

MIGRANTS, MINORITIES AND EMPLOYMENT IN LUXEMBOURG

EXCLUSION, DISCRIMINATION AND ANTI-DISCRIMINATION

**RAXEN 3 Report
to the ▲ European Monitoring Centre on
Racism and Xenophobia (EUMC)**

by the ▲ RAXEN Focal Point for Luxembourg
Association for the support of immigrant workers
Association de soutien aux travailleurs immigrés (ASTI)

Author
Claudia Hartmann-Hirsch

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1. Executive summary

This report describes in short the economic situation of Luxembourg and its impact on the non-national workers. The study focuses on the national economy and the indirect discrimination which foreigners residing in Luxembourg are exposed to. To understand the impact of non-nationals on the labour market in Luxembourg, the [chapter about demography](#) tries to give a detailed outline on the proportion of non-nationals, Luxembourg's and foreign residents in Luxembourg, but also growth of population and rate of fecundity.

After this, the study depicts the [economic situation](#) of Luxembourg in terms of employees, national employment and interior employment. At this step, it will already become clear that foreigners make up a rapidly growing part in Luxembourg's labour market. The [following chapter](#) in detail delineates the national specificity of the labour market and its composition and origin. The access to the labour market, which is a central element of the report, is discussed in an explicit way.

Speaking about inaccessibility or obstacle of access to the labour market, one inevitably has to talk about the applicants for asylum (according to the § Convention of Geneva), which is done in the [same chapter](#).

Indirect discrimination is found in the access to the labour market and also in the professional statuses and wages. Thus, the next chapter in particular deals with the different statuses, which employees from different nationalities have in Luxembourg. The school, which prepares for working life will be covered in the [following chapter](#). The difference between various branches of the secondary school system and the "segregation" are studied there.

Speaking about Luxembourg, it is obviously also necessary to take into account its characteristic situation in terms of the languages of the country, which is an important factor on the labour market. After this, an [analysis of the existing data](#) follows: which indicators and other data can be found at the national level? What kinds of sources do exist?

In its [final chapter](#) the report presents a whole series of conclusions and ■ recommendations to avoid any discrimination, be it direct or indirect, related to the labour market.

2. Introduction

Immigration should be one of the major issues on the political agenda of Luxembourg's authorities as the present situation is determined by four facts and developments which make further substantial immigration desirable:

- the demographic situation
- a still growing economy
- an extremely high job creation potential and
- an already long standing experience of immigration with an open minded and tolerant attitude towards immigrants, refugees and asylum seekers: there is no fear of having "jobs stolen by refugees or immigrants".

No other country in the EU has

- such a high number of foreigners being part of the labour force (64.5%), and this within a multi-linguistic context enabling French speaking, German speaking and English speaking people to enter the labour market without major obstacles
- such a high number of foreigners living in Luxembourg (36.9%).

Not only the professional life is extremely multicultural but also every day life and school.

In Luxembourg, quite a high standard of living prevails, the average income is higher than in the neighbouring regions. Luxembourg's economy receives an important share of cross border commuters and foreigners from other European and non-Community countries.

On average, these foreigners are younger than Luxembourgish employees, being situated either at the top of the socio-professional pyramid or at the bottom: certain foreign nationalities are clearly predominant at the top, whereas others predominantly occupy jobs at the bottom of the pyramid. Luxembourgers are mainly in the middle and tend to work for the public sector, which provides very high incomes and job security. Accordingly, certain lower sectors are unable to employ Luxembourgers because of offering too low incomes.

One could ask whether Luxembourgers (retiring from work life very early) benefit from the foreigners

- in terms of intellectual skills they cannot provide alone (top positions)
- in terms of working conditions: by leaving sectors with bad working conditions (mainly on the bottom, in certain economic sectors like cleaning services, hotel sector and in the industry) to foreigners, as it is the case in other European countries.

Luxembourg's economy is desperately looking for new employees, for both highly qualified and unqualified people; a clearly defined new policy of immigration is lacking; the connexion between immigration and asylum has to be defined. At

present, authorities do not consider asylum seekers as future immigrants. And this is exactly the main proposal NGOs try to put forward: to benefit from the working potential of immigrants who are already present in the country and obtain some knowledge about Luxembourg and language skills.

There is no doubt an urgent need to learn more about foreign newcomers in order to analyse the new flows of immigration: are they different from those of the past?

These new types of flows will be our main focus in a historical comparison with former trends – knowing that, unfortunately, we will be unable to compare figures.

There are various elements, which a report giving an EU-wide comparison of the labour market situations for foreigners can provide to Luxembourg's Authorities and to the NGOs working in this area, for example

- information on labour market access in other countries, as Luxembourg's procedure is one of the most complicated and protracted (it takes 7 years)
- successful models of integration of asylum seekers, refugees and traditional immigrants as the language situation is particularly difficult
- information on good practices for the integration of immigrants'/refugees' children into school.

3. The demographic situation

The demographic development of Luxembourg was very dramatic during the years after the baby boom in the 70ies and 80ies.

Luxembourg's population diminished continuously. Out of the three elements determining the demographic evolution¹, fertility of Luxembourgish women was extremely low from the end of the 70ies up to the end of the 80ies (■ Statistique 2001, STATEC, B 370 and ■ Annuaire Statistique 1990, B 380).

During the “golden sixties”, a high demand for human resources for the booming economy as well as a low fertility rate produced a situation, which was worrying:

Table 1: Population development and birth rates in Luxembourg

Year	Population			Births		
	<i>Total</i>	<i>Share of Lux. in %</i>	<i>Share of foreigners in %</i>	<i>Total</i>	<i>by Lux. women in %</i>	<i>by foreign women in %</i>
1960	314.889	86.8	13.2	4.617		
1970	339.150	81.6	18.4	4.411	71.3	28.7
1980	364.200	74.1	25.9	4.169	62.6	37.4
1990	381.850	71.3	28.7	4.936	66.5	34.5
1995	409.700			5.421	58.1	41.9
1999	432.450	64.4	35.6	5.582	51.5	48.5
2001	441.300	62.7	37.3	5.723		

Cf. ■ *Annuaire Statistique, Luxembourg: STATEC, 1990 (B 300) et 2001 (B 33).*

At this time, the government launched a study carried out by CALOT (■ 1978), which had a major impact on family policies. In order to influence the fertility rate the government introduced different measures, such as financial incentives like flat rate payment for the time of pregnancy, birth and 24 months after birth². However, the measures did not have the expected impact. Quite independent from the financial incentives provided by the government since 1977, there was a slight increase in the birth rate since the 90ies.

In 1976, CORDEIRO published an important ■ study showing that

- immigration during the “Italian period” (50ies and beginning of the 60ies) was mainly aimed at single men returning regularly to Italy, in other terms a typical seasonal arrangement; very few Italians integrated thoroughly into the

¹ Fertility, mortality and immigration.

² All these measures were conditional upon regular medical exams a) of the mother (pregnancy, birth and several weeks after birth) and b) of the child (up to baby's 2 years: “allocation prénatale”, “allocation de naissance”, “allocation postnatale” (§ loi du 20 juin 1977). Child benefit has been increased considerably, being one of the highest in Europe. Other benefits were created like “allocation de rentrée scolaire” (§ loi du 14 juillet 1986), and a highly subsidized public transport system (certain local authorities make them free of charge or a nominal amount) for children in education etc.

Luxembourgish society; according to the European agenda which included free movement of European citizens, family reunification was facilitated by contract since 1957.

- Immigration was finally considered by the authorities as an important element in the framework of a long term demographic policy.
- Therefore, family reunification became an essential element of the immigration policy. As foreign workers did not return to their countries of origin any more, seasonal and short-term contracts were no longer possible. In the past, working immigrants could be sent home in times of economic crisis and unemployment (as it happened with workers from Italy who were not asked to return to Luxembourg after World War I and were expelled at the beginning of the 1930ies). After 1957, working migrants could no longer be used as a buffer to regulate the labour market in a flexible way.

Immigrant workers – a structural phenomenon in the labour market

BARNICH³ explained the new situation as follows:

« The presence of the immigrant worker became a structural phenomenon rather than one of the economic situation and it is in any case an important factor of economic progress. For our country in which we have one of the weakest growths in Europe it is all the more true that our young workers direct more and more towards the most advanced sectors and the most comfortable and socially most highly respected trades , and that subsequent to the establishment of many new industries, an important economic expansion is to come. At the same time, working time will be reduced generally, the number of paid holidays will be extended, compulsory schooling will be prolonged, and only a relatively small percentage of women will participate in the labour market.»

In 1970 (20 May), Luxembourg adopted a “convention” with Portugal which became § law on 11 April 1972.

Immigration was

- for a century the crucial element of the authorities to influence the labour market
- from now on designed to become a determining element to influence the fertility rate, a new type of immigration policy was “born” aiming at increasing the fertility rate:

During the first years of Portuguese immigration, the fertility rate among Portuguese women was higher than that among Luxembourg’s women. But Portuguese women adapted themselves very quickly to the family patterns of the host country. During the 90ies, Luxembourgish women reached even a higher rate than foreign women. In general, the birth rates among Luxembourgish and Portuguese women became quite similar.

³ Marcel BARNICH (1969) (had been charged by the Government to implement a service facilitating the arrival of Portuguese workers and later on their families), ■ “L’assistance sociale aux immigrants et leur intégration sociale dans le milieu d’accueil luxembourgeois”, in Etudes économiques luxembourgeoises p.6.

For the time being, once again the number of births given by foreign women is higher than those given by Luxembourgish women – and this even in absolute figures. It would be interesting to know whether these foreign women are predominantly those at the top of the socio-professional pyramid (cf. below [chapter 5.3.](#)) or immigrant women.

Table 2: Fertility indicator⁴

	1970	1980	1990	1995	2000
Luxembourgish women	1.88	1.37	1.61	1.66	1.70
Foreign women	2.37	1.83	1.59	1.76	1.90

Cf. ■ *Annuaire Statistique, Luxembourg: STATEC, 2001 (B 370).*

Globally this means that it is easier for the authorities to influence demography by means of immigration than by means of financial incentives to large families – not only in Luxembourg but also in all EU member States.

At the beginning of the new millennium, a debate around immigration (highly qualified and unqualified immigrants, refugees, asylum seekers) has been launched by the European Commission:

- It was an important point on the agenda of the [summit in Seville](#) in June 2002; the objective was rather to design measures to combat illegal immigration than to develop a common policy of integration.
- On 25 April 2002, the European Council adopted a § [directive on minimum standards for the reception of asylum seekers](#) in member states, which could also be seen as an indicator of the importance of future immigration and the wish to harmonise European policies for the reception of asylum seekers.
- At the summit in Berlin (March 2000), the European Council adopted a new Community Initiative "[EQUAL](#)" including a priority for asylum seekers – even though the group initially focussed on were *refugees*, this term had been changed into "*asylum seekers*" due to a mistake by the translators. This produced a lot of debate on the European level as to how far this labour market programme could be aimed at asylum seekers: in nearly all European countries they are excluded from the labour market.
- The "[European Refugee Fund](#)" (ERF) was launched in September 2000. It was meant as a programme to improve the share of the burden by the 15 Member States. The objective is to promote solidarity between Member States by supporting and encouraging the efforts made by the 15 Members in matters of receiving, integrating refugees and preparing asylum seekers and displaced persons for a voluntary return. The fund runs from January 2000 to December 2004.
- Within the frame of the ERF, the [International Organization for Migration](#) in the beginning of 2002 launched an "[Awareness campaign in order to promote acceptance of people in need of International Protection](#)" by classical media means.

On the national level, the following elements are indicators of present interest in the subject on the side of the Authorities:

⁴ Average number of children which a woman bears during her life time-, classified in two categories : luxembourgers and non-nationals.

- Following conclusions for the pension systems⁵, the ● Prime Minister spoke about the future of Luxembourg with 700.000 inhabitants which produced a lot of public discussion, fear and anxiety of being overrun by foreigners (the current rate is 37% of foreign residents).
 - As Luxembourg has one of the lowest employment rates for elderly workers (24% in 2001) as well as in general a low employment rate,
 - as the pension system is still based on the contract between generations,
 - as there is no indication of radical change to a capital system,
- immigration will be the main means to remedy the demographic deficits.
- In his "déclaration sur l'état de la nation" in May 2002, the Prime Minister spoke about precise arrangements between Luxembourg and the new Member States (Poland, Czech Republic, Hungary) in order to look for a new wave of immigration.

Concerning the economy and the civil society:

- The ▲ “Chambre des Métiers” (Chamber of Commerce) is already very active in Mecklenburg-Vorpommern (Germany) in order to find adults with a "CATP" (“certificate of technical and professional aptitude, “Certificat d'aptitude technique et professionnelle”) or a "brevet de maîtrise" (master craftsman's diploma); the main advantages for the Chambre des Métiers are the following:
 - people coming from this area will have fewer language problems in Luxembourg,
 - looking for qualified unemployed people is quite easy in an area with an extremely high unemployment rate.
- Up to now, Luxembourg had very few obvious antiracist and xenophobic demonstrations and public opinion is in general quite open minded: an opinion poll was done by ▲ ILRES (poll institute in Luxembourg), commanded by ▲ ASTI (one of the main NGOs active in the area of immigration and asylum policy) in September 2000 on behalf of "refugees in Luxembourg", which produced a majority of answers in favour of a temporary work permit for asylum seekers. The favourable attitude of the civil society can be attributed to full employment and the booming economy.
- There is, up to now, no right-wing political party like in other EU countries such as France, the Netherlands, Austria etc.

The subject of immigration will be one of Europe's major challenges for the future. Despite the quite favourable attitude of the population, authorities are quite reluctant to accept newcomers, mainly asylum seekers and those who are in need of temporary protection (see below table 10 which shows an extremely low recognition rate for asylum seekers since 1996). At the same time, Luxembourg's economy needs and desperately looks for new employees, as there is no real unemployment and an extremely high job creation potential.

⁵ New arrangements have been negotiated at a tripartite level (including the political parties) in June 2001.

4. The economic situation

Due to a significant slowdown in the US-American economy with consequences on the global economy, Luxembourg's economy has also staggered. The foreign trade balance has deteriorated. Financial and market crisis have struck the financial sector, one of the main sectors of Luxembourg's economy – with a direct effect on employment policies of the banking sector: extra employment was ended in order to decrease the number of employees.

The dependency of Luxembourg's economy on international developments is quite evident. The slowdown of this major sector, the banking sector, needs to be compensated by the push of a "new" sector, which focuses on the knowledge and information society.

2000 was in fact the peak of this last cycle of expansion. Although most of the economic indicators still showed growth in 2001, many of them slowed down considerably and some also fell back⁶.

Let us just give some very rudimentary data:

The forecast for Luxembourg for the period from 2001 to 2003 given by the European Commission in April 2002 was the following:

Table 3: Macroeconomic development 2001-2003

	GDP at constant prices			Implicit deflator of private final consumption			Number of unemployed			Net current Account		
	2001	2002	2003	2001	2002	2003	2001	2002	2003	2001	2002	2003
	Variation in %			Variation in %			In % of active population			In % of GDP		
Belgium	1.0	1.1	2.8	2.3	1.7	1.7	6.6	6.8	6.6	5.2	4.7	5.0
Germany	0.6	0.8	2.7	1.8	1.7	1.6	7.9	8.3	7.9	0.5	1.5	1.4
France	2.0	1.6	2.8	1.2	1.4	1.6	8.6	8.8	8.4	1.9	2.2	2.0
Luxembourg*	5.1	2.9	5.2	2.8	1.9	2.1	2.4	2.6	2.7	20.1	19.4	20.1
UE 15	1.7	1.5	2.9	2.1	2.1	1.9	7.6	7.8	7.5	0.5	0.5	0.5
Zone euro	1.6	1.4	2.9	2.3	2.1	1.9	8.3	8.5	8.1	0.8	1.1	1.0
USA	1.2	2.7	3.1	1.8	1.4	2.3	4.8	5.7	5.6	-3.9	-4.6	-5.2
Japan	-0.5	-0.8	0.6	-1.5	-0.9	0.1	5.1	6.2	7.1	1.9	2.4	2.8

**Forecasts for Luxembourg may differ from that of STATEC*

Source and data: European Commission, April 2002

⁶ Cf. ■ Note de conjoncture n° 1 - 2002.

In other words:

- GDP growth rate was still much higher than that of neighbour countries.
- The unemployment rate was always much lower than in Belgium, France and Germany.
- The employment growth rate which was never lower than 3% and reached a peak of 5.4% comparing 2000 to 2001 shows to what extent Luxembourg's labour market is still expanding:

Table 4: Evolution of salaried employment

Progression of salaried internal ⁷ employment (workers, employees, civil servants)		
from 1990 to 1991	+3,5%	+6173 employments
from 1991 to 1992	+2,8%	+5070 employments
from 1992 to 1993	+1,8%	+3360 employments
from 1993 to 1994	+2,5%	+4704 employments
from 1994 to 1995	+2,8%	+5386 employments
from 1995 to 1996	+3,1%	+6152 employments
from 1996 to 1997	+3,90%	+7974 employments
from 1997 to 1998	+4,8%	+10242 employments
from 1998 to 1999	+5,4%	+12081 employments
from 1999 to 2000	+6,4%	+15394 employments
from 2000 to 2001	+5.40%	+13610 employments

Source: ■ *Sécurité Sociale - situation au 31 octobre*; Cf. HOFFMANN, J. / HOUSSEMAND, C., 2002.

Inflation, measured on the basis of the annual variations in the national index of consumer prices (NICP), stood at a relatively low level of 1% in 1998 and 1999. It rose significantly to 3.2% during 2000, decreasing slightly again in 2001 to 2.7%. Both phenomena (increase and decrease in 2000 and in 2001) can be attributed to changes in the oil price and a recent modification of the salary policy. This was changed from a staggered policy to a regular increment policy launched by the deal between ▲ CGFP (union representing the civil servants) and the state as employer in May 2001. From this moment on, different collective conventions were reviewed and salaries increased. The Commission put the finger on a too high inflation rate during the very recent two years – a situation quite similar to Ireland which also has a high inflation rate and a labour market with an extremely high job creation potential (linked to a meanwhile low unemployment rate also in Ireland).

The situation of the labour market will be discussed in the following chapter.

⁷ “**Marché de l’emploi intérieur**” which means labour market defined by the *territory of Luxembourg* including cross border commuters working in Luxembourg, foreign residents, but not cross border commuters coming from Luxembourg working in the “Grande Région” (they are part of the “**national labour market**” defined by all *active residents whether they work in Luxembourg or in the Grande Région*; there is a very small amount of cross border commuters coming from Luxembourg).

5. Situation of Luxembourg's labour market

The following phenomena are important to understand the evolution of Luxembourg's labour market:

- an extremely high employment growth
- a unique (at EU level!) participation of foreigners in Luxembourg's labour market.
- a very low unemployment rate
- an extremely high inactivity rate.

5.1. Employment growth, unemployment and participation of foreigners

The employment growth was linked to a booming economy, which had been diversified sufficiently after the steel industry crisis. Mainly the service sector developed considerably during the 90ies, that is above all the banking and insurance sector but also media and services (care and others) etc.

The steel industry lost about 25.000 workers and employees, whose numbers dropped from approximately 30.000 in 1974 to 5.000 in May 2002.

Table 5: Employment indicators: internal labour market

	1994 - 1998	1999	2000	2001
Total employment growth in %	3.2	5.0	5.6	5.6
Total employment growth in %: residents only ⁸	1.3	2.5	2.8	3.2
Total employment rate in %	60.2	61.6	62.7	63.1
men	74.9	74.9	75.0	75.0
women	45.2	45.2	50.1	50.9

Source : STATEC (on the basis of the ■ Labour Force Survey)

In absolute figures, the number of employees increased from 208.300 in 1994 to 262.300 in 2000 (cf. STATEC, ■ Annuaire statistique, 2000, B. 210).

Unemployment was the lowest in the EU over years and even decades. Meanwhile, there are some other countries with comparable rates, such as the Netherlands and Austria. Unemployment diminished from its highest rate of 3.3% in 1997 to 2.6% in 2001.

⁸ Even in the last 2 years 75% of the new jobs were occupied by cross-border commuters.

Table 6: Unemployment indicators

	1985	1990	1995	1997	1999	2000	2001
Unemployed in 1.000	2.6	2.1	5.1	5.9	5.4	5.0	4.9
Unemployment rate	1.7%	1.3%	3.0%	3.3%	2.9%	2.6%	2.6%

Source: STATEC, ■ Note de conjuncture n° 1 - 2002: 7: national data from the labour force survey which differ slightly from table 3 with data from EUROSTAT and from those of the National Employment Agency, ADEM in table 14

On this extremely positive background, the European Commission criticised the following three weak points:

- a much too high general inactivity rate (cf. chapter 5.6.),
- a much too low activity rate of elderly people (55 to 64 years), which was 24.9% in 2001 – the European Commission intends to achieve at least 50% by 2010
- a too low participation of women in the labour market (cf. ■ Joint Employment Reports on 2001).

On 23 and 24 March 2000 in Lisbon, the 15 EU Member States fixed the following objectives in terms of employment for 2010:

- a rate of general participation in the labour market of 70% (and more),
- a rate of women's participation in the labour market of more than 60%,
- a rate of the elderly employees (at the age of 55 to 64) of 50% and more.

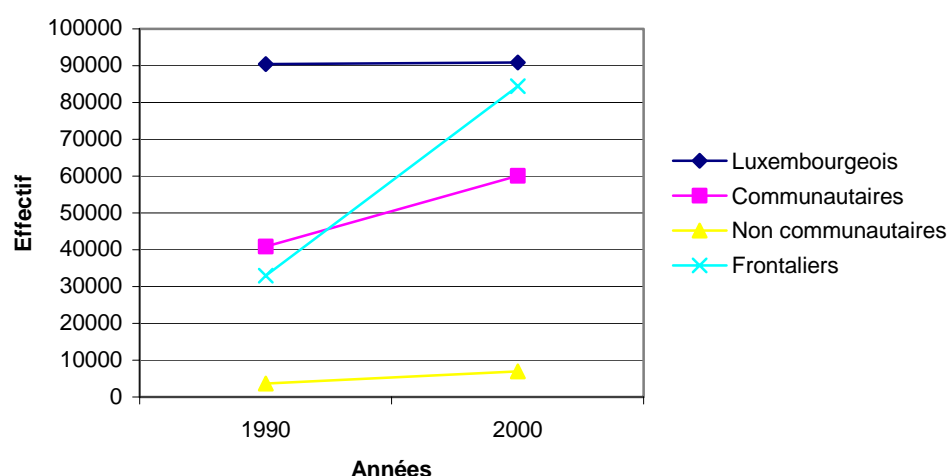
A lot of measures need to be implemented by the authorities in order to reach these objectives.

The demographic situation suggests that Luxembourg depends on immigration and that Luxembourg's labour market would collapse immediately if foreigners dropped out. Over the last years, the evolution was evident in terms of

- a significant rise of participation of cross-border commuters,
- rising participation of foreign residents,
- a diminishing participation of Luxembourgers in relation to the two other groups⁹ between 1990 and 2000; cf. the following figure:

⁹ Despite a rise of women's' employment rate over the last 4 to 5 years.

Figure 1: Evolution of salaried employment according to origin of employee 1990 - 2000



Source: IGSS © SESOPI – Centre Intercommunautaire; ■ frontaliers: cross-border commuters

As the rate of the Luxembourgish employees diminished permanently, the proportions changed radically:

Table 7: Internal labour market: percentage of employees according to nationality

	1990	1995	1999	2000	2001
Luxembourgers	53.9	44.5	39.1	37.5	35.5
Foreigners	46.1	55.5	60.9	62.5	64.5
Distribution of Foreigners					
Cross-border commuters	19.6	27.7	33.2	33.3	37.5
Foreign residents: EU	24.3	25.1	24.9	24.8	24.3
Foreign residents : non-EU	2.1	2.7	2.7	2.9	2.7

Source: Inspection Générale de la Sécurité Sociale

It is quite evident that the rise of foreign employees is mainly due to the **cross-border commuters**.

The absolute figure of Luxembourgish employees remained relatively stable over the last 12 years. However, their rate dropped significantly due to the fact that foreigners - mainly cross-border commuters – occupied many of the jobs which were newly created in Luxembourg's labour market (cf. table 4). The absolute figures of foreign EU citizens also rose but their rate remained more or less the same. This means that new jobs were occupied

- mainly by cross-border commuters occupying 75% of the new jobs in 2001/02,
- by foreign EU citizens,
- by an extremely small proportion of Luxembourgers.

The very small rise of absolute figures for Luxembourgers is attributed to the fact that an increasing number of **women enters the labour market**. As for labour market participation of women, Luxembourg was and still is only on the 4th position from the bottom in the EU statistics with a women's employment rate of 50.1% in 2000 and 50.9% in 2001, with a significant rise from 43.8% in 1996. Meanwhile, Luxembourg approaches the EU average of 53.8%, but it is still far away from the four Scandinavian countries having the highest rates (between 65.2% and 73.9%). For many years, foreign women had a higher employment rate than Luxembourgish women (cf. ■ Joint Employment Report on 2001, p. 66 and ■ National Action Plan, 2002, p.9).

The number of **non-EU citizens** has doubled from 1990 up to 2001 without having had a substantial impact on the labour market situation yet. The share of refugees and asylum seekers in the 7.073 non-Community people can be estimated at around a third.

As the economy is in desperate need of new employees, NGOs working for and with asylum seekers plead in favour of a more open minded position of the authorities: instead of bringing new groups into Luxembourg for instance from future Member States¹⁰, it would be easier to thoroughly integrate those who are already here. Language problems will arise with both the present asylum seekers and the future East-European newcomers – both groups will need/need to learn French or German (and Luxembourgish, cf. box n. 4 on language and labour market) coming from very different language backgrounds (cf. below end of chapter 6).

5.2. Access to Labour Market for non-Community citizens, refugees, asylum seekers and "sans papiers"

We will make following distinctions between foreigners:

- foreigners from EU or EES (European Economic Space) versus
- foreigners from non-EU countries
 - foreigners with a "permis de travail" (work permit) following the § law of (28 March) 1972
 - refugees having been recognised as such (according to the § convention of Geneva)
 - asylum seekers having applied for recognition of refugee status (according to the convention of Geneva)
 - illegal immigrants, the "sans papiers".

¹⁰ cf. ■ "Declaration sur l'état de la nation" of the Prime Minister in May 2002 (speaking of Polish, Czech and Hungarian immigrants).

5.2.1. EU-citizens and citizens of assimilated countries (EES)

As freedom of movement is the central principle of the EU economy, all EU citizens have got the same rights of free access to the Labour Market. This has been made explicit since 1968 (regulation on freedom of movement). The entry of Portugal into the EU was signed in June 1985. From 1985 on, there was a transitional period of 7 years for the 12 former member states, during which immigrant workers coming from Portugal, Spain and Greece were still subject to specific labour market access procedures. As Luxembourg's authorities particularly feared a too large influx of Portuguese workers they were allowed to prolong the 7 years to 10 years maintaining the usual staged system of work permits for *Portuguese newcomers* (the three permits: A, B and finally full access to the Labour Market by permit C; [cf. 5.2.2.](#)). However, the general clause (of 7 years) had been abolished in 1990 with agreement of the Luxembourgish government which had discovered that there was no major change since 1986.

Since then, EU citizens were not subject to any restrictions in the labour market. This was the case for citizens from all EU Member States as well as from countries of the European Economic Space (EES) comprising Iceland, Norway and Liechtenstein. Since 2002, following the agreement between the European Community and the Swiss Confederation valid from 1 June 2002 (cf. § OJ of the European Community of 30 April 2002) Swiss employees are assimilated, that is they no longer have to pass through the procedure of the three working permits (see below).

5.2.2. Non-EU citizens: work permit and naturalisation

Citizens of third countries are obliged to provide a work permit in order to take up employment. The application has to be made by the employer. The permit is delivered by the Ministry of Labour upon the advice of the Administration Department and a special advisory board. These bodies take into consideration the situation and the development of the employment market. In general, permits are only granted to the extent in which there is a lack of local or European workforce in the respective type of employment (cf. § law of 28 March 1972 and the § "règlement grand-ducal" of 12 May 1972 modified by the § law of 17 June 1994, and BORSENBERGER, ■ 2002).

Non-Community citizens have to go through three stages of work permit to have after a minimum of 7 years access to Luxembourg's entire labour market (cf. § loi du 28 mars 1972):

- permit A allows non-Community citizens to work for 1 year for the same employer
- permit B allows non-Community citizens to change employer, but to remain in the same labour market sector for another 48 months
- only permit C gives the non-Community citizens access to all sectors of the economy, this at the earliest after 7 years of uninterrupted work contracts and residence in Luxembourg.

It is up to the employer. In general, it is always up to the employer to forward a demand for the next type of work permit and to pay a bank guarantee of a minimum of 1.500,- € for each non-EU citizen as deposit in case of urgent need of repatriation.¹¹

This procedure is also applied to top managers, directors etc. Generally, however, these restrictions impose only relatively little difficulties to high-ranking employees as they tend to stay with their companies for a longer time. Apart from the social level of immigrants, table 8 shows that people coming from certain countries of origin have lower chances to obtain work permits than others:

Table 8 Work permits¹²: delivered and refused

Country of origin	Applications		Rejections	
	1998	2001	1998	2001
North America	266	352	4.5%	5.1%
Latin America	147	163	11%	6.1%
Antilles	33	62	15%	0%
Africa	668	899	12%	12.0%
"South Asia"	42	60	9.5%	5.0%
"West Asia"	74	93	18%	18.0%
"East Asia"	322	479	6.2%	6.5%
Eastern Europe	2.036	2.881	10%	7.2%
Other European cntries.	142	85	5.6%	1%
Total	3.835	5.225	9.8%	7.9%

■ *Rapports d'activité: Ministère du Travail et de l'Emploi, 1998 et 2001*

The table shows that people coming from Africa and certain Asian countries, mainly West Asia, have fewer chances¹³ than people from North American and other European countries¹⁴ with a very low refusal rate. Advantage and disadvantage in terms of work permit seem to be linked to the same nationalities as in other areas (income, professional status, school success etc.; cf. the following chapters).

There is a significant increase of non-EU newcomers.

The following two **law cases** show to what extent access to Luxembourg's labour market is hindered by administrative obstacles:

Two types of non-Community citizens being married to a Luxembourger or another EU citizen have specific problems of access to the labour market:

- a) ☀ A non-Community citizen married to a Community citizen coming to Luxembourg formerly had no access to the labour market. In June 2001 the Administrative Court decided in favour of these people arguing that European legislation guarantees freedom of movement for Community citizens and needs to provide the same rights to the non-Community citizens married to a Community citizen; otherwise the

¹¹ It was the § "règlement grand-ducal" of 17 June 1994, which amended and reinforced the conditions given by the former § "règlement grand-ducal" (1972) by introducing a bank guarantee by the employer for each non-EU citizen.

¹² Permit A, B, C and D without specification, including renewals of permits after their expiration.

¹³ Their rate of refusal is above average.

¹⁴ Other countries than the 15 member States and the 3 EES countries.

freedom of movement would be hindered by the obstacles the non-Community citizen has to face in terms of access to Luxembourg's labour market.

- b) ☀ *A non-Community citizen married to a Luxembourger* needs to wait three years in order to have free access to the labour market; this measure was taken to avoid “fictitious marriages”. In July 2003, the Ministry for Justice and the Ministry for Labour answered to a parliamentary question regarding this subject, and explained that this measure is not longer valid. Since this response, a non-EU member, married to an European or a Luxembourger does receive immediately after the marriage (in case of common living and if the European one works in Luxembourg) an identity card for minimum 3 years. He or she immediately obtains the right to work, without working permit as long as the housing and financial conditions are fulfilled.

Luxembourg's citizenship law is based on *ius sanguinis*. The principle of double nationality is not applicable, although during recent months the ecological party launched a political debate on it, and the Prime Minister made a declaration in favour of such a new option.

Luxembourg citizenship may be acquired *voluntarily by option* or *by naturalisation*. The common conditions required for this option, as for naturalisation, are

**a period of residence of five consecutive years (before the modification of 24th of July 2001¹⁵ it was 10 years) ,
the give-up of original nationality,
sufficient knowledge of one of the official languages of Luxembourg (Luxembourgish - German - French) – which is a new element since the modification of the law of 24 July 2001 and
the absence of any conviction for crime or misdemeanour (cf. BORSENBERGER, ■ 2002: p.23).**

The condition of residence for naturalisation was reduced from ten to five years by the Law of 24 July 2001, which came into force on 1 January 2002. For recognised refugees, according to the Geneva Convention of 28 July 1951 relating to the status of refugees, the period between the date of lodging an application for asylum and the date of recognition of refugee status is taken into account as the period of residence.

Foreign young spouses benefit from this option. It is in fact, comparable to the process of acquiring Luxembourg nationality open to young people aged 18 years who are born in Luxembourg or who, born abroad, arrived at an early age in Luxembourg and attended school between the ages of 6 and 15. The condition of residence of five years is reduced to three years living together after marriage for the foreign spouse who opts for Luxembourg nationality.

As a consequence of a European regulation from 2 July 1996 of the European Court of Justice, Luxembourg's parliament adopted a law on behalf of EU citizens and their access to the public administration, being limited to certain sectors¹⁶ and linked to the

¹⁵ § Law on Luxembourg Nationality 1968 amended by the § Law of 24 June 2001.

¹⁶ As research, school, health system, transport, post and telecommunication, distribution of water, electricity and gas.

condition of competence in the three administrative languages (§ law of 17 May 1999) which is in some way a “de facto exclusion”.

Over the last twenty years, the total number of “*naturalisations*” and ‘*acquisitions voluntarily by option*’ has not changed a lot:

Table 9 Naturalisations and options¹⁷

	1970	1980	1990	1995	2000
All nationalities	539	489	748	802	684
Italians ¹⁸	17.6%	25.4%	25.5%	26.1%	23.0%
Germans, Belgians, French, Dutch ¹⁹	61.2%	56.9%	41.7%	28.7%	27.5%
Others	21.2%	17.7%	22.8%	45.2%	49.5%

STATEC, ■ *Annuaire statistique, 2000; B 390*

In absolute figures, there is no major increase over the last 30 years, which means that *naturalisation* and *voluntary option* are not an essential means for integration, or in other words, foreigners prefer to maintain their own nationality. Italians are the quantitatively most important group. The group of the “others” is increasing considerably, which means that probably more and more non-Community citizens ask for Luxembourg’s nationality. For EU citizens there is no urgent need to do this any more – apart from

- certain sectors of the public administration which are still reserved for Luxembourgers (§ law of 17 May 1999) and
- real chances of access to the “open” sectors of the public administration.

5.2.3. Asylum seekers

Only in 1996 (§ law of 3 April) the application of the § Geneva Convention (28 July 1951) was defined by law: generally, asylum seekers have no access to Luxembourg’s labour market during the whole period of administrative procedure.

Thus, during the quite long periods of processing these demands, asylum seekers are obliged to depend on social assistance benefits: housing is provided and public transport is free of charge.

- For those who get only free housing there is a payment of social assistance of 273,- € /month for a single person (496,- € for a couple) for food and other needs.
- Social assistance (so-called pocket money) for those who get housing and meals free of charge is 50,- € per adult and 25,- € per child²⁰.

¹⁷ Acquisition of the Luxembourgish nationality by the two possible ways: naturalisation (after 5 years of residence and knowledge of one of the three administrative languages and option (after marriage to a Luxembourgish national after 3 years, birth on Luxembourgish territory and education in Luxembourg, option can be chosen when the person is 18 years old).

¹⁸ Percentage of resident Italians that became citizens of Luxembourg.

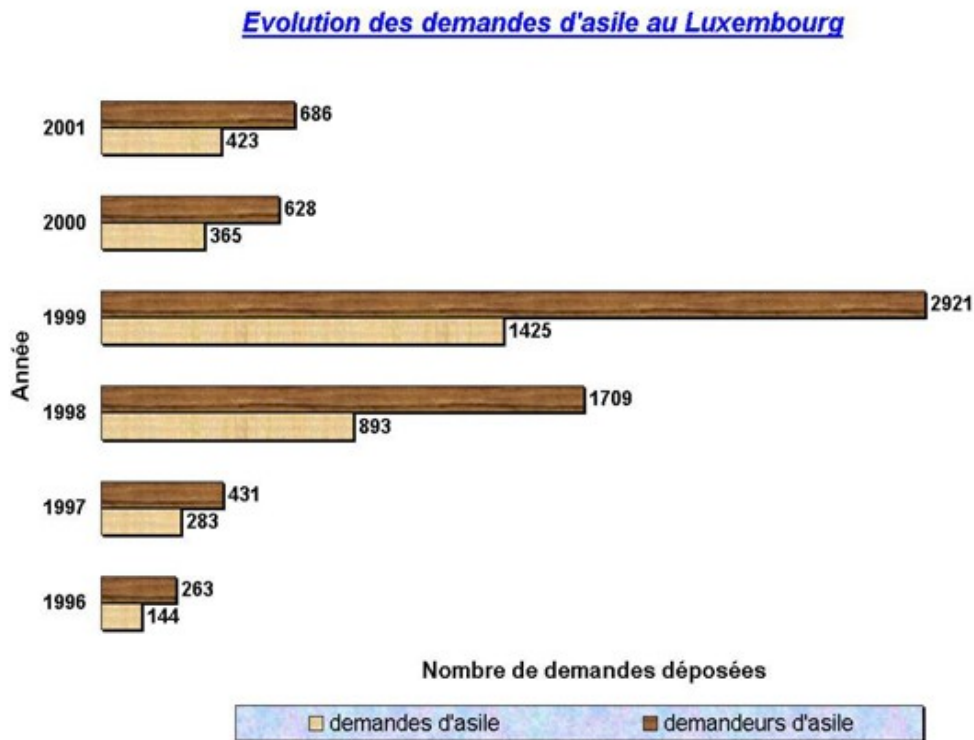
¹⁹ Idem with different origin nationalities.

²⁰ These amounts were allocated in May 2002.

The inconvenient aspect for these people is to be forced to a passive life as the labour market is inaccessible.

The quantitative evolution of applications for asylum over the last few years was as follows:

Figure 2 Development of applicants and applications²¹ for asylum in Luxembourg



Source: Ministère de la Justice, ■ 2002

²¹ “Applicants” (brown bars in the graph) refers to the number of people who arrived in Luxembourg applied for asylum; the number of “applications” (beige bars in the graph) is lower because families usually file a collective application.

The quantitative evolution in terms of admittance, renouncing, refusal etc. was the following:

Table 10 Asylum seekers in accordance to the Geneva Convention (and humanitarian status)

	Applications (applicants)	Number / share of admitted applications	Refused, renounced, unacceptable applications ^{a)}
1996	144 (263; 53% Yugosl. ^{b)})	6 / 4.1%	95.9%
1997	296 (427)	1 / 0.34%	99.66%
1998	893 (1709)	2 / 0.2% ^{d)}	43 / 4.8% ^{d)}
1999	1425 (2.921; 92% Yugosl. ^{b)})		
2000	365 (628)	17 +13 ^{c)} / 8.2%	91.8%
2001	423 (686)	6 / 1.4% 353 ^{c)} / 84.8% ^{c)} 39 (+353 ^{c)})	98.6% 15.2% ^{c)}

Source: Ministry of Justice;

- a) Renounced tacitly, renounced overtly, refused, incompetent (authorities are not competent in terms of the § treaty of Schengen and § Dublin), still in process etc.
- b) Coming from ex-Yugoslavia;
- c) Residence permit for humanitarian reasons.
- d) The remaining applications have been processed later, or applicants disappeared.
- e) Admission in course of the work regulation for illegal immigrants ("sans papiers") and asylum seekers 2001, cf. [chapter 5.2.5.](#)

Not all data were available.

Three times during the last decade, asylum seekers got access to the labour market in a significant way:

IN MAY 1992, DURING THE WAR IN BOSNIA-HERZEGOVINA, REFUGEES COMING FROM THIS AREA GOT A STATUS OF TEMPORARY PROTECTION (WITHOUT LEGAL TEXT), THEY WERE ALLOWED TO LOOK FOR WORK AND ENTERED IN THE USUAL PROCEDURE OF A NON-EU CITIZEN WITH PERMITS A, B AND C – WHICH WAS LINKED

- to the condition of finding a job,
- to the condition of finding housing on the *free* market,
- the absence of any conviction for crime or misdemeanour.

They had the same status as other non-EU immigrants (see above chap. 4.2.2.). There was a significant rise in newcomers from this moment on (May 1992):

Table 11: Arrival of Refugees²² in 1992

January	37	July	82
February	51	August	186
March	33	September	202
April	53	October	126
May	243	November	115
June	484	December	48
Total: 1660			

cf. KAPGEN, ■ 2002: p.24

In response to this new flow, already in June 1992 the government limited access to the labour market to people coming from Bosnia-Herzegovina. From 1993 to November 1995 (the § peace agreement of Dayton; at this moment Luxembourg's authorities abolished the specific status of temporary protection) approximately 3000 people had been integrated (KAPGEN, ■ 2002: 24) by temporary protection.

FROM APRIL 1999 TO JUNE 2000 (§ RÈGLEMENT GRAND-DUCAL OF 29 APRIL 1999) ASYLUM SEEKERS COMING FROM AREAS OF THE BALKANS TWICE GOT LIMITED WORK PERMIT, EACH TIME FOR 6 MONTHS, WHICH WAS MAINLY AIMED AT VICTIMS OF THE WAR IN KOSOVO. THEY HAD A VERY SPECIFIC WORK PERMIT WHICH WAS NOT ONE OF THE USUAL A, B, C SYSTEM.

THE “REGULARISATION DES SANS PAPIERS ET DES DEMANDEURS D’ASILE” IN 2001 WILL BE PRESENTED IN THE FOLLOWING [CHAPTER](#) (5.2.5.).

The new § European directive from 25 April 2002 (European Council) stipulates the following: “If a decision in the first instance has not been taken one year after the presentation of an application for asylum and this delay cannot be attributed to the applicant, Member States shall authorize access to the labour market for the applicant subject to the conditions laid down by the Member States” (Art 11). The Minister of Labour has said already that the aspect of labour market access needs to be legally defined. A similar work permit to the above mentioned²³ could be the outcome. The Government will certainly pay attention to the fact that it could be in the interests of the economy to keep an employee who got a negative response for his asylum application – as the following example shows:

Case in point

Certain individual cases were discussed, as for instance the case of a highly qualified employee asylum seeker who discovered a new production element for his firm. He got a negative response from the ministry of Justice; the efforts put forward by his company could not modify the decision – the ex-Yugoslavian citizen had to leave Luxembourg.²⁴

²² New applies of asylum during the year of 1992 (asylum seekers based on the § Geneva Convention)

²³ Cf. sub 2.: work permit from April 1999 to June 2000.

²⁴ Working experience by NGO “ASTI”.

5.2.4. Access to Labour market for refugees

As long as asylum seekers are being processed, in general they have no access to the labour market. The government guarantees housing and social assistance for them, but they do not get a work permit.

There will be a major change due to the above mentioned recent § directive of the European Council (25 April 2002) which needs to be incorporated into national law and foresees a right to a work permit after 12 months from the beginning of the procedure if no decision had been taken within 12 months' time (cf. point 3 in [chapter 5.2.3.](#)).

Authorities have meanwhile accelerated²⁵ the procedures in order to remain within the limit of 12 months given by the directive.

As soon as asylum seekers are recognised as refugees, there are no labour market restrictions any more: they have the same access as Luxembourgers and EU citizens, even if they are stateless. As it is always the case with long-term unemployed, their chances to enter the labour market deteriorate – the average time of a procedure was approximately 24 to 36 months before the acceleration of the procedures. At present, the services responsible are better equipped in human resources and are in the most cases able to process the demands within a few months. A first response to the asylum application should be available within 12 months and access to the labour market according to the European regulation (cf. § European directive of 25 April 2002) will be given only rarely.

5.2.5. Work regulation for "sans papiers"²⁶ and asylum seekers

Following a parliamentary discussion on behalf of the "sans papiers" (illegal immigrants) on 14 March 2001, on 15 May 2001 the government started a procedure to integrate into the labour market two categories of people, mainly aiming at the "sans papiers"; later on, the official asylum seekers were also personally informed (by letter) and got an opportunity to make a request.

The whole procedure was framed by the modified law of 28 March 1972 aiming at

- entry and residence,
- medical checks,
- employment

of non-European foreigners.

This procedure was open to the following groups:

- the "sans papiers" from 15 May up to 13 July 2001 with 8 different sub-categories
- later on also to the asylum seekers up to 15 October 2001²⁷

²⁵ Further human resources were allocated to the responsible services.

²⁶ Illegal immigrants

- persons living in Luxembourg since 1st July 1998 being processed or having received a negative response
- persons living in Luxembourg since 1 January 2000, being processed or having received a negative decision, having lived in the Kosovo and being member of an ethnic minority.

The main objective was to

- facilitate integration by allocating a work permit and
- to resolve difficult situations for humanitarian reasons.

Implicitly, the procedure aims at getting people away from public assistance (subsidised housing and public social assistance means).

To obtain a positive result, three conditions need to be fulfilled:

- to find a job with at least the equivalent of the minimal guaranteed income (RMG)²⁸ for a single person, which means an unqualified work of a minimum of 30 hours/week; in general, people were asked to find a full time job with a certain minimum wage ("SSM non-qualifié")²⁹,
- to find housing on the free market,
- to prove the absence of any conviction for crime or misdemeanour and
- to fulfil the conditions of entry as the following:
 - either to prove residence from 1 July 1998 on or
 - to prove residence and (usually inofficial) work since 1 January 2000 or
 - to prove residence and having first degree family relationship (child or parent) to a (non-EU foreign citizen³⁰) with an identity card for foreigners ("carte d'identité d'étranger").

Procedure

Any person over 18 years could apply for a work permit in his/her own name. Husband and wife could both apply for the procedure³¹ and even apply for a work permit for their child or children between 15 and 18 years. Young people under 18 years were usually integrated in Luxembourg's school system (cf. chapter 6).

When filing a request the following main criteria had to be met:

- Those who did undeclared work need a confirmation by the employer, and if he does not agree, different types of proofs are admitted: a letter by another employee working in the same firm, a note by a client, a note by any person who is able to testify as to the work relationship over these months.

²⁷ Several cases were still accepted after the deadlines.

²⁸ RMG= minimal guaranteed income, based on the § law of 29 April 1999.

²⁹ Minimum wage which is defined first by the § law of 15 November 1967

³⁰ It is in fact astonishing that the family relationship was admitted for non-EU citizens, but not for EU citizens (besides those of Luxembourgish nationality).

³¹ Cf. below: Often women have better chances.

Legalisation of illegal workers by their employers

The employers – whether they agreed to confirm the work relationship with the asylum seeker or the "sans papiers" or not – had to pay the indirect labour costs retrospectively (from 1 January 2000 on). The Minister of Labour stated³² that the government waived taking measures against companies employing illegal immigrants if they had them registered and paid all outstanding social contributions.

- Another essential was the passport. The procedure to get a passport was and still is extremely difficult and expensive for ex-Yugoslavians having come to Luxembourg without passport as opposed to Africans, Chinese etc. The most complicated group are children as embassies first of all proceed to deliver passports to an adult.
- Once all the necessary papers had been sent in, the working permit A was delivered more or less immediately. Linked to this work permit is a residence permit, both are valid for a period of 12 months. People who lived in public housing (subsidised by the authorities) needed to find their own housing in approximately 6 months' time.
- People who did not have a job up to this moment obtained a provisional work permit and needed to find work and housing during approximately 6 months of time; again the validity of the work and residence permits was limited to 12 months.

It is evident that a lot of pressure had been used by different employers who either did not accept the retrospective payments or did not want to be mentioned at all.³³

Results (by end of May 2002)³⁴

Over the whole period (15 May to 15 October 2001)

- 1.566 requests have been sent in
- 2.857 people are/were involved in these requests.
 - 70.4% are from ex-Yugoslavia
 - 6.2% from the Cap Verde
 - 2.6% from Albania
 - 2.3% from the Chinese Republic
 - 2.2% from Bosnia-Herzegovina
 - 16.3% from different European, African, South American, Asian countries.

Out of the 1.566 demands

- **124 demands got a negative response, affecting 238 people.**
- **661 work permits affecting 1.124 people** were delivered in the following sectors
 - 24.7% HORECA sector (hotels, restaurants)

³² At a press conference in July 2001

³³ Extensive experiences of NGOs like ▲ "ASTI", which supported interested persons in constituting their files.

³⁴ All the data provided are from the ▲ Cellule de régularisation, June 2002.

- 23.3% building sector
- 11.1% services delivered to firms
- 8.5% domestic services
- 3.9% agriculture
- 28.5 different other sectors.

There was a **positive response for 70.2% of the demands** processed.

Meanwhile, several requests are in process for renewal (permit B); two of them got the permit B.

All these work permits were not linked to a deposit of a bank guarantee.

Another 625 requests (39.9% of the total of 1.566) concerning 1.213 people (42.5%) are still in process due to the fact that

- a great number of these people are children³⁵ (without a passport) who are not available for the labour market
- those still in process are more complicated cases (e.g. no passport, other criteria not fulfilled)

There will probably be a lower rate of positive response for the remaining 625 requests.

Following the experience of civil servants, highly qualified people (for instance a professor of philosophy) would have fewer chances to find a job as their manual skills are not as evident and they lack the necessary language skills for a qualified job. Women (qualified or unqualified) have better chances to find an employer in the cleaning sector, as they normally have experience in housework, even if they are overqualified in such jobs. Language skills here are less important. For unqualified workers the typical sectors like "building sector", "HORECA" (hotels, restaurants) are available (more easily than for qualified people as employers prefer unqualified workers because of their experience in such jobs and their long term perseverance). (cf. [chapter 5.4.](#)).

5.3. Professional status and income

Immigrant groups have always been engaged in very specific sectors of the economy:

Italian immigrants, mainly coming from the north of Italy, the "Friule", were from the very beginning asked to work in the steel industry in the South of the country: they were mainly unqualified, single, male workers coming for a limited period with a "CDD"³⁶.

A large number of them rotated and de facto only a quite limited number of Italians remained here and became integrated.

³⁵ Average age of all asylum seekers is 22.43, average age of those with a permit A is 23.19 years; average age of all "sans papiers" is 30.97, average age of those with permit A is 31.21.

³⁶ « Contrat à durée déterminé »: work contract of limited duration.

Family reunification was for the first time allowed in 1957 for a limited number of families being admitted, with an average of 314 families/year between 1957 and 1963 (cf. PICARD, ■ 1972, CORDEIRO, ■ 1976, p. 22 -2). This decision was a logical consequence of the § European Treaty in 1957 and different directives stipulating freedom of movement and the right of family reunification.

In the middle of the 50ies Italians went back en masse which was attributed to

- the government's refusal of family reunification
- an improving economic situation in the north of Italy
- the return of immigrant workers after their retirement.

The economy thus had to attract South Italians, Spaniards, Yugoslavs and then Portuguese.

The Portuguese arrived from the middle of the 60ies on; family immigration was the objective of the authorities signing a § contract with the Portuguese government (20 May 1970 in Lisbon) which became legal text in 1972 (§ law of 11 April 1972) linked to the following conditions:

- that the main breadwinner (first and single newcomer) has already completed 3 months of work and
- that the breadwinner had found housing for himself and his family (wife and children only).

Portuguese workers passed through the following sectors: agriculture, hotel sector and finally the construction (private and public sector). The Portuguese female newcomers mainly worked in the cleaning sector (either for individual families or for big cleaning firms).

This meant that immigration changed radically by becoming **family immigration** (instead of **purely economic**), the aim of which it was

- to remedy the low fertility rate³⁷ and
- to bring to Luxembourg *two* young workers instead of *just one* (Portuguese men and women were meant to return as quickly as possible with their savings³⁸).

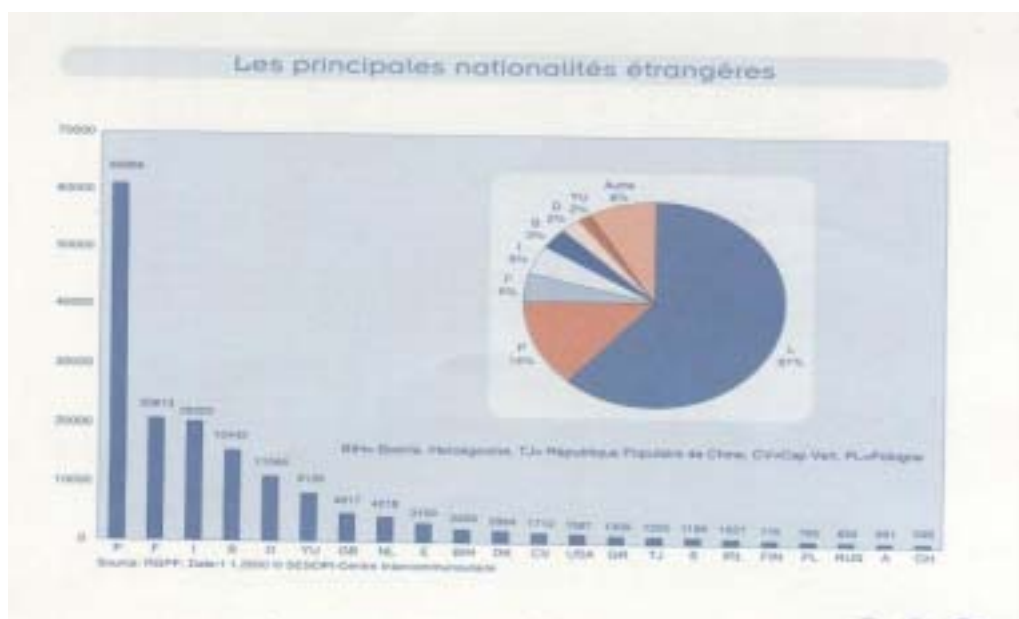
The most recent newcomers are refugees from the ex-Yugoslavian Republic.

At present, the quantitatively most important national groups in Luxembourg's society are the following:

³⁷ This objective could not be met: cf. [chapter 3](#).

³⁸ This objective was not met either as most of the Portuguese families remained in Luxembourg.

Figure 3: Nationalities of foreigners living in Luxembourg



Source: SESOPI, February 2001

The following table n. 12 is based on data of the socio-economic household panel from ▲ CEPS³⁹, table n. 13 is based on ■ Social Security data (IGSS) which means that international civil servants considered as extra-territorial⁴⁰ are not taken into account (cf. [chapter 7](#)).

For both sets of data, the top of the pyramid would have looked entirely different if the extra-territorial civil servants (appreciatively 7.000) had been included: the predominance of foreigners would be much more evident.

Table 12: Professionnal statuses of various nationalities⁴¹

Country of origin in %	Managers, executive staff	Intellectual and scientific professions	Intermediate professions	Administration staff	Staff in service and trade sector	Agriculturists	Craftsmen	Drivers of construction machinery	Unqualified workers	Total
Luxembourg	53,1	61,4	69,6	79,1	50,8	75,8	38,4	52,7	38,4	57,5
Portugal	3,9	0,2	3,6	8,9	18,1	8,1	40,0	20,6	39,2	15,3
France	9,1	10,0	7,4	2,5	13,1	3,2	3,8	5,5	2,8	6,6
Belgium	8,3	9,3	8,3	3,4	1,5		1,6	1,8	1,7	4,9
Italy	3,5	2,6	1,7	2,5	7,3		4,8	6,1	3,0	3,4
Yugoslavia + Albania	0,8		0,6	0,9	2,7	6,5	7,0	1,8	10,5	3,0
Germany	3,9	4,0	2,3	0,3	1,5	3,2	1,9	5,5	0,3	2,3
United Kingdom	6,7	5,7	1,7		0,4					1,9

³⁹ Carried out with an annual survey of 2.500 households including approximately 6.500 persons.

⁴⁰ They are not registered by Luxembourg's Social Security.

⁴¹ Reference period: 2000

Other EU countries + Iceland, Norway, Switzerland	<i>3,9</i>	<i>5,2</i>	<i>4,3</i>	<i>2,5</i>	<i>2,3</i>	<i>3,2</i>	<i>1,0</i>	<i>4,8</i>	<i>1,1</i>	<i>3,2</i>
Non-EU countries	<i>6,7</i>	<i>1,4</i>	<i>0,6</i>		<i>2,3</i>		<i>1,6</i>	<i>1,2</i>	<i>3,0</i>	<i>1,9</i>
Total	100	100	100	100	100	100	100	100	100	100

*Source: CEPS, PSELL, wave 2000; the socio-economic panel of Luxembourg⁴².
Italic: unrepresentative number of individuals.*

Due to an unrepresentative number of individuals in the different groups (in italic) this table can just be used as an approximate indication; nonetheless several elements are evident:

- there is a clear difference between "advantaged" nationalities, like the British, the French and various nationalities included in the "other EU and EES countries", and "disadvantaged nationalities" like the Portuguese, the ex-Yugoslavian and to a lesser extent the Italian;
- newcomers from the disadvantaged nationalities have to pass through usually unqualified employment in non-prestigious sectors like agriculture, hotel sector ;
- mainly figures for the management sector would be different if international civil servants were integrated in the data base;
- the pyramid with a high proportion of foreigners on the top and on the bottom is still more evident if one looks at income (basic income plus supplements, bonus etc.):

Table 13: Income and nationality

Country of origin	Average income in LuF
Luxembourg	112.718,-
United Kingdom	148.029,-
Other EU countries + Iceland, Norway, Switzerland	109.147,-
Belgium	98.282,-
Germany	95.000,-
Italy	83.950,-
France	81.091,-
Portugal	66.786,-
Others	66.464,-
Europe: non-EU countries	65.196,-
Yugoslavia + Albania	62.000,-
All countries	90.319,-

Source: Sécurité Sociale; median gross main income from December 2000

- The advantaged nationalities are without any doubt: United Kingdom, Luxembourg, the "other EU and EEE countries", Belgium and Germany;

⁴² Acquisition of the Luxembourgish nationality by the two possible ways: naturalisation (after 5 years of residence and knowledge of one of the three administrative languages and option (after marriage to a Luxembourgish national after 3 years, birth on Luxembourgish territory and education in Luxembourg, option can be chosen when the person is 18 years old).

- Luxembourg's position is clearly determined by access to public administration and by access to well earning sectors like the bank sector etc.; Luxembourg would be nearer to a position in the middle if professional status and income were taken into account;⁴³
- the rate for EES countries would be much higher if the Southern EU countries were not integrated in the "other EU and EES"
- the USA and Canada should also be separated to be positioned in the upper group.
- France is – this time – below the average, i.e. in the group of the disadvantaged nationalities. There is a clear hierarchy between
 - traditional immigrant nationalities like Italy who have improved their financial standing already and
 - recent immigrant nationalities mainly situated at the bottom like Portugal, Yugoslavia and non-Europeans (if the US and Canada would be separated the median income of this group would be much lower).

linking this

- to table 8: "work permits" (excepted the EU countries),
- to table 12: "professional status" and
- to table 16 and 17 with data about school success,

it becomes evident that recent immigrant nationalities face a high amount of obstacles and have bad prospects to improve their situation.

Von KUNITZKI mentioned this phenomenon of distribution of foreigners on the top and the bottom of the social pyramid already in 1981 (cf. von KUNITZKI, ■ 1981; cf. HARTMANN-HIRSCH, ■ 1984), unfortunately without providing any data. This means that Luxembourg is one of the few countries with a high and a low level immigration for decades.

5.4. Employers' experience and opinion

Employers are looking for new employees on both sides of the two extremes:

- highly qualified people
- unqualified people.

Firms in the classical sectors for newcomers (hotels and restaurants, building, cleaning, agriculture etc.) would like to employ many more people, but there are various obstacles which employers would like to overcome:

- As for the Cap Verdian people employers would like to benefit from a general easy procedure as they consider them being part of the Portuguese population (empire!).

⁴³ An equivalent PSELL table produced a perfect middle position for Luxembourg; we did not use the PSELL table as we had similar problem as for table 12; it was replaced by this one relying on exhaustive data of Social Security.

- The bank guarantee of a minimum of 1.500,- € for each non-EU citizen is an administrative burden which is not handled in a convenient way as most of the newcomers (due to the obligation of work permit A) stay for 12 months with the same employer, but leave as soon as they can in order to improve their income and work conditions. The first employer needs to wait 7 years to get the bank guarantee reimbursed. In fact *the* employer who engages the non-EU person at the time given should be the one responsible for the payment of the € 1.500,-.
- As for firms who would like to employ many non-Europeans, they would prefer to pay a flat rate – a proposal of 25.000,- € was made – in order to limit administrative work. (The preference to employ non-Europeans is evident as their motivation is extremely high. Employers appreciate them and therefore try to solve administrative problems on their behalf and on behalf of their families. They also prefer them in terms of mobility.)⁴⁴
- Language skills are often not a real problem: for the unqualified jobs in the sectors for newcomers there is not necessarily a high level of skills required (for more details cf. box 4 in chapter 6).

5.5. Unemployment

It is difficult to give information about unemployment among foreigners, as the cross-border commuters have to register with their local or regional authorities if they become unemployed. Luxembourg's unemployment statistics show unemployment of foreign residents only.

The latest statistics from the Administration de l'Emploi (▲ public employment agency) show the following results; for reasons of comparison we added demographic data:

Table 14: employment and nationality 2001⁴⁵

	% of residents	% of unemployed		
European Union			4.698	88.3%
Luxembourg	63.1%	39.4%		
Portugal	13.9%	20.7%		
France	4.7%	9.7%		
Italy	4.6%	5.9%		
Belgium	3.5%	5.4%		
Germany	2.5%	2.7%		
Netherlands	0.96%	1.1%		
Other EU countries		3.4%		
Europe:non-EU countries			320	6.0%
Yugoslavia	1.9%	4.9%		
Others		1.1%		
Non Europe			305	5.7%
TOTAL		100%	5.323	100%

⁴⁴ HARTMANN-HIRSCH,C., 2003, ■ Nous avons bénéficié de l'occasion d'entretiens qualitatifs dans le cadre de cette étude afin de lancer en fin de l'entretien la question de l'employabilité des demandeurs d'asile.

⁴⁵ Reference period: annual

Source: *HOFFMANN,J., HOUSSEMAND,C., ■ April 2002, p. 18 et SESOPI, ■ February 2001; data from the ADEM (Employment Agency) based on people registered by them.*

This confirms again that certain nationalities, the Portuguese, the ex-Yugoslavian and the French, face difficult employment situations. An income comparison also produced a result, which made us classify the French as one of the “disadvantaged nationalities”. The results contradict statistics on the professional status and on school performance (cf. [chapter 6](#)) positioning the French on the top and certainly not on the bottom of the socio-professional pyramid.

5.6. Inactivity

Luxembourg has always had very low unemployment rates, which did not exceed 4% even during the crisis in the steel industry.

The reduction of workers in the steel industry (ARBED: from its peak in 1974 with 29.313 workers and employees to the present situation of 4.950 people by May 2002) was managed without any further rise in unemployment by two major means:

- by early retirement schemes
- by subsidised job schemes in the steel industry.

As in all EU countries, the average retirement age declined over the last twenty years, and more and more people entered into passive schemes like

- early retirement,
- unemployability (invalidité)

Table 15: Inactivity

	1980-85 ^{c)}	1990 ^{c)}	1995 ^{c)}	1998 ^{c)}	1999	2000	2001
1. Unemployment	2.077 1.4 %	2.060 1.3 %	5.130 3.0 %	5534 3.1 %	5.351 2.9%	4.964 2.6%	4.927 2.6%
2. Other unemployed (part time unemployed)	126	42	39	441	640	906	984
3. active labour market programs	2.412	627	1.082	2.284	1.797	2.085	2.440
4. passive benefit programs	10.621	14.244	15.791	16.551	22.224 ^{d)}	21.555	21.208
early retirement	1.362	2.378	1.421	1.320	1.243	1.168	1.253
unemployability	9.259	11.866	14.370	15.231	20.981	20.387	19.955
5. RMG (subsidised employment and social assistance)	---	---		(4.312 ^{a)}	4.564	4.715	4.715 ^{b)} (6.398)
6. Broad unemployment (1) + (2) + (3) + 4 + 5 - 1.200 recipients)	15.235	16.973	22.042	24.659	33.936	33.319	34.274
7. Labour force					248.300 ^{d)}	251.500 ^{d)}	260.100 ^{d)}

8. Labour force + (4) + (5)					273.888	276.570	284.823
% of 6. out of 8: inactivity	9.2%	9.5%	11.7%		12.3%	12.0%	12.0%

For columns 1980 – 85, 1990, 1995 and 1998 cf. OECD ■ 1999 (unfortunately we are unable to retrace exactly the calculations used). For the last 3 columns, calculations are based on the following parameters:

unemployed: included in the labour force;

partly unemployed: not included in the unemployed, included in the labour force (7);

active labour market programs: included in the labour force (7), not included in the unemployed;

RMG: we included those from 18 to 60 years old

- working on ATI contracts (subsidised work contracts in a quasi sheltered sector) or being registered as unemployed: both groups together approximately 700

- disabled people working in sheltered workshops: approximately 500 living on social assistance being unable to work due to a handicap or an illness.

The above-mentioned 1.200 are registered in the labour force (7); the others are not registered.

passive benefit programs: are not included in the labour force (7);

a) had not been considered by OECD

b) we used the figure of 2000, as the 6.398 recipients from 2001 include those over 60 years and thus are not significant;

c) OECD obviously used only a part of the whole figure of unemployment, probably only the workers scheme, which explains the "increase"; de facto after the peak of 1997 figures dropped slightly;

d) number of employees only.

Firstly, in order to obtain (8), we added to the labour force (7) the passive benefit programs (4) and the RMG (5). Secondly, we calculated the percentage of (6) out of (8).

For many years OECD reports and the Commission's recommendations (Joint Employment Report) have argued in favour of a higher activity rate:

There is an extremely high number of employees between 55 and 64 years who prematurely leave active life: only 24.9% of elderly employees were active in 2001 and 27.4% in 2000. Luxembourg has to reach 50% and more by 2010 (EU objectives).

For the following issues we got data distinguishing between foreigners and Luxembourgers:

- **Unemployment:** Cf. table 14 which makes the disadvantage of foreign residents evident.
- **Part time unemployment:** This is a very low number of people which is no longer significant..
- **Active labour market programs:** We are unable to clarify the distribution of active measures to Luxembourgers and/or to foreigners.
- **Early retirement:** It is impossible to find any supplementary information about nationality.
- **Unemployability (invalidité):** For 2001, from the approximately 70% of beneficiaries with residence in Luxembourg approximately 62% are Luxembourgers; the rest being foreigners.
- **RMG:** Foreigners were slightly under-represented (2001: 40% versus 38% in the whole population) but currently represent a realistic sample of the population and even a little bit more; certain nationalities like UK, United States etc. are virtually not represented; in former times, foreigners were under-represented due to a condition which demanded an uninterrupted residence in Luxembourg of at least 10 years within the last 20 years. This condition had been abolished with the last modification

(law of 1 June 1999) for Europeans (EU); the condition is still valid for non-EU citizens.

By the end of the 80ies when the RMG was implemented (law of 26 July 1986) mainly Luxembourgers claimed this benefit; probably two reasons can be attributed to this fact:

- the residence condition for foreigners (at this time 10 years of uninterrupted residence before claiming the RMG!)
- and a non-availment due to certain attitudes mainly among Portuguese families: as in Portugal by this time a legal right to social assistance did not exist, family and neighbourhood networks fulfilled the function of the social assistance. Even nowadays, Portuguese families tend not use certain services (for instance for child care) which they prefer to organise by themselves.

Different discretionary benefits have always been linked to the condition of 5 (or formerly 10) years of residence; there were no references to nationality. Thus, one could have the impression that there was no national discrimination. The following example of the “allocation de soins” (care benefit aimed at the elderly)⁴⁶ shows that the beneficiary can be a person over 60 years who

“is a resident in the territory of Luxembourg and has lived there for a period of at least 10 years within the last 15 years.” (“... est domiciliée sur le territoire luxembourgeois et y a résidé *pendant dix ans au moins au cours des quinze dernières années.*” § Law of 22 May 1989.)

Concluding this chapter, due to a lack of data it is not possible to show inactivity as a mainly Luxembourgish or mainly foreign phenomenon. Further research should be done in order to produce a clear result.

It is quite evident nonetheless that the so called advantaged nationalities (UK, North America etc.) which are positioned on the top of the socio-professional pyramid are under-represented at the level of unemployment, as well as at the level of inactivity as well as in Luxembourg's school system (cf. chapter 6).

⁴⁶ Or the “allocation pour personne gravement handicapée” (benefit for heavily disabled people).

6. School in terms of its impact on future participants in the labour market

The Luxembourgish school system will be analysed in a more comprehensive way by the specific report for the EUMC to be done by ● Serge KOLLWELTER. Nonetheless, we need to draw attention to direct impacts on the labour market.

By the end of 2001, the results of the ■ PISA study were heavily discussed at all levels: Luxembourg found itself on the last position of all European countries and on 30th position out of 32 countries leaving behind only Mexico and Brazil.

Up to the presentation of the PISA results, a majority of Luxembourgers considered their schools as an example of an excellent system. Major criticism was voiced by a minority of people (ecological party, parts of the socialist party). Very few pedagogical alternatives exist⁴⁷.

The OECD studies, notably carried out by [CERI](#) (▲ Centre for Educational Research and Innovation), produced tables which attributed Luxembourg a top position in terms of public expenses and a bottom position in terms of outcomes: in the category "pupils leaving school without qualification" Luxembourg held over 50%⁴⁸.

Meanwhile, some facts have been accepted by public opinion:

Schools are not really prepared to help children with school problems nor to help extraordinary intelligent children. Both groups, the top and the bottom, make up much less than the average 10% of the other OECD countries. Schools are not prepared

- to integrate and to help children coming from low income families who are unable to help their children
- to stimulate the extraordinary intelligent children.

This concerns mainly children of migrants and of asylum seekers/refugees. Newcomers from the top of the pyramid arriving with children at school age have various opportunities:

- they have access to the International or European School with an adapted language system,
- they are able and willing to help their children
- they are able and willing to pay for help.

⁴⁷ The extra-territorial schools like the International and the European school are not accessible for everybody; the only real alternative is Waldorf school with a very different and specific pedagogical approach. Very few contacts exist between the public school and Waldorf school.

⁴⁸ For years, the Ministry did not participate in CERI studies; during the last years, data were again provided and for certain items like "taux de diplômés en fin d'études secondaires" Luxembourg is still on the bottom of the table.

Statistics, as we will see, prove their quite positive results without even taking into account the data from these extra-territorial international schools.

The Italian immigrants meanwhile have adapted to Luxembourg's life style: their children (2nd, 3rd generation) are no longer underprivileged *to the same extent* as newcomers on the bottom of the socio-professional pyramid (Portuguese and people from Ex-Yugoslavia).

Without going into detail, let us just give a few examples which show the main obstacles these excluded pupils face during school time and will face in future on the labour market.

Luxembourg's school system is subdivided in three or four main parts:

Figure 4: Luxembourg's secondary school

Age of pupil	Enseignement secondaire technique (Secondary technical school)				Enseignement secondaire (Secondary school)
	Régime modulaire (modular curriculum)	régime professionnel (professional curriculum)	régime du technicien (curriculum)	régime technique (technical curriculum)	
18/19			13 th form		1st form
17/18			12 th form		2nd form
16/17			11 th form		3rd form
15/16			10 th form		4th form
14/15	9th form		9th form		5th form
13/14	8th form		8th form		6th form
12/13	7th form		7th form		7th form

Figure 5: Enseignement primaire

11/12	6th year
10/11	5th year
9/10	4th year
8/9	3rd year
7/8	2nd year
6/7	1st year
5/6	preschool: 2 years
4/5	

One of the major reforms of the recent years was the integration of the former “complementary school (“enseignement complémentaire”) into the “secondary technical school” (“enseignement secondaire technique”) under the present name “modular school” (“enseignement modulaire”). The main idea was to give pupils of the former “complémentaire” a real chance of transfer to the “régime professionnel” (vocational training and apprenticeship) which was until then only rarely the case.

Pupils who are in the "régime modulaire" (modular curriculum) are disadvantaged compared to the rest, insofar as school obligation ends after 9 years at the age of 15 and in the best case at the 9th form of the "modulaire". The modular school is meant to restart literacy, to provide minimum knowledge in mathematics, in German and French by a modular system adapted to individual proficiency.

If we have a look at the distribution of the nationalities in the "régime modulaire", certain immigration groups and asylum seekers are concentrated in this part of the school system subsequently facing an obvious disadvantage in the labour market:

Table 16: Distribution of nationalities in the "régime modulaire" in Luxembourg 1999/2000

Nationality of pupils in the "régime modulaire"	Share of pupils in the "régime modulaire"	Share of population in Luxembourg in 2000
Luxembourgish	39.2%	63.1%
Portuguese	35.4%	13.9%
"ex-Yugoslavian"	12.4%	1.9%
Italian	4.1%	4.6%
Cap-Verd	2.4%	0.4%
French	1.4%	4.7%
Belgian	0.5%	3.5%
Dutch	0.6%	0.96%
German	0.4%	2.5%
Others	3.6%	-

Cf. BRITZ, J., Novembre 2000, ■ "Régime préparatoire" (=régime modulaire), MENFPS: p. 10. SESOPI, février 2001, ■ Chiffres clés sur la population du Luxembourg : p.5.

Out of 556 children of asylum seekers, 320 are in the "régime modulaire". As the group of the "remaining" 226 children also contains all children younger than 12 attending primary school, only a very small share of children of asylum seekers is left over for the rest of the secondary sector (technique and "classique")⁴⁹.

By the law of 3 June 1994 the former "complémentaire" (complementary school)⁵⁰ was integrated to the general "Enseignement Secondaire Technique" (ETS, secondary technical school), thus theoretically giving an opportunity to change from the modular system to one of the three other "régimes" of the EST; the main opportunity would be to be transferred to the "régime professionnel" (apprenticeship). Data about transfers from the "modulaire" to the "régime professionnel" will be available in a few months.

To conclude: There are only very few opportunities for pupils coming from the "régime modulaire". In general, they have access to two types of intermediate apprenticeship qualification:

⁴⁹ ■ Rapport activite NENFPS, 2002

⁵⁰ Which was entirely separated from the "Enseignement Secondaire Technique" (EST).

- the so called "CCM" (certificate of manual aptitude, "Certificat d'aptitude manuelle") which is, de facto, the only practical part of a real apprenticeship. With the CCM and with 5 years experience in the profession or in the sector, the employee can claim the social minimum wage for qualified workers of 1.548,27 € / month (instead of 1.290,21 € / month for unqualified workers);
- the so called CITP (certificate of technical and professional introduction, "Certificat d'initiation technique et professionnelle") which is de facto the first year of practical and theoretical apprenticeship being realised within two years. Once the CCM has been obtained and having worked for 5 years in the profession or in the sector, the employee can claim the social minimum wage for qualified workers (§ law of 6th January 1997).

To be admitted for a real apprenticeship, a CATP (certificate of technical and professional aptitude, "Certificat d'aptitude technique et professionnelle"), pupils need to have passed successfully the 9th form of the "régime professionnel". Coming from the modulaire, there are very scarce chances to be transferred to the "régime professionnel".

If we now look at the situation at the top of the school system, the "enseignement secondaire", we find an opposite representation of the national groups than it was the case with the modular school:

Table 17: Distribution of nationalities in the "enseignement secondaire"⁵¹ and in Luxembourg

Nationalities of pupils in the "enseignement secondaire"	Share of pupils in the "enseignement secondaire"	Share of these nationalities in Luxembourg in 2000
Luxembourgish	86.3%	63.1%
Portuguese	4.6%	13.9%
"ex-Yugoslavian"	0.98%	1.9%
Italian	1.8%	4.6%
Cap-Verdian	0.02%	0.4%
French	1.1%	4.7%
Belgium	1.3%	3.5%
Netherlands		0.96%
German	1.3%	2.5%
Others		

Cf. ■ Les chiffres clé de l'Education Nationale, MNFPS, Luxembourg, mars 2002: p.50 s. SESOPI, février 2001, ■ Chiffres clés sur la population du Luxembourg: p.5.

In terms of statistical data, the **educational level of adult asylum seekers** is unknown: neither the "Cellule de régularisation", nor the Ministry of Justice have registered this item. So the only source providing some information about the factual situation is a ■ study run by the International Organisation for Migrations (IOM,

⁵¹ Secondary school system (lycée classique or lycée technique)

May – July 2000) about working opportunities of returning asylum seekers⁵². The study surveyed 3.200 people, but unfortunately in a not sufficiently detailed manner.

The results were the following:

- “All together 27% of the Montenegrin population (in Luxembourg)⁵³ are in possession of a university, college or vocational degree and were accordingly educated at university, college or vocational facility.” Unfortunately, no specification was given whether they have “baccalaureate + 2, 3 or 4” or whether they have a vocational degree.
- “Most people with university and college degrees were professionally engaged in industry, health and public sector.
- Education level is generally higher among men than among women.
- Only 10% of those surveyed were self-employed in their country, although the potential among those with vocational, college and university degree to begin self-entrepreneurial activities is relatively high.” OIM , May – ■ July 2000: p.4s).

In general, the **educational level at which foreign pupils leave school** is strongly determined by the nationality.

So Portuguese, ex-Yugoslavian, Cap Verdian pupils are clearly disadvantaged; Italians living in Luxembourg in 3rd or even 4th generation are not yet sufficiently present in the “enseignement secondaire”, but their share in the “modulaire” dropped already to an equivalent of their share in Luxembourg’s society.

A quite high presence of people from Ex-Yugoslavia in “enseignement secondaire” (table 17) is in contrast to their very poor outcome in the “enseignement modulaire”. Unfortunately, we do not know how children of Yugoslavian academic refugees perform in school. During evaluation interviews we recognised a strong presence of refugee children in the training centres for unemployed people which are considered as the lowest level of the educational system (“Centres Nationaux pour la formation professionnelle continue”) solely because of language problems.

As Luxembourg’s school system has been conceived for Luxembourgish pupils, the disadvantage for foreigners can mainly be attributed to the importance and selective character of language (cf. also HARTMANN-HIRSCH, ■ 1983). These elements will be stressed in detail in the ■ report on the educational system by Serge KOLLWELTER. .

The only result we would like to summarise is the poor outcome of education for certain nationalities resulting in a very frail position in the labour market, a high probability of remaining at the level of an unqualified worker (which also leads to a high risk of unemployment) and a long term dependency on unemployment schemes and, eventually, on social assistance.

⁵² This study focussed on people from ex-Yugoslavia, mainly on the Montenegrin population and wanted to establish a picture which would enable Luxembourg's authorities to facilitate the return of this group.

⁵³ Residents in Luxembourg who have their origins in Montenegro (ex-Yugoslavia) and who asked for asylum in Luxembourg (according to the Geneva Convention).

Languages and labour market

As preliminary remark: Luxembourg has a "*national*" language, its vernacular Luxembourgish, a franco-mosellan dialect and two "*official*" vehicular languages, French and German (cf. § law of 24 February 1984).

French was always the "selective" language spoken by the "bourgeoisie" families; meanwhile it became quantitatively the most important language due to immigration: on the one hand due to immigrant residents coming from Romano phone countries and on the other hand due to cross-border commuters who are to an extent of two thirds French speaking (ESTGEN, ■ 1998 and BEIRAO, ■ 1999).

There is one major aspect, which became much clearer during the last years: language skills are an extremely precious value in Luxembourg's school system and on the labour market. Globalisation can be seen as a determining factor: more and more firms in Luxembourg demand not only French and German skills but also Luxembourgish skills: for a job implying a close relationship with the client, employers like to guarantee oral competences of the national language. Firms evaluating the skills of their future employees are very interested in language skills – a positive package means immediately a higher income⁵⁴.

For adult Immigrants or asylum seekers, the language situation is very complicated: besides their own national idiom, they have to cope with at least 2 other languages – and real integration with full access to all areas of Luxembourg's society demands sufficient competences in the three official and national languages (French, German and Luxembourgish)⁵⁵.

The OIM study (May – July 2000, ■ statistical report on IOM survey⁵⁶) published something on (foreign) language proficiency giving information on skills other than the mother tongue. They found out that

- 7.2% of the people from Ex-Yugoslavia have English skills,
- 22%% of the people from Ex-Yugoslavia have French skills,
- 21.6% of the people from Ex-Yugoslavia have German skills.
- Unfortunately, there is no further indication about the quality of these language skills.

The NGOs working with refugees and asylum seekers stated unanimously that

- approximately 1/3 speaks French in a very rudimentary way,

⁵⁴ Cf. HARTMANN-HIRSCH, C., 2002, ■ « Etude qualitative sur la fixation des salaires » to be published in September 2002.

⁵⁵ Cf. SOSEPI, ■ 1998 et BEIRAO, ■ 1999 who gave a quantitative analysis of the language situation and BEIRAO giving a qualitative interpretation of the most important group of immigrants, the Portuguese.

Cf. also HARTMANN-HIRSCH, ■ 2000, the general report of a seminar trying to define the impact and value of Luxembourgish. Mainly foreigners stressed that as long as one relies on the only knowledge of the two official languages (French, German) there is a whole essential part of Luxembourg's life, which is not accessible. Due to an already diminished economic position of the autochthon population (being mainly in the middle of the pyramid, cf. table 14), these participants claimed that Luxembourgish skills were the only – and last – means of the nationals to preserve an area which would remain closed for foreigners.

⁵⁶ On asylum seekers from Montenegro in Luxembourg.

- approximately 1/3 speaks German in a very rudimentary way,
- approximately 1/3 does not speak any of both languages, but brings children or friends for translation.

The classical economic sectors for newcomers are the building sector, HORECA (restaurants, hotels), the cleaning sector and home services; for all these sectors few language skills are necessary. Employers do not see a real problem in the lack of language skills.

As for the Labour Market, nationalities being at the bottom of the socio-professional pyramid are clearly at the bottom of the school system. The "top" nationalities (British, German, Belgium, Dutch and to a certain extent French) are certainly not disadvantaged in school. Besides, many pupils from these nationalities have access to extra-territorial schooling systems (International and European school), so that the figures would even be much higher in the "enseignement secondaire" if there were no extraterritorial alternatives.

7. Data: sources, type of data, reliability

A clear distinction has to be made concerning quality, quantity and reliability of data from the two main following categories each subdivided into two groups:

- on the one hand, there are immigrants holding work permits (cf. table 8), to be categorised under “**immigration**”:
 - the new types of highly qualified people (civil servants, "PDGs" etc.) coming from the EU or from advantaged non-EU countries like North-America as opposed
 - to traditional flows of unqualified people and people with low qualification, also economic immigrants (mainly Portuguese).
- On the other hand, there are immigrants without work permits reaching Luxembourg either as asylum seekers or as people seeking temporary protection or as “economic refugees”; their country of origin is a non-EU country; to be categorised under “**asylum**”:
 - the quantitatively more and more important people seeking ‘temporary’ protection (coming from regions in war: for example ex-Yugoslavia), quite a important number of whom wish to stay in Luxembourg as opposed
 - to traditional asylum seekers in terms of the § Geneva Convention (1951) who officially claim for a long term stay.

Data vary considerably for these two categories:

IMMIGRANTS:

Luxembourg’s immigrants are covered in all exhaustive data sources.

Two main groups can be identified (across years and even decades as opposed to other countries⁵⁷):

(a) general exhaustive data bases can be used as for instance:

- The ■ Population Census (PC) collects data on all residents (both on category 1 and 2); there will be no chances to observe recent trends as the PC is updated only every 10 years; the PC does not contain the cross border commuters as they are no residents; so this data base is insufficient for an economic analysis, due again to being updated only every ten years.
- ■ Administrative data collected annually for taxes present quite limited information on all residents’ households, excluding again cross border commuters.
- ■ Data from Social Security are permanently updated but do not include civil servants from international organisations and embassies with their families, as they are considered "extra-territorial"; Social Security data contain cross border commuters as employment is the main criterion for being registered. For the very high incomes these statistics are not significant as there is a limit ("plafond de cotisation") beyond which contributions remain the same.

⁵⁷ It is the category a) which influenced Luxembourg’s economy (and society?) since decades.

- ■ RGPP (Repertoire général des personnes physiques) is updated frequently, but quite limited in terms of information; the RGPP contains all residents whether they belong to “Luxembourg” or to extraterritorial organizations.

-

(b) Immigrants are also included in specific surveys:

- The socio-economic panel of CEPS, called ■ PSELL, with annual countings including 2.500 households providing detailed information on different areas. The extra-territorial (category a) are underrepresented as household addresses come from Social Security (cf. above); and even those registered by Social Security being in extremely high positions often do not accept being interviewed regularly; in other words, the peak of the socio-professional pyramid is represented neither by Social Security data, nor by PSELL;
- the ■ Family Budget Survey,
- the ■ Labour Force Survey – both well known European surveys.

In order to obtain a comprehensive and exhaustive data base, Social Security data should be matched with RGPP data and the annual tax data – such a major project could be realised in the frame of a future European Observatory which is in preparation.

ASYLUM SEEKERS AND REFUGEES

Asylum seekers and refugees are a very sensitive subject; data collected for differing purposes are available in different places; reliability and cannot be guaranteed in the same way as for the group of immigrants.

Certain data items are available (nationality, sex, age, family status, housing etc.), but located at different public ministries and services.

- The Ministries of Justice and Family work on a common ■ data base which has two sections; both Ministries can read the section of the other, but introduce data only in their own section. There is no public access to it. Some data about asylum seekers and procedures are published (cf. home page of the ministry of Justice and our table 10), they are not coherent, quite eclectic and it is difficult to make the link with data of other agencies.
- The Cellule de Régularisation (institution linked to the Ministry of Labour and Justice following the Belgium project of monitoring illegal people) had established for the working period of the Cellule (20 months) a well functioning specific ■ data base with a clear structure. Unfortunately, there is no information on the professional education level, nor on the last professional position.
- The Ministry of Education, more precisely the unit “scolarisation des enfants étrangers” and SCRIPT (Service de la Coordination de la Recherche et de l’Innovation Pédagogiques et Technologiques, responsible for internal statistics) annually produces ■ data on children both of group 1 and 2 as long as they attend a public or private school with national public co-funding. Children of group a) are usually integrated into international schools, (thus not belonging to Luxembourg's school system). The data of the Ministry of Education are vital not only for the specific area of school, but also for future needs of the labour market.

There would be an ☀ urgent need for harmonised data on asylum containing data on

- the different steps during the procedure of recognition (Ministry of Justice),
- work capacities: (for the Ministry of Labour),
- the present situation on the labour market.

It would be an urgent need to focus on trends over the last years in order to recognise new types and new flows of immigration. Luxembourg, no doubt, is one of the rare countries having for many years and even decades a predominance of foreigners on the top and on the bottom of the socio-professional pyramid.

Would it be reasonable and desirable to combine both groups, (i) and (ii)? As a researcher, I would plead for a separate treatment in order to observe how asylum seekers make their way, mainly in the labour market. This could be done by continuing to register asylum seekers even after their recognition over a certain period (of 3 to 5 years).

It would also be interesting to monitor the first and second generation (both of immigrants and asylum seekers) in school.

There should be no confusion about political objectives like present aims to separate both parts, (i) and (ii), and research needs. Observation should be the basis of future policies to be defined.

As Luxembourg's authorities currently follow a different approach to these two parts, immigration and asylum, monitoring them separately could provide the necessary data in order to deal with them for once on a common basis of solid knowledge.

8. Conclusion

Luxembourg has been a country of immigration for more than 100 years with a (seasonal) rotation system up to the 50ies, when Common Market legislation brought other parameters into immigration policy. Nonetheless, the **Italian** immigration remained a **migration of workers**; out of the whole number of Italians who came to Luxembourg only a few of them were integrated definitively. **Family reunification** started very modestly after 1957.

From the beginning of the 60ies family reunification became interesting for the authorities from two points of view:

- the demographic objective and
- the labour market's objective: two persons (instead of one!) to be available as future employees.

Following this new trend, the Portuguese became quantitatively the most important group asking for a different immigration policy which would take into account family problems, housing and above all school. The result of the school policy is very poor as we have shown in chapter 6. The PISA study confirmed the incapacity of Luxembourg's schools system to integrate children from socio-professionally modest and weak families - and overtly immigrants' children are the quantitatively most important group suffering school failure.

Immigrants as well as asylum seekers and refugees have to start in the “ugly” economic sectors which are situated at the bottom of the pyramid.

This was not the case with the cross-border commuters who, from the beginning of the 90ies on, could work in their “own” sector from the beginning. During the first years, they very often accepted worse working conditions and lower incomes than Luxembourgish employees did. Meanwhile, these disadvantages overcome. But still non-EU citizens as well as EU-citizens not knowing the national labour market face discrimination in certain sectors at the levels of income and working conditions⁵⁸.

This recent immigration wave is connected to the economy's need for qualified people: asking for cross-border commuters was a more appropriate way than asking again for unqualified or a very low profile traditional immigration.

Immigration has always had a supplementary “buffer” function which used to be carried out by the Italians and which is nowadays carried out by the EU-cross-border commuters: their unemployment is not registered by Luxembourg's statistics, and unemployment payments are not the responsibility of Luxembourg's authorities. Nonetheless, there is no information available about economy's practices of making them redundant.

⁵⁸ Social Security data cannot be used to compare “educational level linked to income” of Luxembourgers versus Foreigners; there is no indication of the professional qualification. In any case, private companies fix the income just in the beginning of professional life on the basis of the qualification; later on it is the position, which determines the level of income.

Up to the beginning of the 90ies, Luxembourg managed to stay with a “purely” white, European and Christian immigration. From the war in Bosnia-Herzegovina on Moslem people reached Luxembourg.

For non-EU citizens, entry into the labour market is much more difficult than in other European countries; permits need to be renewed and employees only have free access to the internal labour market after 5 years employment.

Two major issues need to be looked at carefully:

- the access to the labour market for asylum seekers and the policy of receiving them,
- the access to the labour market for non-EU citizens⁵⁹.

As Luxembourg's survival – in demographic terms – depends on immigration to a much higher degree than the other European countries, a very explicit immigration policy would be needed. It is quite improbable that the fertility rate will rise considerably to reach the 2.2 children/woman, which would be necessary for the maintenance of society. There are nonetheless some elements showing that Scandinavian women being integrated in the labour market to an extent of 76 % (for instance in Denmark cf. Joint Employment Report on 2001, p. 45) have already reached the rate of 1.77 children/woman. De facto there is a rise of the fertility rates in the Scandinavian countries – just as in Luxembourg – with Iceland at the top with 2.1 children/women (EUROSTAT, ■ data on 1998 – 2000).

Dependent on the long-term evolution it will be necessary to launch studies concerning the long-term needs of a new and supplementary immigration. The economy today urgently needs qualified people. Luxembourg will probably need them also in terms of future guarantees for the pension system it has adopted.

Against this background, it is quite astonishing that asylum seekers with university degrees are not immediately sent to language crash courses and further education in order to adapt their knowledge to the needs of EU economies. Even potential Indian "Green card" IT experts⁶⁰ need to adapt and to know Luxembourg's society and languages.

A one step labour market access – similar to a "green-card" – would already make a lot of things easier for the employers (cf. chapter 5.4.) as well as for the non-European employees.

Since the beginning of the 60ies, there has been a significant difference between the two groups of foreigners:

⁵⁹ Just to underline again: citizens of the following 4 countries have the same rights as European citizens: Norwegian, Iceland, Liechtenstein and Switzerland.

⁶⁰ There is no Luxembourgish "green card" yet as even a bank director has to pass through the 3 steps of the work permits.

- At the bottom of the socio-economic pyramid we find immigrant workers of disadvantaged nationalities like Portuguese, people from former Yugoslavia and also still Italians. Their disadvantage of school success was very clear in terms of income, unemployment, professional segregation. Portuguese children (1st and even 2nd generation) suffer serious school problems and leave school without qualifications to a disproportional extent. Italians are also still underprivileged (access to “enseignement secondaire”).
- At the top of the socio-economic pyramid we find mainly people of advantaged nationalities like North Americans, Britons, Germans, Belgians and other EU and above all other EEE citizens. They are here as international civil servants and employees at the highest level of foreign firms, banks etc. Their children are certainly not disadvantaged having access to the International or the European School; even those who pass through Luxemburg's system are under-represented in the weakest of the 5 school types, the "modulaire" (cf. table 16). Looking at the work permits (table 8) a clear distinction is made between desirable and less desirable countries. The advantage was evident in terms of income (table 13), professional status (table 12), unemployment (table 14), working permits (table 8) and school success (tables 16 and 17).
- In the middle of the socio-economic pyramid we find mainly Luxembourgers, highly represented in the public administration which is *de facto* still reserved to them although the law of 17 May 1999 had been adopted in order to open the public sector for EU-citizens. The language condition makes it impossible *de facto* for the big majority of Community citizens to get access.

If there will be a significant new influx of foreigners, the present socio-professional pyramid with a predominantly foreign top and bottom will have even a higher share of foreign at the two extremes, the top and the bottom.

De facto, immigration policy was mainly stimulated by demographic and labour market needs.

The economy is desperately looking for new employees, highly qualified and unqualified. Public opinion is also quite open-minded and in favour of integration of asylum seekers into the labour market. As figures about recognition of asylum seekers during the last years show, and as the very complicated procedure of access to the labour market for the non-Community people is still valid, the authorities are overtly not willing to open the resident society to newcomers; they seem to be more reluctant than the population in general (cf. ILReS/ASTI, ■ 2000).

Language skills have always been a way of selecting those who asked for integration. The high numbers of cross border commuters have been a practical proof of the fact that even with just one language it is possible to enter the labour market and to be successful. In other terms, Luxembourg's bilingualism or trilingualism is not only part of the selective school mechanism to guarantee the necessary amount of unqualified workers even beyond the second generation but at least a selective obstacle for entry into the public sector. The private sector – no doubt – would be pleased to get an easier access for non-EU employees.

The impact foreigners have on the economic sector (except the public sector) shows to what extent Luxembourg's economy depends on foreign employees. It would be senseless to speak about problems of integration of the advantaged foreigners. –

Rather, it could make sense to discuss how the objective of having more Luxembourgers in top positions in the private sector can be achieved.

As for foreign qualified and unqualified workers, the question of integration is not the core one: certain sectors of economy would break down if foreigners dropped out. The main questions in fact concern the perspectives of the second generation: For example, the school system does not really offer equal opportunities. But this sector should at least have the function of a “springboard”, mainly for those who, by coming to Luxembourg, have lost all their belongings.

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Annex 1 Legal Situation

The § law on Luxembourg Nationality 1968 as amended by the § law of 24 June 2001, regarding the citizenship by “naturalisation” is in force since 1 January 2002.

The procedure of regularisation, based on the § law of 28 March 1972, started in May 2001.

Labor of non-Nationals is ruled by the – modified – § law of 28 March 1972 (employment of foreigners) as well as by the § Grand Ducal Bill, which determines the measures, applied for the employment of foreign workers on the ground of the Grand Duchy.

Non-EU Nationals are discriminated by legislation. According to the § law of 28 March 1972 and the § Grand Ducal Declaration of 17 June 1994, no foreigner is allowed to have a job, either manual or intellectual in Luxembourg without special permission according to the § Grand Ducal Declaration of 12 May 1972.

For the non-EU Nationals, there are four different work permits:

- work permit A, maximum one year – only for one job and one employer
- work permit B, maximum four years – one job, but different employers
- work permit C, unlimited duration – any kind of job and any employer
- work permit D, for apprentices and trainees only valid when apprenticed or on a training course.

These different permits are delivered by the Ministry of Work.

A lot of problems arise with such a system. First of all, the employer has to undertake many administrative procedures: he has to declare that the job is vacant, explain why he has not engaged an EU National. If eventually the ministry accepts to give the permit, the employer has to pay, most of the time, a bank guarantee of 60.000 Flux (1487,36 Euro) to the Ministry of work.

Because of all this, the employers will prefer giving the job to an EU National whenever it is possible.

If persons with an A permit are laid off, they are not entitled to receive unemployment benefit, as they can only work for one employer, and don't appear on the labour market. Therefore the employee is bound to his or her employer and has no socio-professional mobility.

For these reasons, many of non-EU immigrants do a moonlight. They are caught in a vicious circle: no work permit, no residence permit, as they cannot prove that they have enough money to live on.

Naturalisation Process

To take a country's nationality undoubtedly constitutes the final step of integration in this country. This act also means break since it is necessary to give up the original nationality. With the European citizenship, the nationals of the European Union obtained a statute very similar to that of the Luxembourgers. The pressure to become Luxembourgers decreased consequently for them.

The acquisition of Luxembourg nationality for non-EU citizens constitutes a step towards a protected legal status.

The actual legislation

To obtain the nationality, the immigrant must require Luxembourg nationality. The conditions and the procedures of the acquisition of Luxembourg nationality are regulated by the § law of 22 February, 1968 on Luxembourg nationality, such as it was modified by the § laws of June 26, 1975, of § 20 June, 1977, § 11 December 1986 and § 24 July 2001. The new provisions are in force since 1-1-2002. The Luxembourgish citizenship can be acquired by naturalisation or by option.

*** Naturalisation**

The request for the acquisition of Luxembourg nationality by way of naturalisation can be made by any foreigner who reached the age of 18 years and who resided in the Grand Duchy without interruption during the five last years. Naturalisation is granted by the House of Commons, after proposal of the communal council and the Council of State. The interested party must prove a sufficient integration and a sufficient active and passive knowledge of at least one of the three official languages of the country (Luxembourgish, French and German) as well as basic knowledge of Luxembourgish language, proven by certificate or an official document.

*** Option**

The cases in which the option is possible were widened by the § law of 1986. The choice of option was given in particular

- to a person who was born in another country, but attended school only in Luxembourg
- to a foreigner which married a Luxembourger.

The have to fulfil the same age conditions (18 years) and residence conditions (5 years respectively 3 years in the event of marriage). The option is reserved mainly to children

- born in the country from foreign parents
- born abroad from a Luxembourger
- born abroad from non-Luxembourger (father or mother) having
- achieved the entire schooling in the Grand Duchy

- having been the subject of a simple adoption by a Luxembourger
- born from a father or a mother which has been naturalised

The foreign spouse of a Luxemburgish man or a woman can also acquire Luxembourg nationality by option after three years of marriage.

Indeed, a foreigner who marries a Luxembourgish citizen does not acquire the Luxembourgish nationality automatically. It can only be done by a declaration of option. The legislation does not open a broad access to nationality. However, the number of options and of naturalisations has increased since the reform of 1986.

The procedure of covering

This procedure, very easy and rather rare, allows the Luxembourgers who gave up their citizenship (in particular by marriage) to regain Luxembourg nationality when renouncing the acquired foreign nationality.

Annex 2 Examples of good practice:

Creation of anti-mobbing association



In 2002, an association was created to support the victims of harassment and mobbing at the workplace: "Luxembourg Association against moral harassing and the stress with work". They published a booklet on the mobbing which includes definitions, the different types of harassment and especially good councils if one is victim. Obviously harassment or mobbing for reason of racism or racial discrimination is part of the mobbing term in general.

Convention BRAM

BRAM is a department store of the clothes industry in Luxembourg. The vice-president of the personnel delegation of BRAM during three consecutive years carried out a study on harassment and mobbing, which was supported by the LCGB (Luxembourg trade union). Subsequently to this study, in 2001 a collective agreement was born which protects employees from harassment and mobbing, under any form that it takes place. It is the first time that such provisions are taken in a collective agreement.

FER and EQUAL (European programs)

European projects being applied in Luxembourg: EQUAL et FER

-  FER: Individual support in searching for employment, helping in issues such as the recognition of diplomas, the production of individual's curriculum vitae, balance of competence, training, etc. for the recognised refugees.
-  EQUAL: ASTI is dealing with the Luxembourgish Department of Employment for the people seeking homes applying the agreement of Geneva.
 - The most interesting goals of the present project in favour of the fight against racism are the following ones:
 - develop the refugee's skills to work in a multinational and intercultural environment.
 - encourage the professional sector to take into account rather the capability of asylum seekers than problems which may be connected with them.

"Migrations: It's challenges", colloquium

According to the discussion about the 700 000 citizens of Luxembourg and the general changes which the contemporary Luxembourgish society is going through, ASTI organises during a whole year a campaign to reflect and discuss the challenge that the new forms of migrations set up for the economy and social cohesion. The campaign includes a cycle of conferences, a scientific colloquium, a consciousness-raising activity in the media and in the schools and finally a meeting of teenagers and persons in charge in the socio-economical field.

The whole campaign intends to make the politics, the members of the civil society, the media and the youth aware of the problems related with migration. Another aim is to create a discussion and information platform which should become a scientific tool in order to create original, actual and futuristic concepts.

In discussing the various hypotheses and challenges, in answering today the questions of tomorrow, ASTI intends to contribute to the prevention of conflicts with future immigration.⁶¹ ASTI uses a wide partnership for this campaign bringing together all the social partners and the press in its totality.

⁶¹ ASTI (March 2002) ■ Migrations : les enjeux ! Défis pour l'économie et la cohésion sociale (■ Migrations : It's challenges ! Challenge for the economy social cohesion)

Annex 3 Theoretical and methodological approach

- The report is focused on indirect discrimination,
- regarding especially access for non-nationals to the labour market in Luxembourg
- Indirect discrimination is the most visible and most frequent discrimination at a national level.
- The Luxembourgish economy is based on the foreigners' workforce. (There is a lot of research about the national economy and the contribution from non-nationals.)
- Direct discrimination can finally be one of the consequences of indirect discrimination.
- Discrimination (direct or indirect) at the working place is a scarcely researched field in Luxembourg. There is a lack of statistics, studies, reports etc (the term "mobbing" is not subdivided in the different types of mobbing, and thus there do not exist any data).

Annex 4 Statistical Tables

T1. POPULATION AND LABOUR FORCE 15 - 64

CENSUS, LFS

YEAR	TOTAL POPULATION			NATIONALS			FOREIGNERS		
	TOTAL POPULATION	LABOUR FORCE	ACTIVITY RATE	TOTAL POPULATION	LABOUR FORCE	ACTIVITY RATE	TOTAL POPULATION	LABOUR FORCE	ACTIVITY RATE
Males and Females									
1970	221 835	126 461	57.0	179 917	99 686	55.4	41 918	26 775	63.9
1981	247 558	151 729	61.3	180 865	105 727	58.5	66 693	46 002	69.0
1991	266 460	167 240	62.8	180 187	106 466	59.1	85 887	60 774	70.8
1998	287 100	172 300	62.0	176 500	106 200	60.0	110 600	73 000	66.0
Males									
1970	110 298	93 638	84.9	89 088	74 165	83.2	21 210	19 473	91.8
1981	123 864	101 347	81.8	90 225	71 284	79.0	33 639	30 063	89.4
1991	135 200	105 864	78.3	91 251	68 719	75.3	43 734	37 145	84.9
1998	145 600	110 600	76.0	89 800	67 400	75.0	55 700	44 000	77.0
Females									
1970	111 537	32 823	29.4	90 829	25 521	28.1	20 708	7 302	35.3
1981	123 694	50 382	40.7	90 640	34 443	38.0	33 054	15 939	48.2
1991	131 260	60 742	46.3	88 936	37 747	42.4	42 153	22 788	54.1
1998	141 500	66 500	47.0	86 700	38 200	44.0	54 900	29 660	54.0

■ *Migration assumptions in a small open economy: The case of Luxembourg. (text prepared by Jean Langers, STATEC; for the UN/ECE work session on demographic projections, Perugia, Italy, 3-7 May 1999); text can be found on: <http://www.restena.lu/asti> (migrations les enjeux; ressources)*

T2. OCCUPATION BY CITIZENSHIP OR COUNTRY OF RESIDENCE

LFS98 - Social Security

OCCUPATION (ISCO)	RESIDENTS BY CITIZENSHIP						Border
	Luxbg	France	Belgium	Germany	Italy	Portugal	Workers
Managers	2.5	6.5	4.7	6.9	2.0	0.6	1.3
Professionals	15.2	23.8	35.9	25.6	15.6	0.9	12.3
Technicians	22.6	19.7	26.8	34.3	13.8	1.8	14.8
Clerks	22.8	11.9	14.5	14.1	16.3	6.6	15.0
Service workers	8.6	20.7	4.9	7.1	13.6	11.8	6.2
Agricultural workers	1.2	0.0	0.0	1.9	0.0	1.7	0.0
Craft and related trades workers	10.5	7.6	3.4	4.3	14.2	31.2	24.7
Plant and Machine operators	9.3	5.4	7.2	3.3	13.3	12.4	18.0
Elementary occupations	6.8	3.9	2.5	2.5	10.6	33.0	7.6
Armed Forces or No Indicates	0.5	0.5	0.1	0.0	0.6	0.0	0.0
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Managers and Professionals	17.7	30.3	40.6	32.5	17.6	1.5	13.6
Technicians and clerks	45.4	31.6	41.3	48.4	30.1	8.4	29.8
Manual workers	36.4	37.6	18.0	19.1	51.7	90.1	56.5
Armed Forces or No Indicates	0.5	0.5	0.1	0.0	0.6	0.0	0.0
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0

■ *Migration assumptions in a small open economy: The case of Luxembourg. (text prepared by Jean Langers, STATEC; for the UN/ECE work session on demographic projections, Perugia, Italy, 3-7 May 1999); text can be found on: <http://www.restena.lu/asti> (migrations les enjeux; ressources)*

T3. ECONOMIC ACTIVITY BY CITIZENSHIP OR COUNTRY OF RESIDENCE

LFS98 - Social Security

ECONOMIC ACTIVITY (NACE)	Residents by citizenship								Total
	Luxbg	France	Belgium	Germany	Italy	Portugal	Others	Border workers	
Agriculture	0.4	0.7	0.4	1.6	0.0	1.6	0.2	0.4	0.5
Manufacturing	16.4	11.8	11.5	9.7	20.3	10.8	8.8	21.1	16.5
Construction	3.7	5.9	3.8	3.2	14.1	30.6	11.6	13.2	10.9
Trade, HORECA	14.2	35.3	13.5	17.7	26.6	20.5	22.0	20.1	18.3
Transport, communication	9.9	4.4	4.8	6.5	4.7	4.7	8.0	7.0	7.7
Financial intermediation, business activities	15.4	28.7	30.8	51.6	23.4	9.7	38.8	29.1	21.7
Public administration	29.1	4.4	4.8	3.2	3.9	2.3	4.1	0.7	13.0
Other services	11.0	8.8	30.4	6.5	7.0	19.8	6.5	8.3	11.3
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Agriculture	26.7	4.2	1.7	4.2	0.0	37.9	1.9	23.3	100.0
Manufacturing	40.2	2.2	1.7	0.8	3.6	8.4	2.7	40.4	100.0
Construction	13.8	1.7	0.8	0.4	3.8	35.8	5.3	38.3	100.0
Trade, HORECA	31.4	6.0	1.8	1.4	4.3	14.4	6.0	34.7	100.0
Transport, communication	52.0	1.8	1.5	1.2	1.8	7.8	5.2	28.7	100.0
Financial intermediation, business activities	28.7	4.1	3.4	3.4	3.2	5.7	9.0	42.4	100.0
Public administration	91.1	1.1	0.9	0.4	0.9	2.3	1.6	1.8	100.0
Other services	39.7	2.5	6.5	0.8	1.8	22.5	2.9	23.4	100.0
Total	40.6	3.1	2.4	1.4	3.0	12.8	5.0	31.7	100.0

■ *Migration assumptions in a small open economy: The case of Luxembourg. (text prepared by Jean Langers, STATEC; for the UN/ECE work session on demographic projections, Perugia, Italy, 3-7 May 1999); text can be found on: <http://www.restena.lu/asti> (migrations les enjeux; ressources)*