 19 were elected), the renewal of its candidates (the candidate heading the list in the capital city was only 35 years of age; in total, 30 elected candidates were less than that age) and a very intense campaign in the traditional and social media.

The LSAP was, on the other hand, the clear loser: it only gathered 25.8 per cent of the seats (i.e., 155 of 600), a loss of more than 5 percentage points compared with 2011, and of 9 percentage points in comparison with 2005. Aside from being ousted from the Esch-sur-Alzette local executive, it also lost ground in the capital city, leading to internal squabbles over the lack of visibility for new and young candidates.

The DP remained the third largest party at the local level with 18 per cent of seats (i.e., 108 of 600). It kept its strongholds in the capital (even though it lost one seat) and the periphery where the better-off population of the Grand Duchy lives. Its main failure was Differdange, the third city of the country, where it collapsed from seven to two seats. The DG became the largest party and formed a new coalition with the CSV, leaving aside both the DP and the LSAP, its other previous partners in the successive coalitions that formed in the 2011–17 local mandate. Some observers have interpreted this swift decision as a sign that the DG would be keen to form a coalition after the forthcoming national elections with the CSV.

The DG was able to stabilize its score around 13 per cent of the seats. The only blot on this otherwise reasonable outcome was that it could not renew its participation in the coalition of the capital. This was a disappointment as its rejuvenated list had managed to progress slightly in votes compared with 2011 and had kept its number of seats.

The other parties remained marginal: on the radical left, The Left (DL) gained one seat (up to eight) while the Communists/*Kommunistesch Partei Lëtzebuerg* (KPL) lost two (down to one); the Democratic Reform Party (ADR) kept its four seats, while the Pirate Party/*Piratepartei Lëtzebuerg* (PL) gained the first electoral mandate since its foundation in 2009 in Luxembourg.

Cabinet report

Table 1. Cabinet composition of Bettel-Schneider I in Luxembourg in 2017

Duration of cabinet Period covered by table Type of cabinet	Inception From Minimal Winning Coalition (MWC)	4 December 2013 1 January 2017	Dissolution Until	Still in office at end of 2017 31 December 2017
A. Party/gender composition on 1 January 2017				
		Seats in cabinet <i>N</i> %	Seats held by women <i>N</i> % of party	Seats in parliament <i>N</i> %
Democratic Party/ <i>Demokratesch Partei</i> (DP)		7 38.9%	1 14.3%	13 21.7%
Luxembourg's Socialist Workers' Party/ <i>Lëtzebuurger Sozialistesche Arbechterpartei</i> (LSAP)		7 38.9%	2 28.6%	13 21.7%
The Greens/ <i>Déi Gréng</i> (DG)		4 22.2%	1 25.0%	6 10.0%
Totals		18 100.0%	4 22.2%	32 53.3%
B. Composition of Bettel-Schneider I cabinet on 1 January 2017				
See previous editions of the <i>Political Data Yearbook</i> for Luxembourg or http://politicaldatayearbook.com				
C. Changes in composition of Bettel-Schneider I cabinet during 2017				
There were no changes during 2017				
D. Party/gender composition on 31 December 2017				
Same as on 1 January				

Source: <https://gouvernement.lu/en.html> (2017).

Parliament report

There were no significant changes in parliamentary composition in 2017.

Table 2. Party and gender composition of Parliament in Luxembourg in 2017

Party	1 January 2017				31 December 2017			
	<i>N</i>	%	<i>N</i>	%	<i>N</i>	%	<i>N</i>	%
Democratic Party (DP)	13	21.7%	4	30.8%	13	21.7%	4	30.8%
Luxembourg's Socialist Workers' Party (LSAP)	13	21.7%	4	30.8%	13	21.7%	4	30.8%
Christian Social People's Party/ <i>Chrëschtlech-Sozial</i> <i>Vollekspartei</i> (CSV)	23	38.3%	7	30.4%	23	38.3%	7	30.4%
The Greens (DG)	6	10.0%	2	33.3%	6	10.0%	2	33.3%
Democratic Reform Party/ <i>Alternativ</i> <i>Demokratesch Reformpartei</i> (ADR)	3	5.0%	0	0.0%	3	5.0%	0	0.0%
The Left/ <i>Déi Lénk</i> (DL)	2	3.3%	0	0.0%	2	3.3%	0	0.0%
Totals	60	100.0%	17	28.3%	60	100.0%	17	28.3%

Sources: <http://www.chd.lu> (2017).

Political party report

In March, the municipal councillor Joe Thein (ADR) was expelled from his party after ‘liking’ a call to ‘assassinate’ Foreign Affairs Minister Jean Asselborn on Facebook. One month later, he launched his own party, *Déi Konservativ*, as the ‘patriotic alternative to traditional parties’. In November, Claude Lamberty, representative in the Chamber of Deputies, became the DP’s new secretary general.

Institutional change report

At the end of May, the reform of the Council of State was voted on by a bare majority-opposition vote. This reform that had been announced in the coalition programme aims at modernizing the institution whose advice is compulsory in the legislative process (Dumont & De Winter 2002) by introducing new measures: (1) guaranteeing a better representation of small parties (in particular the ADR and the DL) in its composition; (2) reinforcing gender parity (one-third of the councillors should now belong to the under-represented sex); (3) reforming the formal nomination system (replacing the direct appointment of members by the Grand Duke by an appointment made on the proposal of the government – new members are now to be appointed by the Grand Duke on the basis of candidate submissions made alternatively and through a rotation system by the government, the Chamber of Deputies and the Council of State itself); (4) limiting mandates over time (mandates of the newly appointed members will not exceed 12 years instead of 15 years before the reform); and (5) introducing a code of ethics and improving the transparency of decision-making. In particular, the reform specifies that the names of the members opposing the adoption (and of those voting in favour) of its decisions have to be disclosed.

In response to the Paris terrorist attacks of November 2015, the Chamber of Deputies reformed article 32 of the Constitution on the ‘state of crisis’ (*l’état de crise* in French). The new text broadens the circumstances in which a state of crisis can be proclaimed. While the old version referred only to the ‘international crisis’, the amendment enlarges its scope to actual threats to the vital interests of all, or part, of the population or to imminent danger resulting from serious breaches of public security. During parliamentary debates, representatives of the DL and the ADR vehemently criticized (and voted against) the reform that, they argued, presented dangers of authoritarian drift.

Issues in national politics

The government pursued several social reforms. In January, the Minister for Family Affairs and Integration, Corine Cahen, introduced a bill for the establishment of a minimal income for inclusion (REVIS) that would replace the guaranteed minimum wage (RMG). One of the main objectives of the reform was to encourage (even partial) re-employment by introducing an ‘activation allowance’ rewarding REVIS beneficiaries who obtain a few hours of paid work. In July, the Chamber of Deputies passed the reform of the long-term nursing care insurance plan. The new provisions allow for higher individualization of the range of – mainly nursing – services to better meet the daily needs of long-term nursing

care beneficiaries. Finally, in December, a popular reform increasing the number of days of various special leaves – in particular paternity leave, maternity leave and childcare leave – was adopted by a large majority (57 yes and three abstentions from the ADR MPs). The new regime of the two latter reforms would come into force on 1 January 2018 whilst the REVIS system still had to go through its legislative process.

After more than two years of debates, Luxembourg's Parliament passed a new nationality law in February. Under the new regime, it will become easier to obtain Luxembourgish nationality by naturalization as the time of residence needed to acquire it is reduced from seven to five years. The Luxembourgish language requirement is maintained but simplified (A2 level for oral expression and B1 level for comprehension). Additionally, a compensation mechanism has been introduced allowing a lower score in oral expression to be balanced with a higher score in comprehension, for example. The new law also introduced the '*jus soli* – first generation' enabling people born in Luxembourg to non-native parents to obtain nationality from the age of 12 years, provided they are resident in Luxembourg for at least five consecutive years before their application and one parent lived in Luxembourg for minimum one year before the child's birth. According to its promoters, this law addresses Luxembourg's democratic deficit in a country where almost half the resident population does not have Luxembourgish citizenship (for a detailed review of the new law, see Scuto 2017). The ADR, the only party that opposed the bill in Parliament, criticized the lowering of the bar in terms of language skills, arguing that the previous test's requirements were already minimal. The language issue was also present in the government's action plan promoting the study and use of the Luxembourgish language revealed in March. This action plan followed the petition on language (petition 698) to the Chamber of Deputies that obtained almost 15,000 signatures one year before (Dumont & Kies 2017). Such a measure was, however, not sufficient to appease a large category of the population who fears losing its language and quality of life. These diffused identity anxieties were captured by the movement *Wee 2050-Nee 2015* headed by Fred Keup who had been the iconic defender of the 'No' vote during the 2015 referendum on the extension of voting rights to foreigners for the national elections (Dumont & Kies 2016). This movement also vehemently criticized the new governmental measure in the field of multilingual education to ensure that children are offered a plurilingual education in nurseries (a concept aimed at familiarizing children from a very young age with the use of Luxembourgish and French, thus preparing them for the multilingual context of school and Luxembourg society) (Gouvernement.lu 2017).

Still in the context of sustained population growth, two important bills aiming to relieve the pressure of on-road transport were voted in December. One concerned the widening of the motorway between the capital and the south; the second the extension of the new tram in the direction of the airport and the centre. Both projects were massively approved (the first was only opposed by the DL and the second by the ADR) at the Chamber of Deputies; altogether they amount to over €550 million of expenses.

Generous social reforms and investments in infrastructures were made possible by a prolonged good state of the national economy and a relatively dynamic recovery. Gross domestic product (GDP) was expected to grow by 3.5 per cent in 2017 and even 4.5 per cent was forecasted for 2018. Unemployment went from 6.2 per cent in the beginning of the year to 5.8 per cent in November. Finally, tax revenues and social contributions were steadily increasing in 2017 despite further value added tax (VAT) losses on e-commerce and lower

revenues due to the recent tax reform. They were, however, supported by the effects of a wage salary indexation (adaptation to inflation) and the massive collection of corporate tax arrears. The public balance was expected to remain at around 1.5 per cent of GDP in 2017 (STATEC 2017).

While its economy remained solid, Luxembourg still had to endure its tax haven reputation. In the aftermath of the 2016 Panama Papers scandal, which revealed that 400 Luxembourg-based intermediaries were linked to the creation of more than 11,000 offshore companies with the leading law firm Mossack Fonseca (Dumont & Kies 2017), the Commission of Surveillance of the Financial Sector (CSSF), Luxembourg's financial watchdog, fined nine banks and investment firms a total of €2.012 million for medium to severe breaching of anti-money laundering rules. Its former Finance Minister, Prime Minister and current President of the European Commission, Jean-Claude Juncker, appeared in front of the European Parliament's special inquiry committee in May (European Parliament 2017). His line of defence when facing attacks on his own responsibility and the role of Luxembourg in tax evasion was simply to refer to them as belonging to the past and to a 'totally different world than the one we are living in now', thus refraining from actually justifying his own deeds and those of his successive governments.

Notes

1. Altogether, the rate of participation amounted to 87 per cent; additionally, there were 3.5 per cent blank votes and 4.5 per cent invalid votes. The analysis is based on the unofficial results of the local election of October 2017 (see <https://data.public.lu/fr/datasets/elections-communales-2017-donnees-officieuses/>).
2. A Portuguese candidate won the largest amount of votes in the small commune of Bettendorf, but decided not to become the very first non-national mayor of the country; he mentioned the potential problem of not mastering the Luxembourgish language as one motivation for his withdrawal (see Dumont et al. 2010 for more on the role of language in local democracy in Luxembourg). He became first alderman instead.

Sources

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