Luxembourg

Class struggle in a “haven of peace and social progress”

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Luxembourg is one of the smallest countries in the European Union, and also one of the richest. However, in spite of its small size, it has some features that provide an acute illustration of broader tendencies that exist within the European Union and the advanced capitalist countries in general. The two most striking aspects of Luxembourg are its importance as a financial centre and the multinational character of its workforce.

Up until 30 years ago the economy of Luxembourg was dominated by heavy industry, centred on iron and steel. Like other Western European countries it was severely affected by the crisis of the 1970s. A process of restructuring and downsizing of the steel industry followed, carried out under the direction of what was then the European Community, via the Davignon Plan, and affecting not only Luxembourg but other countries, in particular West Germany, France and Belgium. Eventually the Luxembourg national steel company, ARBED, merged in 2002 with the French company Usinor and the Spanish Aceralia to form Arcelor, which was in its turn taken over by the Indian steel company Mittal in 2006. Today, ArcelorMittal is the largest steel producer in the world. It has its headquarters in Luxembourg and still employs several thousand workers in the country to produce high-quality steel, many fewer than Arbed employed in its heyday (4000 production workers today, as against 30,000 in 1975). Nevertheless, even though the steel industry is a shadow of its former self, its history still looms large over Luxembourg and in particular over the workers' movement.

The southern part of the country, the centre of the iron and steel industry, is known as the "Red Lands", from the colour of the iron-laden earth. But the name could also aptly describe the political colour of the area, the most left-wing part of the country, centred on Luxembourg's second city, Esch-sur-Alzette.

Deindustrialisation

Luxembourg, like a number of other EU countries, has undergone a process of deindustrialisation. Of course there is still an industrial sector, including not only steel, but also some new high-tech industries such as SES, founded in 1985, which produces satellite telecommunications equipment. But today it is the tertiary, service sector that is dominant. And as the industrial base of Luxembourg has narrowed, the country, and above all its capital, has become a major financial centre.

On a world level, 80 per cent of exports consist of material goods (including iron and steel) and 20 per cent services (including financial services). Luxembourg is exactly the opposite: 20 per cent of its exports consist of material goods (of which steel still represents 37 per cent) and 80 per cent services. Financial services alone account for more than 50 per cent of exports. This compares with 30 per cent for Switzerland and only 10 per cent for Singapore. Luxembourg has 0.007 per cent of the world's population and 0.095 per cent of world GDP. It has, however, 15 per cent of exports of financial services: 17th place in the world; 65th place for material goods (source: WTO). Within the EU, with 27 per cent of exports of financial services, Luxembourg is second only to the United Kingdom. [1] Speculative capital in Luxembourg represents 50 times the country's GDP, while the funds held by the banks represent 30 times GDP. Luxembourg has a larger share of investment funds than any other EU country. In particular it holds an incredible 85 per cent of the cross-border trade in Europe in UCITS collective investment funds. [2] The sums involved run into trillions of euros. (One example of a Luxembourg-based UCITS fund was LuxAlpha, the principal European antenna of the Madoff scam.)

The growth in the financial sector is not particular to Luxembourg, although Luxembourg provides an extreme example of it. On a European level, it reflects on the one hand a certain process of deindustrialisation in the advanced capitalist countries, with a shift of material production towards emergent economies and the growth of the services sector. But the financialisation of advanced capitalist economies is above all an expression of the tendency for profits to be directed towards finance because of the lack of sufficiently profitable productive investment. And of course the vast sums of money that are placed in the Luxembourg financial sector do not come from Luxembourg (or only to a small degree), but from all over Europe and the world. And Luxembourg does everything it can to attract this capital. Taxes on business, at 21.1 per cent, are the lowest in the EU (EU average 44.2 per cent). [3]

Luxembourg's success in carving out a place for itself in the new financialised international constellation explains in large part the maintenance of relatively high standards of living and of social protection. At the same time the dominance of finance is an Achilles heel. Luxembourg was quite sharply hit by the 2008 financial crisis and remains vulnerable to future shocks. Probably as a delayed effect of the 2008 crisis, bankruptcies in 2010 in the financial sector were higher than the total of the three previous years combined. But bigger dangers lie in wait. Luxembourg contributed 200 million euros to the loan for the Greek bailout and 50 million for Ireland. It may be thought that it was cheap at the price, when you consider that holdings of debt by Luxembourg banks and financial institutions in the so-called PIGS (Portugal, Ireland, Greece and Spain) amount to 62 billion euros. So Luxembourg, like its larger neighbours (Germany, France, UK …) is in fact protecting its own banks and financial institutions. After the recent annual visit of experts from the International Monetary Fund (IMF) to take the pulse of the Luxembourg economy, the newspaper Le Quotidien reported that "the IMF points out that the banks situated in Luxembourg are susceptible to being exposed through their international groups to the sovereign debts of certain European countries. This problem is considered by the IMF to be serious" (April 5, 2011).

Working-class composition

The other very important feature of Luxembourg is the composition of its population and in particular of its working class. Luxembourg has a population of 500,000, which now includes 43 per cent of non-citizens. This is the highest percentage in both the EU and the countries of the Organisation of Economic Cooperation and Development (OECD). Within the school system the proportion of non-Luxembourgers is around 50 per cent. The vast majority of the resident migrant population is from the EU, only 6 per cent coming from outside.

This is the result of a conscious immigration policy by successive Luxembourg governments from the 1950s onwards, seeking to encourage white European migrants. By far the largest group of immigrants comes from Portugal. The small population of non-European origin includes a contingent from the former Portuguese colony of Cape Verde. Non-citizens have certain voting rights after five years of residence, but have been slow to use them. Unlike Luxembourg citizens, who are automatically put on the electoral register, foreigners have to make the request. All foreigners can vote in local elections after five years' legal residence. EU citizens can vote in European elections, but only Luxembourg citizens can vote in parliamentary elections. Foreigners can apply for Luxembourg citizenship after seven years of residence. There has been an increase in demand since a 2009 reform making it possible to have dual nationality.

Migrants play a key role in the Luxembourg economy and social structure. In 1980, the number of those paying social security contributions, a good indication of the size of the workforce, was 158,000. Non-Luxembourgers already represented 33 per cent of the total. Today the workforce is 349,000, a 120 per cent increase. And whereas the number of Luxembourgish workers has only increased by 4 per cent in 30 years, the number of non-Luxembourgers has shot up, now representing 68 per cent of all workers – 24 per cent of the workforce are migrants who live in Luxembourg and 44 per cent are "cross-border workers" (frontaliers) who live outside Luxembourg and commute to work there every day. The biggest contingent comes from France, followed by Belgium and Germany (47 per cent of frontaliers are from France, with 23 per cent each from Belgium and Germany). When we look at the private sector, the percentage of Luxembourg citizens is even lower than in the economy as a whole, at 25.4 per cent. French workers alone account for 27.34 per cent, followed by Portuguese, Belgians and Germans, all between 11 and 13 per cent. Non-Europeans account for just over 3 per cent. Unsurprisingly Luxembourgers are much more strongly represented in the administration and more generally the public sector and are much less present in manual and unskilled jobs (less than 10 per cent in the building industry, for example).

This important role of non-Luxembourg workers, both residents and frontaliers, has a number of consequences. In the first place, leaving aside the frontaliers who live and vote in their countries of origin, a considerable percentage of migrants living in Luxembourg are outside the political process, especially as regards the national parliament. Luxembourg citizens, including of course those of foreign origin, vote to elect a parliament and government which take decisions that concern many residents (and non-residents) who have no say in these decisions.

Luxembourg political parties do have non-Luxembourg citizens among their members (the Socialist Party – LSAP – has just announced that 13 per cent of its members are non-citizens, an increase from 6 per cent two years ago), but they are still very largely composed of Luxembourg citizens. Their composition certainly does not accurately reflect the diversity of the workforce or even the resident population. There are however organisations which do better reflect this reality – the trade unions.

Trade unions

The trade unions in Luxembourg are relatively strong. A comparative study in 2003 listed Luxembourg among a dozen or so European countries where trade union membership was rising. The four Luxembourg trade union groupings cited in this study showed growth of more than 40 per cent between 1993 and 2003. [4] A recent study shows an overall level of unionisation of 41 per cent, which places Luxembourg seventh in the European table, according to the OECD. [5] This percentage refers only to workers resident in Luxembourg, whatever their nationality, not to frontaliers, but the latter are also organised in Luxembourg unions. The two main union confederations at least are actively engaged in recruiting them and have offices in the regions of France, Belgium and Germany adjoining Luxembourg. Over a longer period, reflecting the transition from industry to services, the level of unionisation has actually decreased, from 64 per cent in 1970-71, indicating that union membership, while increasing, has not kept pace with the rapid expansion of the service sector and particularly of finance. However, at 39 per cent, the level of unionisation in the banking and insurance sector is still quite significant.

The main union grouping is the Independent Trade Union Confederation of Luxembourg (OGBL) with 66,000 members. Historically, the OGBL has been close to the Socialist Party (LSAP), but the links have become very much distended with the neoliberal evolution of the LSAP. The OGBL has now taken a position that membership of its executive bureau is incompatible with being a member of the Luxembourg or European Parliament or occupying a position of responsibility in local government. Following the 2009 elections Jean-Claude Reding, president of the OGBL, came out with a very forthright statement: “The Socialist Party must know that we will not take account of their participation or not in the government. If the party remains the ally of the unions and defends the social state, we can only be delighted. If it is not capable of playing this role, it would be better if it did not go into government. Moreover, it would come into conflict with us.”

The second biggest confederation is the Luxembourg Christian Trade Union Confederation (LCGB), which as its name suggests is close to the Christian Social People’s Party (CSV), and in this case there seems to be no problem with the link. The union’s president is in fact a CSV member of parliament. The General Confederation of Civil Service Workers (CGFP) is a sectoral union. The fourth union grouping is based around ALEBA, the Luxembourg Association of Bank Employees. Then there is the FNCTTFEL (Landesverband), which organises rail and other transport workers and local government workers. There are some other, minor unions. In spite of this plurality there seems to be less inter-union rivalry than in, for example, France. There is however a definable (and majority) class-oriented wing of the trade union movement, consisting of the OGBL, FNCTTEL and ALEBA. This bloc at present controls the CSL, a chamber elected by all workers in the private sector which regularly produces documentation and analyses that are useful for trade unionists and those on the left generally.

Luxembourg social model

The two main political parties are the CSV and the LSAP. They govern in coalition. But the CSV is the dominant force, having won 38 per cent of the votes and 26 out of 60 seats in the 2009 legislative election. It and its predecessor have been in government, generally in coalition, and invariably providing the prime minister, for all but six years since 1918, except of course during the interregnum of the German occupation from 1940-44. The LSAP, whose vote has been in steady decline since 1964, received 21.6 per cent of the vote in 2009. Other pro-capitalist parties are represented in parliament. The Democratic Party (DP) is an unashamedly liberal formation, comparable to the German Free Democratic Party. The Greens (Dei Greng) cannot be characterised as being on the left – they represent what might be called “eco-liberalism”. They govern the municipality of Luxembourg City in coalition with the DP. There is also a somewhat eclectic populist party, the ADR.

An absolutely central element of class relations in Luxembourg is the so-called “Luxembourg social model”, sometimes simply described as the “Luxembourg model”. The basis of this is that social questions should be dealt with and if possible resolved in consultations between government, employers and the unions, through a process of conciliation and compromise, with the aim of arriving at a consensus. This does not only, or even primarily, concern wages which are negotiated with employers. It covers social security, unemployment pay, the minimum social wage, the minimum guaranteed income (RMG), taxation, pensions and so on. The rationale is that the “social model” provides a high level of security for workers and their families and that in return social conflicts, strikes, etc., are reduced to a minimum. Indeed strikes are only authorised after a process of conciliation has been gone through.

Let us look briefly at what the Luxembourg workers’ movement has to defend.

Indexation of wages, linking them to price rises, was won for the public sector after World War I, for heavy industry in 1936, for all workers in 1975; a minimum social wage was introduced after the World War II, and is at present the highest among the 20 EU member states that have a minimum wage. There is a state pension system, described by the IMF and the OECD as “very generous”, a health-care system, etc. Child benefits are the highest in the EU. A study showed that in 2008 Luxembourg had the strongest job protection legislation in the EU and the second strongest in the OECD after Turkey (the United States came last). On the other hand, in terms of hours worked per year, Luxembourg has among the highest in the EU, 1806 (1876 in the UK) and unlike the situation in most EU member states, the number of hours worked actually increased between 2000 and 2008. And the overall high standard of living conceals inequalities. There are poor people in Luxembourg who have difficulty making ends meet. Housing in particular is very expensive. Nevertheless the overall picture is one of high living standards and a strong level of social protection. And it should be noted that in this respect that Luxembourg has gone against the general tendency in the EU in that social protection has actually been extended over the last 20 years, whereas elsewhere it has in general been eroded via liberal counter-reforms. But as we shall see these gains are now coming under attack.

The key to the functioning of the Luxembourg social model is the concept of the tripartite, meetings held regularly, usually once a year, between employers, government and unions. The present Tripartite Coordinating Committee was established in 1977, but its roots go back much further. Dialogue between unions and employers began to be institutionalized in 1924 with the creation of the first Chambres professionnelles on an industry by industry basis. In 1936, following on a demonstration by 40,000 workers, there was established the National Council of Labour, an organism for conciliation between the unions and the employers, and the first collective bargaining agreements were signed. 1966 saw the creation of the Economic and Social Council. The specific immediate role of the tripartite established in 1977 was to establish a social pact to oversee the restructuring and downsizing of the steel industry. Until 1980 employers and unions had a veto over decisions, but subsequently decisions were taken by consensus. Until 1986 the parliament was involved, but this did not happen again until 2008, under the impact of the financial crisis.

Evidently for the system to work correctly there has to be a certain degree of social cohesion, a spirit of compromise, and for that each of the partners has to have an interest in the process. This has been placed under some strain by the crisis – and also by the reaction of the EU, national governments and employers to the crisis.

Haven of peace and social progress?

In Europe on the whole there is a sharpening of class relations, a sustained offensive against the social gains, rights and standard of living of the working class, young people and pensioners. [6] Clearly, the speed and intensity of this offensive varies from country to country. Luxembourg may seem like a haven of peace and social progress. Someone arriving from say, Britain, might well think they'd died and gone to heaven. But although things have so far moved more slowly here, the direction is unmistakable.

Everyone claims to defend the Luxembourg social model. Not only the unions, but the government and the employers. As far as the government and the employers are concerned, such declarations are partly because the population is profoundly attached to this model and no one can afford to appear not to support it. But the attachment to social peace is unfeigned; it is an asset which helps to encourage foreign investors. As Francois Bausch of Dei Greng put it during the tense negotiations of the 2010 tripartite: "It is never good to put social peace in question. It is one of our great assets in order to convince enterprises to come to Luxembourg. Unlike in France for example, they have the guarantee that there won't be a strike every couple of days."

In order to preserve his room for manoeuvre, Luxembourg's Prime Minister Jean-Claude Juncker was obliged to reject the crude aggressiveness of the initial Franco-German project for a competitiveness pact, refusing to accept outlawing of wage indexation and the pension age being fixed on a European level. Juncker not only loudly defends the Luxembourg model but even allows himself such demagogic sallies as "after all, we don't carry out policies for the banks and big capital". Which, of course, is precisely what he does do.

Luxembourg is an integral part of the EU and has been since the beginning. Juncker himself is president of the Eurogroup of eurozone finance ministers. He will oversee in his own way the application of neoliberal EU policies to Luxembourg. And where he advances prudently, others beat the war drums. There is a clearly identifiable hardline, neoliberal faction in Luxembourg, including among others Yves Mersch, president of the Central Bank, Michel Würth of the UEL (main employers' organisation) relayed in the political sphere by the minister of finance, Luc Frieden, the new president of the CSV parliamentary group (and former president of the ABBL, the Luxembourg bakers' association) Lucien Thiel, and the DP.

The year 2010 was marked by sharp political tensions as the meeting of the tripartite failed to reach agreement after a series of meetings in March and April. An offensive conducted by finance minister Frieden and the employers aiming at the liquidation of wage indexation was met by the intransigent refusal of the unions. There were other issues involved, in fact a whole plan of austerity, but it was around the index that the conflict crystallised. Already a year before, on May 16, 2009, in the run-up to the legislative elections in June that year, there had been a demonstration of 30,000 workers around the slogan, "We will not pay for your crisis!" More precisely, a communiqué of the OGBL in March 2010 declared, “the crisis must not be used as a pretext for any kind of social dismantling”. But it is precisely the policy of the EU to use the crisis in this way. Following on the breakdown of the tripartite there was a series of political manoeuvres. After a special congress the LSAP took a position in defence of the index. Juncker threatened to break the logjam by the government taking decisions, but did not do so. Significantly, the union front held together. The OGBL declared that the index was worth a general strike.

The crisis rumbled on over the summer, becoming sharper in September as the prospect of the adoption of the budget approached. The government had decided on a reform of child benefits which disadvantaged frontaliers. The unions produced a show of strength, with a rally of 5000 on September 16, including delegations from unions in France, Belgium and Germany. The OGBL had programmed and announced four regional demonstrations in October, to which the LCGB announced its support.

Finally, the government resorted to the stratagem of convoking a bipartite with the unions. An agreement was concluded by which the index stayed, with a moratorium on its application until October 2011, and some secondary concessions. The proposed demonstrations were cancelled. The crisis was defused and there was a palpable sigh of relief in many quarters. The left of centre weekly Le Jeudi produced an article entitled “The consensus found again”, which ended “as for the third partner of the tripartite, the employers, they can only take note today of the failure of their propositions of social deregulation, even if they could have believed in them over recent weeks”. But it was not as simple as that, far from it. The employers protested loudly at the government-union bipartite. But they were rewarded a few weeks later with a government-employers bipartite in which they won concessions, notably subsidies which covered the cost of indexation and of an increase in the minimum wage. This time it was the unions who protested.

Austerity

So somewhat laboriously, the Luxembourg social model had worked. What is the situation now? First, it is one thing to declare that “we will not pay for your crisis”, it is quite another not to do so in practice. And there the figures speak clearly; the austerity plan is being applied. Adding up the cost of all the government’s measures (crisis tax, solidarity tax, income tax increases, increased charges for health insurance …), we arrive at a figure of 231 million euros to be paid by individual taxpayers, as against a possible maximum of 62 million for companies. The weight of taxation falls on the revenues of labour, not on those of capital. Second, in 2009 the OGBL defined “red lines” which the government could not cross without provoking a frontal conflict. One of those red lines was the index. The other two were the reduction of starting salaries in the civil service and an increase in the retirement age. The two principal measures that the government is presently proposing cover those points. The government is proposing not only to reduce starting salaries in the civil service but to introduce a system of continuous assessment of the “performance” of government employees, opening the door to the individualisation of salaries. The proposed reform of pensions, piloted by the Socialist Party minister Mars Di Bartomeleo, does not actually raise the retirement age. What it does do is to announce that while it will still be possible to retire on a full pension at between 60 and 65 after 40 years’ work, future pensions will be worth 15 per cent less than today’s. Which implies at some point raising the retirement age, and/or encouraging workers to make up the shortfall by taking out private pension plans. This corresponds to the long-term aims of the EU – to move from public pensions to private pension funds, leaving the state pension as a safety net for the poorest citizens. And there is no guarantee that the index will remain untouched. The IMF has helpfully suggested excluding food and petrol prices from its calculation, a way of maintaining the form of indexation while emptying it of its content. On another front, the opening of postal services to competition is due to come into force in 2013 and the telephone sector has been hived off, following the example of other countries.

Resistance

There are therefore conflicts on the horizon which will generate tensions in the Luxembourg social model. They will still be conducted within the parameters of this model. But the sense that is given to it will vary. The unions will defend the traditional model in which they obtained real gains, attacking the employers and government for moving away from this. The OGBL, during the crisis of the tripartite in 2010, while stoutly defending its positions, criticised the employers for their “extremist” positions and for breaking off the social dialogue and the government for its “duplicity”.

For their part, the government and the employers will continue to adhere to the form of the tripartite, while trying to transform it into an organism where the unions are co-opted into negotiating improved productivity and competitiveness – the two key words for European capital – for enterprises in Luxembourg. The importance of the index is not so much, or not only, what it costs employers, but the very existence of such a mechanism (characterised by the OECD as “archaic”), incarnating as it does the link between wages and inflation, not productivity or competitiveness.

So far the unions have demonstrated a considerable will to resist. What is most striking is that the political expression of this resistance is much weaker. It is not possible to speak of a left wing in the LSAP, although that does not mean that there are not individuals who are more to the left, more attached to the defence of workers' interests. But in fact the only party which consistently defends the point of view of organised labour is Dei Lenk (The Left).

Dei Lenk (The Left)

Dei Lenk was formed in 1999. But it came out of a previous history. An important part of its roots lie in the Communist Party of Luxembourg (KPL). The KPL, formed in 1921, was for several decades a force in Luxembourg politics. It was sufficiently strong in 1944/45 to be included in the government, as were the Communist parties in France, Italy and Belgium at the same period. It reached the high point of its support in 1968, with over 15 per cent of the popular vote and six MPs. From there it declined, losing its last MP in 1994. There were no doubt sociological reasons for the decline, in the weakening of the industrial working class. But the party remained uncritically pro-Soviet and rigidly Stalinist in its internal functioning and political conflicts broke out, leading to a split and the creation of the New Left (Nei Lenk) in the early 1990s. The principal leader of Nei Lenk was Andre Hoffmann, who was later elected to parliament for Dei Lenk in 1999. The other main component of Dei Lenk was the Revolutionary Socialist Party, the Luxembourg section of the Fourth International. When Dei Lenk was formed the KPL initially participated, but subsequently withdrew, though some of its members remained. In 2004 the KPL and Dei Lenk both stood candidates and the split vote led to no one being elected. Dei Lenk had to wait till 2009 to win back a seat, again with Andre Hoffmann, who enjoys great personal popularity.

Dei Lenk is still a small party, with about 300 members. (But that figure has to be taken in a Luxembourg context. In 1964, the KPL, with several MPs, had, according to the US State Department, only 500 members. [7] Today the LSAP claims 5800 members.) Dei Lenk is however active on many fronts. The question of being present in parliament is important for the party's visibility, but it is its campaigning activity that is most important. In 2005, without parliamentary representation, Dei Lenk played a central role in the campaign around the referendum on the European Constitutional Treaty, where to general surprise the “no” vote was nearly 44 per cent – and was in the majority among industrial workers and young people. Last year Dei Lenk organised a campaign on the right to work and on employment protection.

On April 3, Dei Lenk held its 8th national congress. Present were representatives of the New Anticapitalist Party (NPA) and the Left Party from France and Die Linke from Germany. Dei Lenk is an active member of the European Left, which has affiliates in more than 20 countries. The main subject of the congress was the preparation of this autumn's communal (municipal) elections, where Dei Lenk hopes to win seats in the main towns and reinforce its implantation locally. The guideline of the campaign is, faced with the crisis, to make the communes centres of resistance and springboards for alternative policies. The central theme of the campaign will be housing. There is very little social housing in Luxembourg. To rent a three-bedroom apartment costs approximately the minimum wage, and house prices have risen by 20 per cent since 2005. More broadly defence of public services will be at the centre of the campaign, along with proposals to involve citizens in the running of local authorities. Another proposal is to abolish the residence requirement for non-Luxembourg citizens and put them automatically on the electoral roll.

The congress also adopted resolutions in solidarity with the Arab revolutions, against repressive measures towards asylum seekers and in opposition to nuclear power – on the latter issue a very wide spectrum of opinion has crystallised in Luxembourg. Andre Hoffmann set the cat among the pigeons by revealing in parliament that the Luxembourg national pension fund was investing in Tepco, the owner of Fukushima, and other companies involved in producing nuclear power – as he had previously revealed its investments in companies producing depleted uranium armaments.

Dei Lenk is an anti-capitalist party in a country where it would be illusory to hope for a rapid transition from capitalism. It therefore has to combine immediate demands and campaigns with opposition to the system and explanation of the class nature of the government and the state, against the widely held idea that it is an independent arbiter. As Serge Urbany, spokesperson for Dei Lenk, put it at the congress, the party has to become a social and ecological alternative “to the capitalist system and within the capitalist system” that is to propose concrete responses to the problems of today while defending the need for another type of society. That means not simply saying “no” to the government’s attacks, but proposing alternatives. For example, by placing the burden of taxation on companies and in particular the financial sector, rather than on wage earners. And in relation to the government’s plans to reform the civil service, proposing that measures to improve public services should come from committees representing civil servants and those who use the services. Dei Lenk has also launched the idea of a socio-ecological regional [8] development fund, which would invest particularly in alternative forms of energy.

As regards its view of the future society, article 1 of Dei Lenk’s statutes explain that overcoming capitalism is not an end in itself, but “the means of establishing an active democracy, including in workplaces and the economy”. It goes on to stress that the aim is to end not just economic exploitation, but also social, sexual and ethnic oppression and discrimination. It concludes by saying that “there is no ready-made plan of a socialist society, the society of tomorrow will emerge from the reality of today, from the needs and the demands of women and men living in today’s society”.

Opinion polls indicate that Dei Lenk can increase its representation in parliament and in local government. But even at present, its influence is wider than its modest forces might indicate. In particular, it is taken seriously by and attracts the sympathy of many trade unionists. An indication of this is the fact that since the beginning of the year Dei Lenk has had formal meetings and exchanges with delegations from most of the main trade unions, not only from the more class-oriented wing like the OGBL and the FNCCTFEL, but also the LCGB and the CGFP. Given that the unions will be at the centre of the battles to come, that is a very positive sign.

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[1] Figures from Statec (official Luxembourg statistical service), Economie et statistique, Working Paper 42/2010, “The Evolution of the Market Share of Luxembourg’s Exports of Goods and Services between 1999 and 2009” Peter Hock, Guy Schuller.

[2] Financial Times, November 15, 2010

[3] PwC analysis, “Paying Taxes 2011 – the global picture”.

[4] See here.

[5] Statec, Regards 12-2011, Sur la syndicalisation au Luxembourg

[6] See my article, “The European workers’ movement: dangers and challenges”.

[7] Benjamin, Roger W.; Kautsky, John H. (March 1968). "Communism and Economic Development". American Political Science Review 62

[8] Luxembourg is part of one of the EU’s “great regions”, along with the French Lorraine region and parts of Belgium and Germany.