

Luxembourg :

39,6% of foreigners without explicit policy

The Grand Duchy of Luxembourg is a small landlocked country in the western Europe, bordered by Belgium, France, and Germany. Luxembourg has a population of 459 500 people in an area of about 2.586 square kilometres

Luxembourg was invaded and occupied by Germany during the First World War. It was again subject to German occupation in the Second World War, and was formally annexed into the Third Reich in 1942.



It became a founding member of the United Nations in 1946, and of NATO in 1949. In 1957, Luxembourg became one of the six founding countries of the European Union, and, in 1999, it joined the euro currency area. In 2005, a referendum on the EU treaty establishing a constitution for Europe gave 55 % positive vote

Luxembourg's stable, high-income economy features moderate growth, low inflation, and low unemployment. The industrial sector, which was until recently dominated by steel, has become increasingly more diversified to include chemicals, rubber, and other products. During the past decades, growth in the financial sector has more than compensated for the decline in steel. Services, especially banking and other financial exports, account for the

majority of economic output. Luxembourg as a member of the EU, enjoys the advantages of the open European market. Luxembourg possesses the highest GDP per capita in the world (US\$72,945 as of 2005), the fourth-highest Human Development Index and the fourth-highest quality of life. Unemployment is 4.8% of the labour force as of March 2006. For the fiscal year of 2005 and current year 2006, Luxembourg has run a budget deficit for the first time in numerous years mostly due to slower growth and the slowdown of the international markets.

Emigration – Immigration

In the mid's of the 19th century Luxembourg was a poor agricultural country: within 3 decades one third of the population emigrated to North America. The iron mineral found around 1870 brought a century's wealth to the Grand Duchy. Iron industry and mining needed great number of foreign workforce.

During the 20th century, immigration has largely contributed to the economic and social development of the Grand Duchy of Luxembourg .

The implicit and very effective policy which has been carried out by the authorities was centred on accepting almost only white, catholic, European immigrants.

The last quarter of the 20th century was a period of almost full employment and saw the creation of many new jobs, as well as an increase in the active population. There was no real debate on immigration: it merely took place, and it was perceived as a "win/win" situation.

The only discourse present, was regarding the successful and smooth integration everybody was supposed to achieve. Indeed, there was no explicit policy regarding immigration.

The Law on the entry and residence of foreigners was passed in 1972, and only a few minor changes have taken place since then. The law was conceived for non-EU workers. As Portugal (which used to be the main provider of working force) has since then become a member of the EU, this legislation is now only applicable to a small part of the foreigners: migrants from third-countries.

The only real debate which took place during that period was about the voting rights of EU nationals at the local and european levels, as mentioned in the Maastricht Treaty.

The immigrant population in Luxembourg

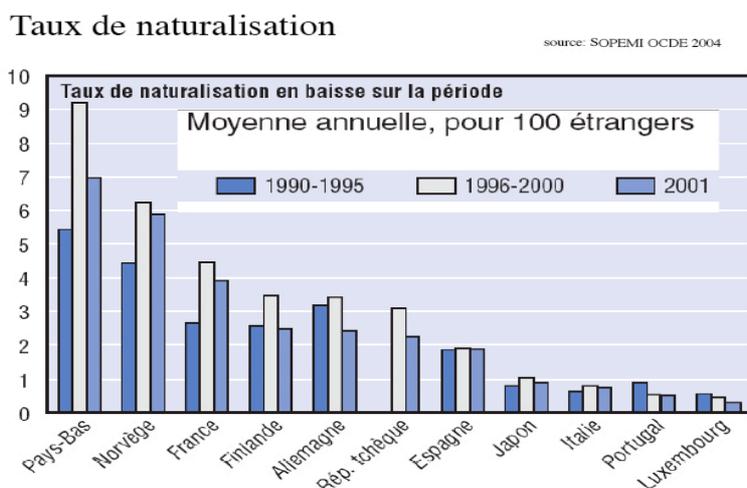
Luxembourg depends largely on the expertise of its foreigners. This situation developed at the end of the 19th century when individual workers were called upon for temporary engagements between 1 and 3 years on a rotation basis. From 1960 onwards, in a reaction to economic boom and a declining birth rate, the government endorsed a policy of familial immigration.

In 2006, Luxembourg's population amounts to 459 500, with foreigners counting up to 39,6% of the total population.

Most foreigners are white, european, catholics. Of these, the Portuguese constitute the majority. The percentage of non-EU foreigners is about 5 % of the local population and is made up of numerous nationalities such as people from former Yugoslavia, USA, Cape verdian islands, etc.

Luxembourg counts the highest percentage of foreigners among all OECD countries but, at the same time, it has the lowest rate of naturalisation.

Illustration 1: Rate of naturalisation; annual average per 100 foreigners



source : SOPEMI , OCDE 2003

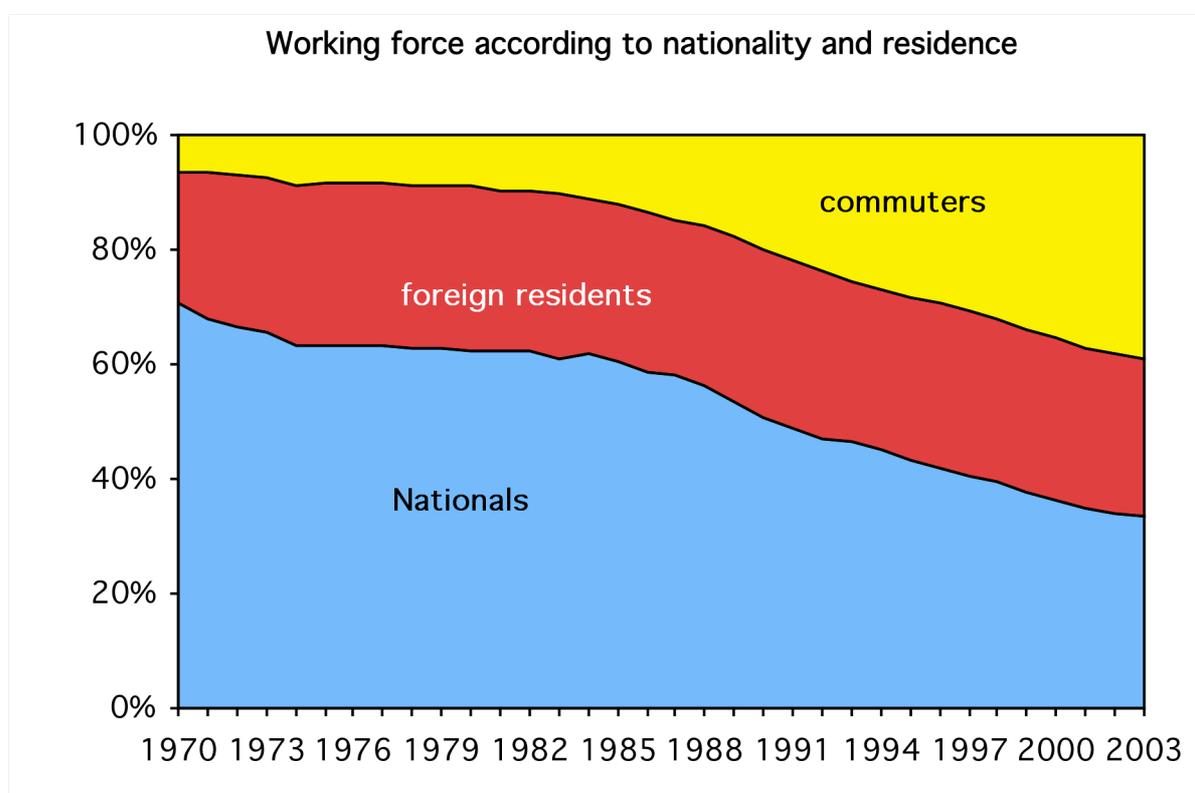
The proportion of naturalisations by country of origin shows some clear trends. There are mainly citizens from non-EU countries who choose to become EU citizens of Luxembourgish nationality. Citizens from other European countries who live in Luxembourg generally choose to adopt a new nationality only if requirements to do so appear reasonable, uncomplicated, and if they are allowed 'double' nationality.

Luxembourgers work mainly in the civil service and concede the production and innovation sectors to others. One-third of the workforce in Luxembourg is comprised of Luxembourgers while the rest is made up of foreigners residing in Luxembourg and by commuters from around the Luxembourgish borders. Indeed, for some 15 years now the workforce represented by commuters from neighbouring countries has come to represent approximately 38% of employees.

The **admission of migrants** is based on a 1972 legislation. There are basically three work permits. The first is for one year and one employer, the second for four years in the same economic sector, and the third has neither time nor sector limitation. The residence permit is valid for five years.

The employer has to prove that s/he could not find an EU employee who was suitable for the job and, therefore, must look for a non-EU national. With regard to family reunification, unfortunately, no data is available. However, overall, it occurs mostly without problems despite not having a legal framework within which to base itself.

Illustration 2: Evolution of the working force



Source : Statec

The **independent worker** has to provide a bank guarantee of 12 350 euros per family member. The conditions for admitting an independent worker are written down on an

information sheet edited by the Ministry of Justice, again, without any legal base. The authorisation runs for one year : Another year's period may be conceded provided there is sufficient revenue.

The information sheet specifies in its last line that family reunification for independent workers can be realised only after 3 years of stay.

Table 1
Population (x1000) 1981-2006

Year	1981	1991	2001	2003	2004	2005	2006
Total Population	364,6	384,4	439,5	448,3	451,6	455	459,5
of which women	186,7	196,1	223	227,3	228,6	230,3	232,7
Luxembourgers	268,8	271,4	277,2	277,6	277,4	277,6	277,7
Foreigners	95,8	113	162,3	170,7	174,2	177,4	181,8
of which - Portuguese	29,3	39,1	58,7	61,4	63,8	65,7	67,8
- Italians	22,3	19,5	19	19	18,9	18,8	18,8
- French	11,9	13	20	21,6	21,9	22,4	22,9
- Belgians	7,9	10,1	14,8	15,9	16	16,1	16,1
- Germans	8,9	8,8	10,1	10,2	10,3	10,4	10,4
- British	2	3,2	4,3	4,7	4,6	4,5	4,5
- Dutch	2,9	3,5	3,7	3,6	3,6	3,6	3,5
- Others EU	10,6	6,6	9,2	9,7	9,6	9,6	9,8
- Autres	...	9,2	22,5	24,6	25,5	26,3	28
Foreigners in %	26,3	29,4	36,9	38,1	38,6	38,9	39,6

Source : Statec

Table 2
Migration flow
2000- 2005

Year	2000	2001	2002	2003	2004	2005
total	3644	3311	2649	2073	1584	2671
Belgium	443	579	349	42	-77	-54
France	1185	821	492	168	217	304
Germany	107	135	93	150	136	94
Italy	220	144	-13	-28	1	58
Netherlands	-11	-97	-40	-48	-41	-33
Spain	46	26	11	-	-8	40
Portugal	566	465	919	1503	1026	1251
Other european countries	601	806	310	-296	-415	657
United States	-35	-247	-205	-183	-117	-129
Africa	172	334	381	431	585	146
Other countries	288	275	277	237	197	242
Unknown	62	70	75	97	80	95

Source : Statec

The restrictive asylum policy and the regularisation campaign

In the early 1990s, Luxembourg received a few thousand refugees, mainly from Bosnia. There was no legislation on asylum: asylum-seekers were instructed to find a job and accommodation and could stay, just like migrants.

With the Kosovo war, a few other thousands refugees arrived in Luxembourg. Meanwhile, a law on asylum was passed. There was no more question of integrating them. One should note that there was no change in the economic situation in Luxembourg: each year, five to six thousand newly created jobs had to be done by newcomers crossing the border, or by immigrants.

In the spring of 2001, a regularisation campaign took place, as a "one-shot action" The "*sans-papiers*" (*undocumented*) were a semantic creation in Luxembourg as in the previous years, illegal immigrants were legalised every day. In the 1970s, most Portuguese immigrants came illegally but were legalised almost as soon as they arrived. Indeed, economic needs overran the official procedure.

The regularisation had the implicit purpose of getting a few hundred people out of the crowded asylum procedure. However, many asylum seekers were excluded, namely those from Sandjak, an area covering the south of Serbia and the North of Montenegro which is host to mainly Muslims.

At the end of the campaign, 2,850 people had been regularised, 2,007 of whom came from former Yugoslavia, and practically all of whom were asylum-seekers. The total number amounted to 1,554 applicants, 64% of whom obtained a work and residence permit.

However, when the government started in November 2002 repatriating asylum seekers whose cases had been dismissed, it became clear that a large number of them had been living in Luxembourg for three, four, even five years, and that their children were, in general, well integrated in Luxembourgian schools. This was the case, for instance, with asylum seekers from Montenegro. In order to exercise pressure on the government, on May 17th 2003, those persons whose cases had been dismissed organised, jointly with ASTI, a human chain of 2000 persons, which linked the Ministry of Employment to the Ministry of Justice, and demanded that the status of those individuals who had been in Luxembourg for 30 months (30 months equals legal) be regularised.

Three weeks later, the Prime Minister received a delegation of the protesters, and confirmed that the government would carry out the "assisted" repatriations in the summer of 2003. To apply pressure to those persons whose claims had been dismissed, and to make them leave of their own free will, the government cut off their food supplies. In protest, the persons concerned met six times on consecutive Fridays in front of the offices of the Prime Minister, at a time when he held his weekly press conference. Media coverage was guaranteed. After six weeks, food supplies were restored.

Immigrant rights and participation in public life - issues of immigrant integration

In Luxembourg, the debate about the civic participation of foreigners focuses on the right to vote in municipal elections. It has centred on this demand and on the open discourse led by the NGO ASTI (Association in Support of Foreign Workers), which was founded in 1979. It started to popularise this idea through debates and through a big annual celebration, the Festival of Immigration, whose slogan is 'to live, to work and to decide together'.

History of democracy equals economic history

If the right to vote was historically linked to real estate, fiscal duties, and masculinity, in many countries the ultimate barrier is formed by nationality. In case this last requirement is

softened, economic grounds speak in favour of a policy of granting political rights on the basis of residence. Given the important role of foreigners to economic development, political integration of this workforce is inevitable. Without the immigrants' contributions, the social and insurance system could not persist in its current form. The ageing of the electorate has had negative effects in recent years. The political parties that advocate a conservative stance towards pension policies Their ageing voters did not favour a rearrangement of the contributions. It is only through the partaking of younger (foreign) voters that will there be a chance for these new policies which promise modes of financing and are geared towards the future, to find an electorate. This latter may explain why Luxembourg's conservative Prime Minister put forth a rather surprising proposal to allow double nationality. In this way, he will be able to mobilise a younger electorate whose main preoccupation does not lie with the conservation of their pension rights but rather with merely making a living.

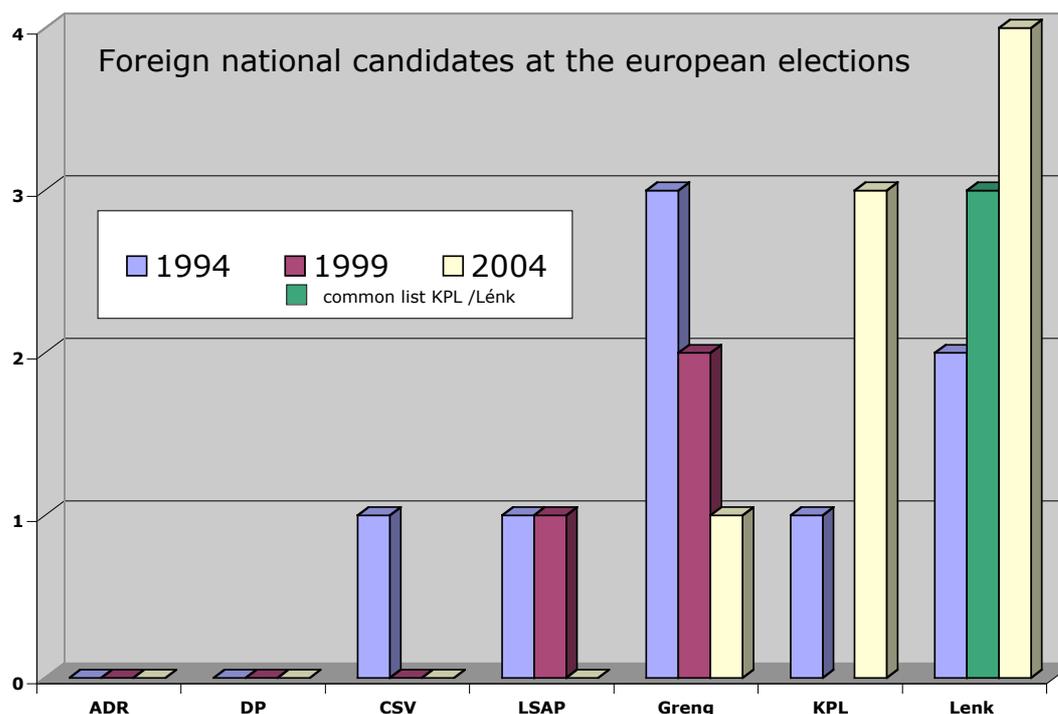
Voting rights : from revendication to a timid application

Political participation was granted thanks to the EC directive 94/80 1994 on the local right to vote, which stipulates that a member state with more than 20% of citizens from other EU citizens may obtain derogations as to the duration of stay, the passive right to vote, and the composition of electoral lists. Similar derogations have been obtained by Luxemburgian authorities in the field of European elections and the admission of EU nationals to these elections.

Of the 3226 candidates standing for election at the 1999 communal elections, 138 or 4.3%, were foreigners. This, however, is in contrast to the figures for EU citizens resident in Luxembourg which at that time, comprised 32.1% of the population. Moreover, we note that few immigrants (13.1%) are registered on the electoral lists.

In terms of European elections, non-Luxembourgish citizens may, since 1994, both elect and be elected through the Grand-Duchy's lists for the European Parliament. Eight foreign candidates stood for office in 1994, six in 1999 and eight in 2004. In 2004, none of the main parties was represented by a non-Luxembourgish national.

Illustration 3: Foreign candidates at the European elections 2004



Source: electoral lists for the European elections, ASTI

Key: ADR = right, DP = liberals, CSV= christian party, LSAP = social democrats, Greng = greens, KPL = communist, Lenk= left

Registration on the electoral lists for the elections of October 2005

Regarding the October 2005 elections, 23,937 foreigners had registered on the electoral lists. Of these, 22,706 were EU citizens and 1251 were from third-party countries. This represents an increase of 73% as compared to 1999. The highest increase was among Portuguese nationals (+117%), followed by the Italian nationals (+82%), British nationals (+60%) and French nationals (+52%). Overall, the rate of registration for the communal elections was 15%. Among EU citizens the rate was 17% and for non-EU citizens it amounted to 6%. Among the nationalities most strongly represented were Italian (21%), Portuguese (20%) and Dutch (19%). Citizens from those countries who joined the EU in 2004 were only represented by 3%.

It is worth noting that the growing number of registrations on the communal electoral lists has direct consequences on the proportion of foreign voters in relation to the overall electorate. In 1999, out of 100 voters, 6 were foreign and 94 Luxembourgish. Today the ratio is 10 foreigners to 90 Luxembourgish. Indeed, in certain communes, the electoral weight of foreigners is above average. Larochette, for instance, has the highest ratio with 33% of non-Luxembourgish nationals, followed by Medernach (18%) and Sandweiler (18%). This research was done in 2004 by SeSoPi, a catholic research center.

Public and media discourses on migration

Different terms for different types of immigrants

As stated above, unlike other EU member states, Luxembourg is characterised by little unemployment and an increasing workforce due to immigration. The continuously growing foreign population and the traditionally good integration seem to be accompanied by a changing discourse. The arrival of a significant number of asylum-seekers, especially since

the end of the 1990s, may have contributed to this change. The population was accustomed to the many foreigners who were usually employed in the numerous positions created in the past, as well as in the new ones. However, suddenly, the reference to foreigners' "laziness" became easy, as the government did not explain why it did not and does not allow asylum-seekers to work.

The open attitude of all the traditional political parties was not challenged by the openly rightwing party, as it never obtained more than 3% of the votes (1999 general elections). On the other hand, the ADR party nibbled votes on the conservative side, namely from the Christian party's voters. ADR's populist approach is not openly xenophobic, yet its restrictive views on immigration influence other parties. After 15 years of coalition between Christians and Social Democrats, the 1999 elections brought a Christian-Liberal coalition. The Liberals won due to the huge support they received from civil servants and from their influential Union CGFP, which tries to keep public jobs for nationals.

The discourse regarding foreigners has become more rigid, even restrictive at times, while the number of foreign workers has continued to grow. In parallel, significant numbers of asylum-seekers are present in the country. The Prime Minister remains on the foreigners' side, while the Minister of Justice is still a hardliner promoting law and order. 9/11 had effects in Luxembourg, too. The muslim community was close to obtaining both formal recognition and public financing (just like the catholic, protestant, orthodox and jewish communities do), when accusations and speculations were launched. There were no openly anti-Islamic reactions, but suspicions developed. The fact that a large part of asylum-seekers from the Sandjak region were muslims contributed to confuse the situation.

Finally, the immigration of highly qualified people is not mentioned in the official discourse as it simply takes place, without difficulty.

Immigration in discussion.

At the end of the parliamentary discussions on regularisation and refugees in winter / spring 2001, the House adopted a resolution calling for a larger debate about immigration. The proposal came from the Green party.

To this effect, the Special Parliamentary Commission on Immigration was created. This occurred in the context of the "700,000 inhabitants state" debate as well as the pension debate.

In November 2004 Lionel Fontagné a French expert also broaches in his report for the government about competitiveness the questions relating to immigration and integration. To contribute to an unblocking toward reforms, Fontagné proposes to open the public service to foreigners: " ... and nothing decisive can probably be done without changing the balance of the political economy. (...) [the fact that] the dynamic of employment is based essentially on employees who migrate or commute, while voting is concentrated among the working and non-working populations of the public sphere, is a source of blockage, which could be solved by reexamining the questions of dual nationality/citizenship and political participation of foreigners in elections."

Both reports went on without results and consequences.

In the perspective of a new immigration law the government asked in autumn 2005 a report to the Economic and social council (CES) where employers and Unions are part of. This report was issued on October 12th, 2006. It asks for an active immigration and integration policy and better and quicker procedures for working permits.

On integration

While the governmental programme requires that language and civic education courses be followed by foreigners wishing to acquire the Luxembourgish nationality, it remains silent on integration courses for the new arrivals. Nevertheless, the relevant department of the Ministry

of Family has set up an informal group consisting of officials and of NGOs to discuss integration courses. The group did not meet during a whole year.

A seminar was held at the end of May 2005 in Luxembourg, which brought together government representatives, experts from France, Belgium, Germany and the Netherlands, for an exchange of views on current practices with regard to integration courses. For the moment the only conclusion is a modest pilot project on integration courses.

The major challenge : school and qualification

More than elsewhere, the children of immigrants run into unavoidable obstacles in the Luxembourgian educational system which is trilingual. The Luxembourgian, German and French languages co-exist side by side, and half the students leave school without a certificate or a diploma. In general, it has been observed that the Luxembourgian children encounter many difficulties in French, whereas the children of immigrants fail because of German, which is taught on the basis of an extensive knowledge of Luxembourgian, which foreign children often do not have. While the overall failure rate is 4.9% for children in primary education, it is 3.6% for Luxembourgers and 11.9% for Capeverdian children. There have been some parliamentary documents and debates on the educational situation of foreign children over the past 25 years, but they have not led to any far-reaching legislative actions. Efforts have been made in the area of language teaching, and some pilot projects have been set up.

Nevertheless, the education of foreign children remains a major challenge. Characteristic of this challenge is that fact that there are 41.4 % foreigners in the elementary schools, 13% in the high schools, and 60.4 % in the modular classes of technical education. The last two editions of the PISA (Program for International Student Assessment) programme of the OCDE have ranked Luxembourg among the last in the field, and they have emphasised the selective character of Luxembourgian education and its socially unjust character which exacerbates social inequalities instead of reducing them. The result is an excess number of failures. Indeed, at the age of 15 years, half of the children will have repeated a class at least once.

Concluding remarks

In the near future, Luxembourg will face a multiple challenge in the field of immigration and integration. The revision of the 1972 law is scheduled for 2006/2007. It will be a challenge for politicians to demonstrate the political will for a real immigration and integration concept. Unfortunately those two aspects are run by two Ministers of two different parties, thereby complicating matters further both in terms of consistency and ideological compatibility. Luxembourg has to create a new legislation and larvishes between the known necessity of immigration and the growing reticencies in the population. Fortunately all tentatives of a right wing openly xenophobic political group or party have, thus far, failed.

The risk of a kind of soft political apartheid exists and even if the Prime Minister has stated in Parliament on May 7th, 2002 that "*The participation of the greatest possible number of people in the process of decision making is for us a national interest.*", nothing, however, has happened since then in that field. A new legislation on nationality has been introduced in Parliament in the beginning on October 7th 2006.

According to the experts of Stateg, the population of Luxembourg will grow, but only thanks to the addition of foreign workers. The social cohesion may be put to a rough test, given that the autochtonous population fears becoming a minority. The 2003 annual report of the OCDE identifies four immigration-related challenges for the Grand Duchy. The first is integration

through education and training. The second is the overloading of the infrastructure, namely the means of transport. The third, an overheated housing market and, finally, the survival of the welfare state, which entails expenditures for health and ageing.

In the field of transposition of EU directives the Grand Duchy shows little enthusiasm. The directives against discrimination have a five year delay, and no action regarding family reunification or long term residents directives has been made.

In terms of registration for elections for instance, the overall increase of registrations across all social strata and geographical regions shows the positive impact of a well-targeted information campaign. A mobilisation campaign bears its fruits only if there is sufficient political engagement, targeted proceedings and adequate sensitisation campaigns. The efforts targeted at the Portuguese community must be continued and widened to include, for example, the Capeverdean community whose registration rate is very low for a community that has been present in Luxembourg for three decades. The work that has been carried out so far must be continued and the activities and meeting points should be used to their best extent as these have been proved efficient means.

The future will be decisive. Indeed, the *laisser faire* attitude of the last decades can not be adapted anymore to the present reality and the forecasted evolution.

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