

### Highlights

- ★ A key element to understand the Luxembourgish perspective on the EU relates to its geography. Contacts with citizens from neighbouring countries are daily and affect the kind of society that Luxembourg has become, quite multinational. Similarly, the presence of many international companies leads Luxembourg to favour open markets for labour, services, goods and capital.
- ★ Continuing support for the EU is threefold: small countries can only make their voice heard in a common rule-based entity; the executive has well defended the interests of the nation in Brussels; Luxembourg's economic well-being is guaranteed by its participation in the Single Market.
- ★ Irrespective of the event-driven reflections on solidarity, in the medium-term growing awareness of shared values (human rights, social justice, gender equality, freedom of speech etc.) can contribute to the reinforcement of a shared public sphere.

### Building Bridges project

This paper is part of the Building Bridges Paper Series. The series looks at how the Member States perceive the EU and what they expect from it. It is composed of 28 contributions, one from each Member State. The publications aim to be both analytical and educational in order to be available to a wider public. All the contributions and the full volume *The European Union in The Fog* are available [here](#).



## About the authors

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## About Building Bridges

Called “Building Bridges Between National Perspectives on the European Union”, the project aims to stimulate the public debate around national experts on the relationship between their Member State and the EU and on the future of the Union. This project confronts their visions with others’ from different member states, but also those of people from different horizons via workshops in Warsaw, Madrid, Paris and Brussels, which took place in 2015 gathering experts and local citizens.

The project is coordinated by the French Institute of International Relations (Ifri) with three major partners: the Polish Institute of International Affairs (PISM), Real Instituto Elcano and EUROPEUM—European Institute for European Policy. The project has also benefited from the support of institutes in each Member State.

You can find all the information and publications about the project at this address: <http://www.ifri.org/en/recherche/zones-geographiques/europe/projet-building-bridges>.



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## **What does your country hope to gain from its membership to the European Union?**

Asked about gains from membership to the European Union, the wider Luxembourgish public would most likely refer, first, to open borders and, second, to the Euro as the common currency shared (amongst others) with Luxembourg's neighbouring countries. For people living in a country of 2,586 square kilometres, representing a size roughly 20% of the Region of Paris (Ile-de-France), borders are never far and contacts with fellow Europeans are commonplace.

According to the National statistics office (STATEC), Luxembourg attracts on a daily basis more than 169,000 cross-border commuters, mostly Belgian, French and German nationals, making up 44.45% of the national labour market. Compared to the number of Luxembourg residents leaving the Grand Duchy every morning for work, whose numbers amount to barely 12,000, the attractiveness of the Grand Duchy's labour market becomes quite visible. If we also take into account the numerous residents living and working in Luxembourg, the degree of economic and social integration into the Greater Region<sup>1</sup> and beyond becomes even more evident. Recent surveys confirm the general trend of a growing number of foreigners living within the territory of the country. In the capital, Luxembourgish nationals have already been outnumbered by foreign residents (mostly from other EU Member States) since 1998.<sup>2</sup> Here, foreign residents represent roughly 68% of the citizens. As for the Grand Duchy as a whole, in January 2015, the population was estimated to be 562,958, with 258,697 of foreign nationality.<sup>3</sup> Recent population estimates suggest that foreigners will form the majority of Luxembourg society within the coming years.

So, when we talk about attitudes or expectations towards membership of the European Union, demographic trends and the composition of Luxembourgish society have to be taken into consideration. It is a matter of fact, whether desired or not, that Luxembourg gains a quite multinational, though dominantly European population from its membership. Some 9,500 EU civil servants work for the Union institutions, representing about 5% of the work force living in the Grand Duchy and almost 2.5% of the domestic labour market. For them, EU membership is tantamount to jobs. Those non-nationals who work in the private sector are, in most cases, attracted by a rather high income economy compared to the rest of the EU, including other high income economies such as neighbouring Germany and France. Their expectations coincide to a certain degree with the interests of the companies providing these jobs: a well-functioning economy with open market(s) for labour, services, goods and capital. Employees might attribute higher priority to the tightly-woven social net of the Luxembourg state than companies, but social stability is definitely also an asset for investors.

As a matter of fact, many of the often highly-qualified work force takes up the offer made by the Luxembourgish state to acquire the nationality of the Grand Duchy. Compared to other EU Member States absolute figures of naturalisations appear fairly limited, but in proportion to its total population, Luxembourg appears to be a champion of naturalisation in the European Union.<sup>4</sup>

The mixed population might be at the source of the positive perception of the European Union, granting the aforementioned freedoms of the common market, but most notably the right of establishment. Economic welfare, based on access to open markets, peace and the fact

that Luxembourg has a voice in the concert of the great Member States are the main assets of membership to a rule-based polity. The political elite is aware of the fact that the EU is the economic playing field for a tiny country and that the need of an open economy is inversely proportional to the size of a country.

**Do you think that the European Union appears to be a clear project in your country? If not, what are the main reasons?**

Despite the deep attachment of the Luxembourgish population to European integration, the project has lost clarity following the big bang enlargement of 2004 and 2007. The widening of the Union has probably given a greater rise to scepticism than the deepening of the Union. In fact, the wider political vision of an “ever closer Union” figuring in the Treaty of Rome has not really been a matter of a large debate so far. At the moment, there is just a single sovereigntist party represented in the sixty seat *Chambre des Députés*, the national parliament. However, the party has not won any seat in the elections to the European Parliament. However, as a member of the Alliance of European Conservatives and Reformists (AECR) since 2010, the Alternative Democratic Reform party defends an anti-federalist line. Its members of parliament were the only ones to abstain from voting for the Lisbon Treaty in 2008 in the *Chambre des Députés*, claiming the need for a second referendum after the one on the Constitutional Treaty in 2005.

At the other end of the political spectrum, the leftist party *Déi Lénk*, associated with the European United Left-Nordic Green Left, without having any seat in the European Parliament, is pro-European, but takes an anti-capitalist stance. In the context of the Greek crisis, *Déi Lénk* support Alexis Tsipras and

Syriza, and emphasises that Greece should stay in the eurozone.<sup>5</sup> It is almost self-evident that the supporters of the leftist party demand an end to austerity.

All the other parties represented in the national parliament stick to the traditional federalist model of Europe and embrace the idea of further integration, but would never campaign for the abolition of the nation state. Actually, in a recent referendum in June 2015, 78% of Luxembourg’s electorate voted against granting foreigners the right to vote for the national parliament.<sup>6</sup> Even if this vote has to be interpreted against the background of general dissatisfaction with the ruling three-party-coalition, it became quite clear that for a majority of voters, political sovereignty derives from the nation and not from a supposed European *demos*. However, this assessment poses a dilemma. If the interpretation is right, that people believe in the sovereignty of the nation, how can we explain the fact that the only sovereigntist party in Luxembourg is backed by only a small part of the Luxembourgish electorate? The only possible answer lies in the prevailing narrative of European integration. First, small countries can make their voices heard, if at all, only in a common rule-based polity, which is the Union. Second, the executive has so far well defended the interests of the nation in the political arena of Brussels. Third, the economic well-being of the Grand Duchy can be guaranteed through its belonging to the common market. So, maybe the project or the *finalité* of integration is not as clear-cut as it could be, but the public is still quite confident that the Union will deliver the right framework to find answers to upcoming challenges.

**Which degree of integration seems adequate to the position and ambitions of**

## **your country both politically and economically?**

Amongst the dominant parties (Christian Democrats, Socialists, Greens, Liberals), representing almost four fifths of the Luxembourgish electorate at the 2014 elections to the European Parliament, there is no fundamental ideology-based opposition to a federal polity. In any event, none of these parties wants to undo the achievements of the single market. On the occasion of the start of the Luxembourgish presidency of the council of the EU in July 2015, Jean Asselborn, Minister of Foreign and European Affairs, Minister of Immigration and Asylum, stated quite clearly that “[T]here should not be an Europe à la carte”,<sup>7</sup> and that fundamental principles, such as freedom of movement, should not be called into question.

Traditionally, the Grand Duchy belongs to the forerunners of further European integration. Looking at the cases of Enhanced Cooperation and OMC (Open Method of Cooperation), the Grand Duchy usually follows the steps of further integration and common benchmarking, but did not approve the introduction of a Financial Transaction Tax<sup>8</sup> favoured by its big neighbours. Of course, the government feared the delocalisation of the strong banking industry to offshore financial centres. Despite harsh criticism uttered by the Green Luxembourgish Member of European Parliament Claude Turmes,<sup>9</sup> stating that Luxembourg would be isolated in this important field of reform, the voting behaviour shows where the limits of integration lie for Luxembourg.

In any of the important dossiers concerning the Schengen Area, the European Stability Mechanism or the Fiscal Compact, Luxembourg was ready to sign any necessary

intergovernmental treaties in order to find, together with a subset of EU Member States, an adequate answer to the underlying challenges.

Just one party, the euro-sceptic and anti-federalist ADR, which won 7.53% of the votes cast in the last elections to the European Parliament, but which could not win a seat, would like to limit the competencies of the European hemicycle in favour of the national parliaments. For Fernand Kartheiser, ADR member of the Luxembourgish *Chambre des Députés*, the Brexit-debate would be a useful occasion to return competences back to the nation state.

## **According to you, how could we strengthen the idea of belonging to a common European public sphere among your national citizens?**

If we define *public sphere* as a space where citizens come together, debate and take collective decisions on community matters, we desperately lag behind the ideal of the Greek *Agora*. The complexity of modern states and a fortiori the European Union cannot be compared to the ancient Greek model. However, a reasonable number of European citizens should at least agree on the *existence of an (imaginary) common public sphere* - which comprises half a billion citizens instead of 30,000 non-foreign males entitled to vote in the ancient Polis of Athens.<sup>10</sup> It seems self-evident that the existence of a kind of European *demos*, or at least of citizens sharing the feeling of togetherness, and a European public sphere are mutually dependent. There is no *Agora* without people debating in this public space and taking common decisions.

While some people doubt the existence of a lively debate and call Europe “a miserable Elite Project”,<sup>11</sup> extensive media coverage of the

Greek crisis and the tragedies linked to refugees arriving on European shores suggest the opposite. Reactions to the recent dramas are mixed, as in any of the European Member States. Italian Prime Minister Matteo Renzi's appeal to his fellow leaders to accept mandatory quotas of refugees led to vivid discussions in the public sphere - all over Europe. Anyone who has had the experience of living in a federal state with strong regional identities will not be surprised that solidarity is not always a given. Parts of the European public sphere remained quite indifferent towards Renzi's outcry. Paradoxically, it is the denial of solidarity by some that creates the awareness of its necessity by others. As Renzi put it, "[I]f that's your idea of Europe, you can keep it".<sup>12</sup> From a Luxembourgish perspective, the sense of solidarity between people and Member States varies quite significantly, as does the conviction that the experience of solidarity enhances the feeling of belonging to the Union. Even if the poll was not carried out on a statistically relevant basis, students of a secondary school from the area surrounding the capital, were asked about their opinion on how to strengthen the idea of belonging to a common European public sphere.<sup>13</sup> They answered overwhelmingly by experiencing and showing "solidarity". Without solidarity, this feeling of belonging to a common sphere is diluted, as is the case according to opinion polls taken in Italy, Greece and Spain - the countries most concerned by the influx of refugees - on that same issue. If the feeling prevails that no common solution can be envisaged, national debates risk becoming self-referential, removing themselves from the wider horizon of the European public sphere.

However, irrespective of the event-driven reflections on solidarity, in the medium-term, growing awareness of shared values (human

rights, social justice, gender equality, freedom of speech - to name but a few) can contribute to the reinforcement of a shared public sphere. The terrorist attacks on *Charlie Hebdo* in Paris and the messages of solidarity sent by civil society and the political elite in Europe were a strong demonstration of these values.

Unfortunately, the traditional narrative of Europe as an area of peace and of economic growth is no longer convincing in many regions. The promise of prosperity has lost credibility, if not in Luxemburg then at least in a series of southern Member States, which have been put under economic strain since the outbreak of the financial crisis in 2008. However, the experiences of citizens from small countries, which are out of necessity more open to their European environment, can inspire the *big* countries. That means, Europe needs to be made tangible through mobility and study, via vocational training and through work experience undertaken in other Member States. This would reinforce the first component of a common public sphere - the requirement that people come together - and it would help to create a new narrative, namely that Europe can provide opportunities in a time of crisis.

The second component is the debate on European issues between European citizens, and goes beyond the initial stage. Keeping in mind the aforementioned examples of the Greek drama and the influx of refugees, the success of hashtags like *#ThisIsACoup* have shown that social networks, such as Twitter, have a proven potential to stir debate and influence public opinion Europe-wide.<sup>14</sup>

Third, without any doubt, collective decisions are taken at the European-level by the competent bodies.<sup>15</sup> So far, if we follow the rather passionless Luxembourgish debate on that issue, the public seems to feel well-

represented in Brussels, especially by the national executive, knowing that the 6 European Members of the European Parliament count for less than one percent of the European hemicycle. At least, the national legislature, the *Chambre des Députés*, as a result of the valorisation of national parliaments since the entry into force of the Lisbon Treaty, has taken the opportunity to become more involved in European issues. Last July, Marc Angel, socialist MP and member of the Luxembourgish COSAC delegation, expressed his conviction that national parliaments have an active role to play in the decision-making process in the EU.<sup>16</sup> Through the channel of national parliaments, debate on European issues might be stimulated - but only if there is noteworthy dissonance between important national political forces on these issues - which is so far lacking in Luxembourg.

In fact, the acceptance of any polity is largely dependent on the results it can deliver. This is particularly important for a Union of states that cannot rely on a long tradition of a common narrative as nation states do. This leads to the follow-up question about what Europe could deliver in order to enhance the idea of belonging to a community and to better legitimise the European project.

### **Which policies would you deem essential to conduct at the EU level in order to better legitimise the European project?**

As in any other country of the European Union, knowledge about the functioning of the multi-level governance system inside the EU and the competences attributed to each of these levels is vague in Luxembourg. Nonetheless, (intuitively) citizens ascribe importance to political bodies as a function of the tangible results they produce. Therefore, in order to better legitimise the European project, it would

be natural to identify the problems people care most about and to propose common European solutions. Data on public opinion in Luxembourg from the second half of 2014 are quite clear: Unemployment, housing and education are the most salient sources of preoccupation. However, it's difficult to imagine how the European Union could get involved in housing projects or even in education. On the other hand, the issue of unemployment has the advantage that, first, any help would be welcomed in any Member State and, second, European engagement wouldn't be perceived as illegitimate interference in domestic affairs.

Workforce mobility programmes could help to curb unemployment in regions which are heavily affected by the problem. In opposition to the dollar area of the United States, where people move easily from economically faltering regions to boom regions, the Eurozone lags behind. One answer to imbalances in the Eurozone would be to support mobility by massively financing vocational training in other Member States, language courses and by promoting mobility programmes that would help small and medium-sized companies, as well as public employers to get in contact with potential employees, especially young people in search of work.<sup>17</sup> Initiatives launched in some areas by national job centres and individual companies deserve greater support. In the medium term, the decline of the working age population goes hand in hand with a growing need for extra workforce in these areas, and unemployment in other areas, will support this kind of mobility. However, European labour market demand and supply imbalances are not the only challenges to be answered by mobility schemes.

Migration issues in general will grow in importance as pressure from North Africa and from the Middle East will likely increase once more in the coming months. What could better legitimise the European project than a common answer to the drama of thousands and thousands of stranded refugees on the shores of Europe? Relocating those in need of protection in order to shift the burden from the Mediterranean Member States to other countries less directly touched by the influx of refugees would have been a strong sign of solidarity. The EU migration plan, though welcomed by the Luxembourgish government, flopped due to opposition by a series of other states to mandatory quotas. Jean Asselborn, Foreign Affairs Minister of Luxembourg, which held the Presidency of the Council of the European Union in the second semester of 2015, stressed the importance of a common answer. In response to the quota proposed by the Commission, he declared, "If a country can help, it is us".<sup>18</sup>

Finally, in order to answer the question "what would better legitimise the European project", the recent standard Eurobarometer<sup>19</sup> results provide us with more and deeper insight into Luxembourgish public opinion. The data shows that the Luxembourgish population again articulates a clear pro-European view, consistently above the EU 28 average, when it comes to support for common defence and security policy (Luxembourg: 86% / EU average: 76%), common foreign policy (Luxembourg: 76% / EU average: 66%), the European economic and monetary union with the euro as single currency (Luxembourg: 80% / EU average: 56%), and a common energy policy (Luxembourg: 85% / EU average: 73%). Of course, this support has to be read against the background of limited means in exactly those policy fields where a small state is definitely more dependent on supranational structures than large territorial states. From a Luxembourgish point of view, the European project is also legitimated when it guarantees a voice to the small states in policy fields which belong to the realm of hard power.

## Endnotes

1. The Greater Region includes Luxembourg and the francophone region Wallonia (Belgium), Lorraine (France), Saarland and Rhineland-Palatinate (both Germany).
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6. "Luxembourg rejects foreigner voting rights", *Luxemburger Wort* (English edition), 7 June, 2015, [www.wort.lu/en/](http://www.wort.lu/en/).
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11. Michael McCarthy, "Europe - a miserable Elite Project", *Open Democracy*, 18 July 2002, [www.opendemocracy.net/](http://www.opendemocracy.net/).
12. "Italy's Renzi slams EU leaders over migrant quotas", *Luxemburger Wort* (English edition), 26 June 2015, [www.wort.lu/](http://www.wort.lu/).
13. The survey was conducted in four different classes in the Lycée Josy Barthel in Mamer / Luxembourg on July 2 and 3, 2015. The students were aged between 16 and 18 years.
14. Ashifa Kassam, "#ThisIsACoup: how a hashtag born in Barcelona spread across the globe", *The Guardian*, 13 July 2015, [www.theguardian.com/](http://www.theguardian.com/).
15. This is not the place to discuss the legitimacy problem of these bodies.
16. "La possibilité pour les parlements nationaux de faire des suggestions à la Commission européenne était au centre des débats lors d'une réunion de la COSAC", Presidency of the Council of the European Union, website, 13 July 2015, <http://www.eu2015lu.eu/>.
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18. Michèle Gantenbein, "If a country can help, it is us", *Luxemburger Wort* (English edition), 29 May 2015, <http://www.wort.lu/>.
19. European Commission, Standard Eurobarometer, No. 82, Autumn 2014, pp.188-194 and p.201, [http://ec.europa.eu/public\\_opinion/](http://ec.europa.eu/public_opinion/).