Chapter 19
Trade unions in Luxembourg: Residual institutional strength and declining mobilization capacity
Adrien Thomas

Luxembourg has undergone far-reaching economic and demographic changes over the past four decades. The years of economic crisis and of the demise of the steel industry from 1975 to 1985 were followed by twenty ‘splendid’ years with annual average GDP growth of 5.3 per cent (Zahlen 2012). The main driver of economic growth during these years was Luxembourg’s role as a financial hub, whose development was fuelled by lax financial and fiscal regulations (Pieretti et al. 2007; Zucman 2015). As a result of the growth of financial activities, the labour force considerably diversified, increasing from 154,000 in 1981 to more than 440,000 in 2020. Today, 46 per cent of jobs are filled by cross-border workers from neighbouring countries, 27 per cent by resident immigrants, with a large majority coming from other member states of the European Union (EU), and 27 per cent by native residents. Many of these migrant workers are attracted by the high net wages in Luxembourg, which result from the fact that income taxes and social security contributions are lower in Luxembourg than in the neighbouring countries (Zahlen 2008). While the recession of 2008 had fewer economic repercussions in Luxembourg than in most other EU member states, it led to tenser collective bargaining and national-level social dialogue. In addition, increasing social inequalities render the limits of Luxembourg’s welfare state more and more apparent (Fusco et al. 2014).

In response to these labour market and economic changes, trade unions have focused on maintaining their political influence and the established institutions of social concertation. They have also striven to
innovate and adapt their organizational structures, diversify their service offer and recruit the growing migrant workforce. The results of their efforts are mixed. The unions have managed to some extent to recruit new members and maintain a political consensus around the intrinsic value of ‘social partnership’. The principal characteristics of Luxembourg’s industrial relations system have not changed: unions as the sole negotiators of collective agreements at company and industry level, extension mechanisms for industry-level collective agreements and the intrinsic value attributed to social peace. The number of independent unions has diminished over the past two decades, so that today’s union landscape is dominated by three larger confederations, with a limited number of independent unions (see Table 19.1). The unions have managed to retain, in the face of employer opposition, the automatic indexation of wages, whereby wages are adjusted to consumer price increases. The changing morphology of Luxembourg’s economy, however, with the growth of the service sector, the rise in qualification levels and the increase in small and medium-sized companies, increasingly calls into question the established patterns of collective bargaining. Union density has been declining significantly, throwing doubt on unions’ capacity to maintain the current collective bargaining coverage. In the near future, the contrast between the institutionalized involvement of unions in national policymaking and the declining unionization rates risks undermining union legitimacy.

### Table 19.1 Principal characteristics of trade unionism in Luxembourg

<table>
<thead>
<tr>
<th></th>
<th>1980</th>
<th>2000</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total trade union membership*</td>
<td>69,000</td>
<td>96,000**</td>
<td>123,000</td>
</tr>
<tr>
<td>Women as a proportion of total membership</td>
<td>n.a.</td>
<td>34 %***</td>
<td>n.a.</td>
</tr>
<tr>
<td>Gross union density</td>
<td>n.a.</td>
<td>n.a.</td>
<td>35 %</td>
</tr>
<tr>
<td>Net union density</td>
<td>50 %</td>
<td>43 %**</td>
<td>28 %</td>
</tr>
<tr>
<td>Number of confederations</td>
<td>4</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Number of affiliated federations</td>
<td>n.a.</td>
<td>32</td>
<td>40</td>
</tr>
<tr>
<td>Number of independent unions</td>
<td>12</td>
<td>9</td>
<td>5</td>
</tr>
<tr>
<td>Collective bargaining coverage</td>
<td>60 %</td>
<td>60 %</td>
<td>57 %****</td>
</tr>
<tr>
<td>Principal level of collective bargaining</td>
<td>Company and industry</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Days not worked due to industrial action per 1,000 workers</td>
<td>n.a.</td>
<td>12</td>
<td>n.a.</td>
</tr>
</tbody>
</table>

Note: *Union membership data does not include retired workers; **1998; ***2002; ****2018.

Source: Appendix A1.
Historical background and principal features of the industrial relations system

Luxembourg's trade unions have been historically divided along industrial and professional lines, as well as political and confessional cleavages. The modern labour movement in Luxembourg took shape between 1916 to 1921, a period characterized there, as in other European countries, by demands for democratization and social rights (Scuto 1990; Thomas 2012; Trausch 1974). Whereas up to the First World War unionization had been limited mainly to civil servants, white-collar workers and certain categories of blue-collar workers in small and medium-sized industries, mass unionism developed from 1916 onwards in the mining and steel industry (Kieffer 1993; Lentz 1992; Wehenkel 2009). In contrast to other European countries where the present-day union movement was the result of the slow aggregation of pre-existing unions, the modern union movement in Luxembourg was almost constructed from scratch, as a result of the social mobilization in the mines and steel factories between 1916 and 1921. The Federation of Miners and Metallurgists (Berg- und Hüttenarbeiter-Verband), which proclaimed its political neutrality, and the Luxembourg Federation of Metallurgists (Luxemburger Metallarbeiterverband), of socialist orientation, were both founded in 1916. The two federations merged in 1920 to form the Federation of Miners and Metal Workers (Berg- und Metallindustriearbeiter-Verband), which took the name Luxembourg Workers' Union (LAV, Letzeburger Arbechter-Verband) in 1944. In 1921, the Luxembourg Confederation of Christian Trade Unions (LCGB, Lëtzebuerg Chrëschtleche Gewerkschaftsbond) was founded with the support of the Catholic Church (Weber 1999).

The inter-war years saw isolated eruptions of working class militancy, such as the general strike of March 1921 or the strike wave of July 1936, but also the beginning of a process of institutionalization of industrial relations characterized by the introduction of works councils in 1919, the creation of professional chambers for blue- and white-collar workers in 1924 and the creation of a mediation body for the negotiation of collective agreements in 1936, which turned the state into a facilitator of collective bargaining and represented a departure from its previous laissez-faire approach (Adam and Zahlen 1999; Wey 2003). The basic principles of workers' representation introduced in the inter-war years are still relevant today: the representation of workers' interests in the
workplace through unionized or non-unionized staff representatives and the negotiation of collective agreements at the company and industry levels by trade unions, with an active role for the state in the extension of collective agreements and as a mediator in case of industrial conflicts.

The political realignments and conflicts after the Second World War were reflected in the union movement when the newly founded Free Luxembourg Workers’ Union (FLA, *Freie Letzeburger Arbechterverband*), led by the Communist Party, competed with the socialist-led LAV for hegemony over the working class (Majerus 1992). The 1950s continued to be characterized by competitive struggles between communist and socialist unionists and by large-scale strikes in the mines and steel factories (Scuto 1999). From the 1960s onwards, the institutionalization of industrial relations and the union movement deepened. This encompassed the marginalization of the FLA; the legislation on collective bargaining of 1965, which set criteria for unions’ representativeness and excluded industry-level unions from negotiations; the creation of the Economic and Social Council in 1966; the law on codetermination within larger companies in 1974; and the introduction of the Tripartite Coordination Committee in 1977, which became the most emblematic institution of social partnership and union involvement in public policymaking. Under the auspices of the Tripartite Coordination Committee, Luxembourg’s steel industry was restructured, with employment being cut from 25,000 workers in 1975 to 13,000 workers in 1985. This was carried out without any major confrontation with organized labour.

Faced with the decline of the steel industry and the transition to a service economy, unions tried to adapt their structures and to preserve their bargaining power. Starting in the 1970s, a steady process of centralization and realignment began. One key issue in the debate among unions was how to overcome the divide between blue- and white-collar workers. Indeed, up to 2009, the legislation established different labour regulations and social security regimes for blue- and white-collar workers. These legal differences resulted in separate collective agreements, different professional chambers and in unions that represented only white-collar workers (*employés privés*). In 1978, talks on a possible amalgamation were conducted between the LAV, the LCGB and the Federation of Private Sector Employees (FEP, *Fédération des Employés Privés*), founded in 1920 (Krier et al. 2016). While the LCGB rapidly pulled out, in 1979 the LAV merged with parts of the white-collar union FEP to form the Luxembourg Independent Trade Union Confederation (OGBL, *Onofhängege
Gewerkschaftsbond Lëtzebuerg). Except for the Luxembourg Association of Bank and Insurance Employees (ALEBA, Association Luxembourgeoise des Employés de Banque et Assurance), the remaining independent unions representing white-collar employees gradually lost members as a consequence of infighting, split-offs and dissolutions. The social elections for the professional chambers document the gradual loss of relevance of these smaller unions. By the social elections of 1998 and 2003, the various splinter organizations resulting from the decomposition of the FEP had vanished into irrelevance.

Structure of trade unions and union democracy

The two main union confederations are the OGBL and the LCGB. The OGBL claimed 71,000 members in 2019 (of whom approximately 10,000 were retirees) and counts sixteen affiliated federations. The LCGB claimed 43,000 members (of whom approximately 5,000 were retirees) and counts fourteen affiliated federations. The OGBL is historically close to the Socialist Party, while the LCGB is close to the Christian Social Party. Relations between the OGBL and the LCGB have often been terse and competitive, because of ideological divides in the past, and because of struggles for influence and membership in the present. Both confederations are considered nationally representative by the authorities and are solely entitled to sign collective agreements in all sectors of the economy.

The notion of ‘national representativeness’ is important in the Luxembourg debate and reflects the legislator’s aim to ensure that unions take into account broader considerations of national interest and competitiveness, and not just narrow company- or industry-specific considerations (Zahlen 2003). According to the 2004 law on union representativeness, only unions with a strong cross-industrial presence – which is measured by their having received at least 20 per cent of the votes in the election of the Chamber of Wage Earners (CSL, Chambre des Salariés) – can sign collective agreements. In addition, to accommodate the situation of ALEBA in finance, the legislator decided that unions with a particularly strong presence in an industry employing more than 10 per cent of the nation’s workforce can sign agreements in that industry. Other unions have a more limited industrial role, such as the two railway unions, the National Federation of Luxembourg Railway and Transport Workers and Civil Servants (FNCTTFEL, Fédération Nationale des Cheminots, Travailleurs du Transport, Fonctionnaires et Employés Luxembourgeois) and
the Christian Federation of Transport Personnel (SYPROLUX, *Fédération Chrétienne du Personnel des Transports*). While the FNCTTFEL integrated the OGBL ‘on a provisional basis’ in 2020, with a view to full absorption in 2024, SYPROLUX remains independent (see Table 19.2).

**Table 19.2** Trade union confederations and independent unions in Luxembourg

<table>
<thead>
<tr>
<th>Confederations</th>
<th>Organizing domain and main affiliates</th>
<th>Total members*</th>
</tr>
</thead>
<tbody>
<tr>
<td>CGFP</td>
<td>Public sector (Fédération Générale des Universitaires au Service de l’État; Syndicat National des Enseignants; Syndicat Professionnel de la Force Publique; Association Générale des Cadres)</td>
<td>31,000</td>
</tr>
<tr>
<td>LCGB</td>
<td>Cross-industry (Fédération Services et Commerce; Fédération INDUSID; Fédération Construction et Artisanat; Fédération Transport; Fédération Banques et Assurances)</td>
<td>43,000</td>
</tr>
<tr>
<td>OGBL</td>
<td>Cross-industry (Syndicat Santé, Services Sociaux et Éducatifs; Syndicat Bâtiment, Artisanat du Bâtiment et Constructions Métalliques; Syndicat Commerce; Syndicat Services et Énergie)</td>
<td>71,000</td>
</tr>
<tr>
<td>Independent unions</td>
<td>Organizing domain</td>
<td>Total members</td>
</tr>
<tr>
<td>ALEBA</td>
<td>Banks and insurances</td>
<td>10,000</td>
</tr>
<tr>
<td>APESS</td>
<td>Teachers</td>
<td>n.a.</td>
</tr>
<tr>
<td>FGFC</td>
<td>Local government</td>
<td>5,000</td>
</tr>
<tr>
<td>FNCTTFEL</td>
<td>Railway workers, local government</td>
<td>5,000</td>
</tr>
<tr>
<td>SYPROLUX</td>
<td>Railway workers</td>
<td>1,600</td>
</tr>
</tbody>
</table>

Note: * self-declared membership data from 2019, including retired workers.

Source: Author’s elaboration.

As regards the public sector, the General Public Sector Confederation (CGFP, *Confédération Générale de la Fonction Publique*) is considered representative. The CGFP counts 31,000 members but the number of pensioners among the membership is unknown.\(^1\) The CGFP, which proclaims

\(^{1}\) The CGFP did not answer requests for information on the number of retirees among its membership.
Luxembourg: Residual institutional strength

a strict political and ideological neutrality, negotiates agreements for civil and public servants (fonctionnaires d’État and employés de l’État) with the government. The Federation of Local Government (FGFC, Fédération Générale de la Fonction Communale) represents the employees of local administration and counts approximately 5,000 members.

The two nationally representative confederations OGBL and LCGB organize members according to workplace and on a geographical basis. Members are directly affiliated to the confederation and then assigned to an industry federation in line with their place of work or occupation and to a local branch, depending on where they live. According to their situation, members can also be affiliated to other structures, such as the OGBL’s immigrant department or the LCGB’s committee for Portuguese residents. Currently, the federations affiliated to the OGBL with the most members are the Health and Social Services Federation and the Construction Workers’ Federation. In the case of the LCGB, the largest affiliate is a heterogeneous conglomerate federation made up of private services, retail and hospitality. In both the OGBL and the LCGB, the formerly prevalent manufacturing industry federations have lost ground in comparison with the private and public service sector federations.

In both the OGBL and the LCGB the number of federations has increased over recent decades. The number of federations affiliated to the OGBL increased from twelve in 1980 to sixteen in 2020, through the addition of a federation for cleaning services in 1989, road transport in 2001 (after the integration of road transport workers previously organized in the FNCTTFEL), air transport in 2006 and railway workers in 2020 (following the ‘provisional integration’ of the FNCTTFEL into the OGBL). As regards the LCGB, it increased its number of federations from nine in 1999 to fourteen in 2020. Over the past two decades, the LCGB has merged its steel, metalworking and chemical industry federations into a single federation and has, similar to the OGBL, split up its formerly unified transport workers’ federation into road, passenger, air and maritime transport. In addition, the LCGB has created several small new federations covering private security services, cleaning services, private school teachers, and vehicle repair and maintenance. In both the OGBL and the LCGB, the confederal leadership is in charge of creating and delimiting new federations.

Confederations do not, however, have reliable data on the evolution of the membership of their various federations.
The internal organization of the OGBL and the LCGB is similarly hierarchical. The two confederations hold a national convention every five years. In the case of the OGBL, the national congress, characterized as the ‘supreme body’ by its statutes, is composed of delegates of the industry federations, the local branches and specific structures, such as the immigrant department. The main governing body between congresses is the national committee, comprising mainly representatives of industry and local branches. Between the meetings of the national committee, a more limited leadership body meets, the executive committee, which delegates daily management to the executive bureau. In practice, decision-making power is concentrated in the executive bureau, with ten members in the case of the OGBL. The LCGB’s coordination committee counts eleven members, among them a union chaplain tasked with acting as a link to the ‘institutions of the Catholic Church’ (LCGB 2014).

Although the OGBL elected a woman as president in 2019, women remain sorely underrepresented in union leadership bodies. Women make up as few as 15 per cent of the members of the OGBL’s forty-member executive committee, representing the affiliated federations and local branches, and 21 per cent of the LCGB’s 23-member executive committee. Some of the independent unions still have all-male leadership bodies, such as the union of local government FGFC and the teachers’ union, the Association of Teachers of Secondary and Higher Education of the Grand Duchy of Luxembourg (APESS, Association des Professeurs de l’Enseignement Secondaire et Supérieur du Grand-Duché de Luxembourg) (Blond-Hanten 2021).

In both the OGBL and the LCGB, the president has traditionally had a strong influence on the confederation’s policies, among other things because Luxembourg’s neo-corporatist political system relies on negotiation partners that are able to commit the organizations they represent. The statutes of the LCGB, last modified in 2014, stress hierarchy and control in the organization of the union’s apparatus and are particularly explicit as regards the authority of the confederation president: ‘The National President chairs the union council, the central committee, the executive committee, the coordination committee and other LCGB meetings, and has the right to attend all other meetings’ (LCGB 2014). In general, the full-time officials in charge of the affiliated federations are strongly present in the daily running of the OGBL and the LCGB: they are the interlocutors of political decision-makers and the media, more so than the unionized staff representatives in the companies.
The CGFP represents public servants. It is a conglomerate of sixty-five professional and craft associations regrouped in eleven ‘federations’, which represent either specific categories of public servants – such as teachers, police and army personnel – or broader categories, such as lower, middle and higher civil service. In comparison with the OGBL and the LCGB, the CGFP is much more loosely structured, and its confederal level is leaner. Its leadership bodies are an executive committee made up of seventeen members and an executive bureau counting five members, all men. The public authorities played a key role in the founding of the CGFP in 1967. At the time, the minister in charge of the public sector refused to continue negotiating with the dozens of small associations representing civil servants, which were at war over a general revision of wages for public servants and asked them to create a common organization (Confédération Générale de la Fonction Publique 2010; Jentgen 1981). Historically, the middle layers of the public service have made up the bulk of the CGFP’s membership, with the higher categories providing the leadership of the organization (Kieffer 1992).

As the relevance of the political and confessional cleavages between the OGBL and the LCGB has become more and more questionable, with society’s secularization and de-ideologization, the OGBL has been advocating the creation of a united confederation. The LCGB asserts, however, the value of pluralism and its relationship with the OGBL is notoriously tense, while the CGFP holds on to its autonomy in the name of protecting the distinct status of public servants, just as ALEBA upholds the value of its apolitical approach to labour relations. As a result, the representation of the two best-paid segments of Luxembourg’s workforce, public servants and bank employees, to a large degree eludes the OGBL and the LCGB.

Unionization

Union density and unions’ socio-political influence have been declining since the 1980s. Density decreased from 50 per cent in 1980 to 43 per cent in 1998, and stood at 28 per cent in 2019, although the absolute membership has increased almost continuously in a context of strong job creation. The OGBL, for instance, increased its membership from 39,000 in 1993 to 71,000 in 2019, although a stagnation or even a slight regression has set in over the past couple of years. The decline in union density is thus mainly due to the fact that the recruitment of new
members has not kept pace with the strong job creation and diversification of the economy since 1985. Employment creation has been most vigorous in industries in which the presence of unions has traditionally been weak, such as business services and retail. Because union competition pushes each union to project an image of strength, these issues are not publicly acknowledged or discussed by the unions.

Union members are typically older than the average employee, frequently of intermediate qualifications and often employed in public administration, education, transport and manufacturing industry (Ries 2011). Luxembourg-born workers are also more likely to be unionized than foreign-born workers. While in 2010 the union membership rate was 53 per cent for Luxembourg-born workers, it was 35 per cent among Portuguese immigrants living in Luxembourg, 27 per cent among Belgian immigrants, 24 per cent among German immigrants and 19 per cent among French immigrants (Ries 2011). While some of the differences in the unionization rates can be attributed to the industries in which workers are employed or to workers’ sociodemographic characteristics, it is still true that, even when these factors are taken into account, immigrants remain significantly less unionized than nationals (Fleury et al. 2011).

Given that residents of Luxembourg nationality only make up 27 per cent of Luxembourg’s workforce, migrant workers are strongly present among the membership of the OGBL and the LCGB. In the case of the OGBL, 31 per cent of the membership were of Luxembourg nationality and 69 per cent of foreign nationality in 2019. Twenty per cent of all members of the OGBL were French cross-border workers in 2019, 11 per cent Belgian cross-border workers and 10 per cent German cross-border workers, according to a former OGBL president (Interview, March 2020).

To address the internationalization of Luxembourg’s labour market, trade unions have created specific organizational structures to integrate migrant workers. The OGBL and the LCGB thus set up immigrant departments and branches for cross-border workers in the 1980s (Thomas 2015). These structures take positions, from the perspective of migrant workers’ interests, on issues such as social security entitlements, housing or education. They also undertake unionization drives in industries with a large immigrant population, such as construction and cleaning, where they also seek out foreign candidates ready to stand at the elections of workplace staff delegations. Furthermore, both the OGBL and the LCGB have built links in particular with the Portuguese community in Luxembourg, which is the largest migrant group, and its network of
associations and ethnic media. This active representation of the interests of migrant workers also generates dilemmas and tensions within unions, namely relating to the unification of members’ interests and to the limits of organizational diversification. The defence of migrant workers’ interests may, for instance, render the unification of members’ interests more difficult, as it moves unions away from a general representation of members’ interests, giving rise to distributional and political conflicts among the membership. The creation of specific structures for migrant workers has also provoked debates over the degree of autonomy and integration of these structures, with representatives of cross-border workers’ branches seeking to extend their autonomy, while immigrant workers residing in Luxembourg aim to deepen their integration into existing union structures (Thomas 2020).

Unionization strategies traditionally rely on the negotiation of collective agreements at company and industry level. Unions also try to gain new members and retain existing members by developing individual services. Unions have increasingly put into place individual counselling and support services since the 1990s, focusing in particular on labour law and social security issues. The counselling and support services of the OGBL and the LCGB, which employ, respectively, twenty-five and fifteen social counsellors, are accessible to all union members, but they may be particularly useful for immigrants without sufficient knowledge of Luxembourg’s official languages (French, German and Luxembourgish), or who do not feel comfortable dealing with the public administration. Given that 15 per cent of Luxembourg’s population is of Portuguese nationality, the unions have hired numerous Portuguese-speaking social counsellors and published information material in Portuguese. In addition, unions offer individual services not directly related to work and employment. The OGBL and the LCGB offer, for instance, a free leisure accident insurance and preferential rates for other insurances. The CGFP sells various kinds of insurance, ranging from life to car insurance, as well as consumer loans. The CGFP even launched an investment vehicle through which it invested the savings of its members, although it decided to shut it down because of the low-interest rate environment.

**Union resources and expenditure**

Membership dues are the trade unions’ main resource, and the maintenance of the full-time apparatus is an important point of expenditure.
In parallel to their increasing institutionalization, unions have undergone a steady process of professionalization, with an increase in their number of full-time staffers. This increase is driven by the professionalization of individual member services and the growth in the number of full-time officials negotiating collective agreements, supporting unionized staff representatives in companies and coordinating the activities of the federations. The criteria determining whether a union can be considered representative include its organizational capacity, to be measured among other things by its capacity to fund full-time officials through members’ dues (Castegnaro 2015). The OGBL today has over 120 employees, compared with the seventeen officials of its predecessor organization, the LAV, in 1978 (Auger 1980). The LCGB has fifty-four employees. Moreover, unions can rely on economic analyses and legal opinions produced by the CSL, which has eighty-five employees. The CGFP has a leaner internal organization, with twelve employees.

Trade union expenditure is financed mainly through members’ dues, which make up over 90 per cent of unions’ budgets, and through state subsidies for specific activities. The OGBL and the LCGB thus receive a subsidy from the Ministry of Labour for the functioning of their joint European secretariat. In addition, the OGBL and the CGFP have set up development cooperation structures that receive funding from the Ministry of Development Cooperation. Unions may also receive revenues from the lease of real estate and commercial activities. Because of the steady increase in membership, unions have to date not encountered difficulties in financing their activities.

The unions mainly collect flat-rate member dues. The OGBL and the LCGB both receive monthly membership dues of – in theory – 1 per cent of gross income, although this is capped at 20.4 and 19.4 euros, respectively. The members’ dues are paid directly at the confederal level and then redistributed among the federations and local branches. This direct affiliation of members to the confederation gives control over union dues to the confederal level and contributes to the strong centralization of the OGBL and the LCGB. In the case of the CGFP, each professional association affiliated to the confederation collects its own dues and transfers a share of them to the confederate level (3 euros per month in 2020).

To preserve their liberty of action, the major unions do not have legal personality, they are de facto associations (Putz 2014). To be able to own financial and property assets, however, the OGBL, the LCGB and the FNCTTFEL have created distinct structures to manage their financial
participation in companies and real estate holdings, which are mostly a legacy of the numerous consumer cooperatives and ‘People’s Houses’ (*Maisons du Peuple*) set up during the 1920s and 1930s. While formally independent of the unions, these structures are run by former and current union leaders. The OGBL has two such structures: the Maison du Peuple, with assets of 3.5 million euros in 2018, and the Centrale du LAV, which has not published its recent balance sheets. The LCGB’s Luxmill possesses real estate of a total value of 26.9 million euros (financed through a bank loan of 19.2 million euros), and the FNCTTFEL’s Coopérative Casino syndical possesses real estate valued at 7.2 million euros.

Participation in commercial ventures can also turn into a liability for unions. Currently, the OGBL and the FNCTTFEL own 61 and 17 per cent, respectively, of the media group Editpress, via the Centrale du LAV and the Coopérative Casino syndical. The group publishes the daily newspaper *Tageblatt* and operates a printing press. Editpress is also a co-shareholder of the companies publishing the dailies *Le Quotidien* and *L’Essentiel*, and the weekly *Revue*. Because of the erosion of print media, Editpress has in recent years accumulated considerable losses and debt, leading to the closure of the weekly newspaper *Le Jeudi* in 2019. The restructuring and consolidation of the group, which had a total debt of 15.8 million euros in 2018, has become a pressing concern and confronts the involved unions with difficult choices.

**Collective bargaining and unions at the workplace**

Traditionally, collective bargaining in Luxembourg has been most developed in manufacturing and in the public sector. Since the 2000s, however, unions have increasingly been negotiating collective agreements in the private service sector. When it comes to negotiating collective agreements and mobilizing workers, unions rely mainly on the staff representation bodies in companies. Luxembourg knows no equivalent of the union delegate or the company union section, as exist for instance in France. Unions may, however, submit lists during the election of the staff delegations and almost half of the elected staff representatives are elected from such lists (see Table 19.3).

Under Luxembourg labour law, private sector companies with at least fifteen workers have to hold elections every five years for a staff representation body tasked with ‘safeguarding and defending employees’ interests’. While in the 2008 elections, 53 per cent of the elected representatives
were candidates put forward by unions, the number of unionized workers’ representatives dropped to 43 per cent in 2019,\(^3\) according to the labour inspectorate in charge of supervising the elections. In companies with more than 100 employees, 66 per cent of workers’ representatives are unionized, while only 23 per cent are unionized in companies with fewer than 100 employees. The new law on social dialogue of 2015 lowered the threshold for the designation of full-time workers’ representatives at the company level from 500 to 250 workers. This reform, which was strongly advocated by the OGBL, has created numerous additional full-time representatives in medium-sized companies, further contributing to the professionalization of union work. No staff representations are elected in the public administration.

| Table 19.3 Elected staff representatives at the company level, 2008, 2013 and 2019 |
|---------------------------------|----------------|----------------|
|                                | 2008 (%) | 2013 (%) | 2019 (%) |
| Non-union representatives      | 47       | 51       | 57       |
| OGBL representatives           | 31       | 29       | 24       |
| LCGB representatives           | 15       | 14       | 14       |
| Other union representatives    | 7        | 6        | 5        |

Source: Press articles and Inspectorate of Labour and Mines. Prior to 2019, when the results of the social elections were for the first time collected in digital form by the labour inspectorate, the aggregated results of the elections of staff representatives were notoriously contested, with the labour inspectorate, union confederations and independent unions often putting forward significantly different results.

The OGBL and the LCGB, considered nationally representative, have a monopoly on the negotiation of collective agreements in the private sector, whether at company or industry level. While the ALEBA still benefits from industry-level representativeness in the financial sector, its position is eroding, and its strongholds are nowadays mainly the small and medium-sized banks. In the aftermath of the global financial crisis of 2008, labour–management relations in many banks became more difficult in a context of cost-cutting, digitalization and tightened banking regulations (Kirov and Thill 2018). The introduction in 2015 of the

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\(^3\) The workplace and CSL elections that should both have taken place in November 2018 were postponed to 2019 to avoid an overlap with the general elections held in October 2018.
automatic exchange of information to reduce tax evasion put further pressure on Luxembourg-based private banking activities. These developments strained the ALEBA’s non-conflictual approach to interest representation. In addition, in the run-up to the 2019 social elections, opaque and acrimonious internal conflicts led to the firing of several union officials and the abrupt resignation of the president of ALEBA.

While unionized employee representatives from the relevant companies or industries participate in the negotiation of collective agreements, these are led mainly by full-time union officials. At the end of the negotiation process, collective agreements are usually ratified by a meeting of the unionized employee representatives from the company or industry concerned. To be recognized by the authorities, collective agreements in the private sector may be signed only by the OGBL and the LCGB federations. Most collective agreements are negotiated at the company and industry level, with hardly any bargaining at cross-sector level.

The overall coverage rate of collective agreements has remained stable at approximately 60 per cent since the 1980s. This remarkable stability is due to the unions’ ability to negotiate new collective agreements at the company level and to the extension of a number of industry-level collective agreements. The declaration of general interest by the Ministry of Labour makes it possible to render collective agreements compulsory for a given industry (Thomas et al. 2019). The bargaining power of unions differs, however, strongly depending on industry. In 2018, at the industry level, the coverage rate of collective agreements varied from 75 per cent of workers in health and social work and 64 per cent in manufacturing to 21 per cent in hospitality and 14 per cent in professional, scientific and technical activities, according to the Structure of Earnings Survey. The government also influences wage bargaining indirectly through the indexation of wages, which was introduced for public servants in 1921 and gradually extended to the general economy in 1965 and 1975, and the setting of the statutory minimum wage introduced in 1944, increases in which influence the wage raises negotiated in collective agreements.

The existing collective agreements at the industry level are mainly either long-established, such as in banking or construction, or the result of a shared interest between employers and unions to cut out competition over wages, such as in security or hospitals. Unions have hardly negotiated any new such collective agreements at the industry level over the past decade. In retail, for instance, unions ended up negotiating agreements at the company level because they did not succeed in negotiating
an agreement at the industry level. In finance, because of outsourcing of IT services and back-office functions by many banks, employment has increased among so-called ‘financial sector professionals’ (professionnels du secteur financier) not covered by the banking collective agreement. Unions are also hardly represented among the Big Four accounting firms Deloitte, Ernst & Young, KPMG and PwC, which are heavily present in Luxembourg. At the company level, a substantial number of collective agreements are negotiated in manufacturing, retail and transport, while agreements are very rarely concluded in hospitality and business support activities.

Several recently signed collective agreements contain only limited extra-legal advantages or seem to be caught in a process of gradual hollowing out. For instance, in banking, the multi-annual collective agreements concluded in 2014 and 2018 did not contain any linear pay increases. In addition, the number of bank employees considered to be senior executives (cadres supérieurs) – and thus not covered by the collective agreement – has increased. Unions in banking claim that approximately one-third of all bank employees are wrongly categorized as senior executives. Classified as senior executives, these employees are not entitled, for instance, to paid overtime or supplementary holidays.

As a general rule, in recent years trade union bargaining power has been strongest in the segments of the economy directly or indirectly controlled or funded by the state, as witnessed by the advantageous collective agreement for the social sector negotiated by the OGBL in 2017 and by the favourable wage agreement in the public service negotiated by the CGFP in 2018. In manufacturing and private services, unions have encountered more difficulties in mobilizing their members and achieving favourable bargaining outcomes. In 2019, the OGBL developed, with a degree of success, innovative mobilizing tactics during the negotiation of a collective agreement with a major retailer in Luxembourg, the Cactus group. The union put pressure on Cactus through public campaigning and by targeting the company’s weak spots, such as its dependence on the truck drivers supplying local supermarkets. Such attempts at developing organizing practices, however, are for the present mainly the product of individual initiatives within the confederations, and there is no systematic approach to organizing by central leaderships. In general, non-standard workers and platform workers are a blind spot of union recruitment.
Luxembourg: Residual institutional strength

**Industrial conflict**

Luxembourg’s strike legislation is highly restrictive, and strikes are rare. While France and Italy inscribed the right to strike in their constitutions after the Second World War, Luxembourg’s Council of State opposed this. Only in 2007 were strikes mentioned in the constitution, albeit in an implicit and restrictive form: ‘The law […] organizes the right to strike’. The driving force of Luxembourg’s economy, banking, has thus far known only one industry-wide strike, in July 1991. The generally low level of strike activity is due to a combination of different factors: the restrictive legal framework, the high threshold for strikes set by unions themselves, and, finally, the consensus orientation of industrial relations that results from the ‘ideology of social partnership’ that historically has permeated Luxembourg, like other small countries in Western Europe (Katzenstein 1985).

Strike action is possible only after the referral of the litigious issue to the government-appointed National Conciliation Office (*Office National de la Conciliation*) and the formal drafting of a statement of ‘non-conciliation’. Legal experts have raised the question of whether Luxembourg’s strike legislation conforms with international norms, although unions have never tried to challenge it in court (Castegnaro and Arcanger 2010; Putz 2014). This restrictive legal framework pre-structures interactions between employers and workers’ representatives, and tends to impede strike action by making the recourse to industrial action potentially costlier, in particular spontaneous and solidarity strikes.

Both the OGBL and the LCGB pay out strike benefits when their members engage in a strike called by the union; the CGFP does not have a strike fund and does not pay out benefits to strikers. OGBL and LCGB statutes stipulate, however, that at least 75 per cent of their members in the relevant company or industry have to vote in favour of a strike in a secret ballot, which sets a high threshold for engaging in industrial action. Unions consider this high threshold to be a safeguard against premature industrial action. Historically, Luxembourg unions have been very cautious in calling strikes since the failed general strike of March 1921, which led to numerous dismissals of union activists and membership losses (Scuto 1990). The March 1921 strike left a lasting imprint of distrust towards spontaneous industrial action on the labour movement.

In addition, public discourse in Luxembourg is underlain by a normative conception of industrial relations, valuing social peace and
political stability as intrinsic values. In Luxembourg, as in Belgium and the Netherlands (Conway and Romijn 2007), proportional political representation and multi-party coalitions have shaped political systems in which compromise rather than conflict has been the defining characteristic. If a degree of social conflict is accepted, the dominant thinking is that it needs to be channelled and organized. Because of Luxembourg’s strategic vulnerability as a small country dependent on foreign investments, social peace is also presented by the government as a crucial factor in the country’s economic viability.

In a context of dwindling unionization rates and tougher employer resistance since the financial crisis of 2008, unions’ ability to mobilize their members for industrial action has diminished. Over the past decade, several union attempts to organize strikes have failed. These failures have occurred both in strongly unionized companies and industries – such as the steel producer Arcelor-Mittal or among teachers in 2013 – in which unions have not managed to gather sufficient votes among their membership to call for strikes, and in weakly organized industries, such as cleaning in 2014–2015. Moreover, unions have encountered difficulties mobilizing their members on crucial cross-industrial issues, such as the ‘modulation’ (in fact, a temporary suspension) of the wage indexation mechanism in 2011 and the reform of the pension system in 2012. In other instances, in relation to industry-specific concerns, unions have been more successful in mobilizing workers. In 2013, unions conducted a successful mobilization in the construction industry to prevent a flexibilization of working time. In 2018, an 11-day strike by retirement home workers lead to a successful outcome for the mobilized workers. In general, unions have been very careful in choosing their battles, considering strikes as a last resort, and, in case of doubt, have shrunk back from large-scale confrontations. For instance, during the economic downturn triggered by the Covid-19 pandemic, numerous companies have cut jobs without facing any meaningful industrial action, in particular Arcelor-Mittal, the air company Luxair, the publishing company Saint-Paul or the glass manufacturer Guardian Luxguard.

**Political relations**

The main private sector confederations OGBL and LCGB retain strong links with the two main political parties that have shaped politics in Luxembourg since the Second World War. The OGBL is close to the
Social Democrats and the LCGB to the Christian Democrats. Up to the 1990s, dual careers as trade union leaders and politicians were frequent, and most governments featured at least one prominent union leader as minister, typically as minister of labour. Since the 2000s, there has been a gradual distancing, with relations becoming less organic and occasional divergences being publicly voiced. In contrast to the OGBL and the LCGB, the CGFP and ALEBA highlight their political and ideological neutrality.

Both Luxembourg’s Christian Democrats, who were almost continuously in power from 1945 to 2013, and their junior partner, the pragmatic Social Democrats, have been pivotal supporters of social concertation and partnership. This reflects these political currents’ scepticism as regards the capacity of liberal and individualistic societies to maintain social cohesion (Streeck 2006). The Tripartite Coordination Committee has come to be considered as the cornerstone of social concertation in Luxembourg. After playing a key role in the restructuring of the steel industry, the focus of the Tripartite Coordination Committee gradually shifted in the 1990s and 2000s to issues of national competitiveness and the implementation of the European Employment Strategy. Since the economic crisis of 2008, national-level social dialogue and consultation processes have become increasingly conflict-ridden, however.

The difficulty of achieving a consensus in the tripartite format has led governments to engage in bipartite rather than tripartite negotiations. In addition, the formerly dominant Christian Democrats, who were strong backers of corporatist forms of governance, were not part of the governments formed in 2013 and 2018 by the centre-right Democratic Party, the Social Democrats and the Green Party. Neither the Democratic Party nor the Green Party maintain any organic links with unions, although, for the time being, they do not openly question the key pillars of the traditional industrial relations system, comprising unions as sole negotiators of collective agreements, the wage indexation mechanism and the intrinsic value of structured social dialogue.

Since the economic and financial crisis of 2008, employer organizations have increasingly been distancing themselves from social partnership and have reasserted their freedom to regulate wages and working time either unilaterally or at the workplace level. A new generation of leaders of employer organizations have taken a more confrontational attitude towards unions and portray tripartite social dialogue as a tiresome burden from the past. While Luxembourg’s employer organizations
were led for over a century by steel executives accustomed to dealing with unions, this has changed in recent years. In 2019, the long-serving Michel Wurth, a board member of Arcelor-Mittal, stepped down from his position as president of the two main employer organizations, the Chamber of Commerce and the Union of Luxembourg Enterprises (UEL, Union des Entreprises Luxembourgeoises). Documenting the loss of influence of manufacturing, Luc Frieden, chair of the board of directors of the Chinese-owned bank Banque Internationale à Luxembourg, became head of the Chamber of Commerce, and Nicolas Buck, owner of a small company providing services to investment funds, was elected president of the UEL.

An indirect means of trade union participation in national politics are the professional chambers consulted by the government and the parliament on proposed legislation and regulations relevant to the categories they represent. At their creation in 1924, the professional chambers – which are elected every five years by all workers – were intended by the government to act as a counterweight to unions (Putz 2014; Wey 2003). The chambers never played that role, however, as unions were always hegemonic in the chambers of blue- and white-collar workers, which merged in 2009 to form the CSL, to which all employees in the private sector are automatically affiliated. Unions are nonetheless still careful to prevent the CSL from gaining autonomy. Emblematic of this is the fact that the current president of the OGBL is at the same time president of the CSL, leaving hardly any room for autonomous expression by the CSL. When elections were held in 2019 to determine the new composition of the professional chamber, the participation rate continued its downward trajectory, at 33 per cent, down from 36 per cent in 2013. The participation rate of non-nationals, both immigrants living in Luxembourg and cross-border workers, is significantly lower than that of nationals. The steady decline of the participation rate calls into question the traditional function of voting for the CSL as an indicator of non-unionized workers’ support for the established unions. Public servants are affiliated to the Chamber of Civil Servants and Public Employees (CHFEP, Chambre des fonctionnaires et employés publics), created in 1964. Women are underrepresented in both professional chambers: roughly one-third of the elected members of the CSL are women and as few as one-fifth of the members of the CHFEP (Blond-Hanten 2021).

In general, the unions’ political influence has diminished with the internationalization of Luxembourg’s labour market. Today a majority
of the OGBL and LCGB membership are migrant workers who do not have the right to vote at national elections, whereas CGFP’s membership is largely made up of nationals. The fact that the workforce in manufacturing and the private service sector is made up mainly of immigrants and cross-border workers renders the working class even more ‘invisible’ in Luxembourg than in other Western European countries (Raphael 2019). During the legislative election of 2018, the main parties did not have a single manual worker on their lists, and only 7 per cent of all surveyed voters self-identified as working class, according to a post-election survey for the University of Luxembourg. The fact that many Luxembourg nationals, who are the only ones to vote in the legislative elections, work in the public sector confers a strong political influence on the CGFP. The CGFP is not shy in using its political clout whenever it judges that public servants’ core interests are at stake: wages and working conditions in the public service and requirements in terms of nationality and language proficiency for public servants.

**Societal power**

The capacity of trade unions to pursue their objectives also depends on their societal power, their ability to influence broader debates in society. From the 1920s to the 1960s, unions primarily conceived their role as that of labour market bargainers. The division of work was well established: unions focused on labour market issues and their sister parties dealt with broader political issues. From the 1960s onwards, unions started to conceive their role more broadly as societal actors. In recent years, the OGBL and the LCGB have increasingly engaged with environmental and social non-governmental organizations (NGOs) over a range of issues, such as free trade agreements and climate policies.

Historically, unions’ local branches had a mission to engage with local communities. The unions linked to the Social Democrats were engaged in the construction of a counter-society through consumer cooperatives, local libraries and further education (Fayot 1979). In this perspective, local union branches had an important role. Over time, the vitality of these branches has steadily declined. Fewer workers live close to their place of work and the consumer cooperatives and local libraries previously run by local branches have disappeared. Local branches have moreover been unwilling to open themselves up to migrant workers, largely because the older and locally well-established union members in charge
of these branches have been unwilling to make room for newcomers (Thomas 2015). In turn, they have become overaged structures, whose sole activity is often to organize an annual general assembly and an occasional excursion.

While the decline of local branches has made it impossible for unions to use them as a vector for pursuing broader political, social and cultural goals, unions have engaged with NGOs, mainly through peak-level coalitions. In keeping with Luxembourg unions’ centralized organizational structures and bureaucratic culture, these coalitions mainly involve the unions’ leaderships, with limited involvement of the rank-and-file. Societal engagement is mostly the domain of the OGBL and the LCGB. The more corporatist-minded CGFP and the independent unions ALEBA, SYPROLUX and APESS mainly stick to work-related issues and do not have a tradition of broader societal involvement.

The OGBL and the LCGB have built coalitions with environmental and social NGOs, joining, for instance, the ‘Stop TTIP and CETA’ coalition contesting the negotiation of free trade agreements between the EU and the United States and Canada (the Transatlantic Trade and Investment Partnership and the Comprehensive Economic and Trade Agreement). They have been actively involved in lobbying political decision-makers and in street demonstrations. Trade union participation in the coalition has undoubtedly contributed to the vitality of the discussion on trade agreements in Luxembourg and represents a broadening of trade union scope.

Unions have also engaged with Luxembourg’s branch of the Fridays for Future movement. Unions have, however, had trouble developing a coherent policy on decarbonization. While the OGBL and the LCGB at confederal level take general positions in favour of ambitious climate policies, they do not necessarily enact them at the company or industry level, which leads to policy incoherencies. There is thus a gap between the principled positions adopted by union confederations and the concrete climate strategies pursued at company and industry level. During the debate on the most recent reform of the EU Emissions Trading System between 2014 and 2017, many union representatives of the steel industry paid lip service to the need for climate protection, while concentrating on buying time and minimizing regulation (Thomas 2021). This kind of ambivalent positioning will prove more and more difficult to sustain with the growing societal acknowledgement of the need for deep
decarbonization and increasing pressure from non-state actors for tighter climate regulations.

**Trade union policies towards the European Union**

As Luxembourg was a founding member of the European Coal and Steel Community and the European Community, the unions were confronted early on with the effects of Europeanization. In line with the historical attitudes of Social Democracy and Christian Democracy in favour of European unification, the OGBL and the LCGB have generally advocated stronger European integration. With the EU’s adoption of fiscal austerity policies after the financial and economic crisis of 2008 and the European Commission’s recommendations to abolish Luxembourg’s wage indexation mechanism, put forward in the context of the European Semester, unions increasingly became more critical towards EU policies.

Given the strong presence of migrant workers in Luxembourg, the most important impact of European unification on trade union policies has arguably been in the domain of free movement of labour. Although historically the trade unions advocated labour market protectionism, they rapidly came to accept during the 1950s the implementation of freedom of movement of workers, considering it inevitable. Since the 2000s, the unions have come to use the growing body of European law and the judgements of the European Court of Justice in the domains of freedom of movement and the coordination of social security systems as a legal infrastructure to offer advice and support services to migrant workers. Unions use the provisions on freedom of movement to advocate and mobilize on behalf of migrant workers. The principles of equality of treatment as regards employment, working conditions, and tax and social benefits have thus become a resource for legitimizing union demands concerning migrant workers. For instance, in 2011, the unions heavily relied on the notions of equality of treatment and non-discrimination when acting in defence of migrant workers’ right to access certain social benefits, which was being called into question by government austerity policies (Thomas 2016).

During the extended post-war boom, the immigration policy of successive Luxembourg governments was based on labour agreements, first with Italy and then with Portugal. In response, the LAV and the OGBL signed agreements with Italian and Portuguese unions foreseeing aid and
assistance to migrant workers, in particular on social security issues. In
the case of cross-border workers, international union collaboration is also
well developed. The LCGB, for instance, has concluded a dual mem-
bership agreement with the Belgian Confederation of Christian Trade
Unions (CSC, Confédération des Syndicats Chrétiens). Belgian cross-
border workers can be a member of both the LCGB and the CSC, and
benefit from the services offered by the two unions.

While trade unions have in general advocated stronger integration of
social policies within the EU, they did not challenge Luxembourg’s trans-
formation from a centre of steel production into an offshore financial hub
in the 1980s and 1990s. None of the measures to rein in the financial
sector taken by Luxembourg’s governments in recent years under pressure
from the EU and the OECD had been advocated by unions: automatic
exchange of information, prevention of money laundering and measures
against aggressive ‘tax planning’. This is certainly because of the logic
of competitive corporatism to which the unions subscribe, but also the
fact that the tax revenues generated by the financial hub have been used
in part to fund welfare policies and ensure a degree of social cohesion.
Unions have thus focused on wage increases and welfare provisions for
workers in Luxembourg, without raising broader questions concerning
transnational fiscal justice and the negative consequences of fiscal evasion
for neighbouring countries.

Luxembourg’s trade unions have played an active role as affiliates of EU
structures, including the European Trade Union Confederation (ETUC)
and interregional structures. They were among the founding members of
the ETUC and a former leader of the LAV, Mathias Hinterscheid, served as
the ETUC’s general secretary from 1976 to 1991 (Degryse 2013). The two
ETUC affiliates in Luxembourg, the OGBL and the LCGB, have a joint
European secretariat to follow EU policies and to participate in the ETUC’s
working groups and committees. The first interregional trade union coun-
cil in Europe was created between Luxembourg, Saarland (Germany)
and Lorraine (France) in 1976. The two interregional councils in which
Luxembourg unions participate have joined together in a ‘Platform of the
Greater Region’, which aims to represent workers’ views at executive sum-
mits of the Greater Region (made up of Luxembourg, Lorraine in France,
Saarland and Rhineland-Palatinate in Germany, and the Walloon region
in Belgium). The platform also coordinates the activities of union repre-
sentatives within the Economic and Social Council of the Greater Region.
Luxembourg unions, along with German, Belgian and Dutch unions, also
participated in the pioneering ‘Doorn declaration’ (Dufresne 2011). This initiative, now defunct, aimed to achieve closer cross-border coordination of collective agreements within the Economic and Monetary Union. The public servants union CGFP is affiliated to the European Confederation of Independent Trade Unions (CESI). The CGFP’s president, Romain Wolff, was elected president of the CESI in 2012.

Despite the numerous attempts at closer coordination, the unions are still struggling to develop cross-border solidarities and collective action. All too often, cross-border cooperation between unions remains circumscribed at the institutional level, without rank-and-file involvement (Thomas 2015).

Conclusions

The main drivers of change in the case of Luxembourg are similar to those in other Western European countries (Raphael 2019), first and foremost the relative decline of the industrial sector in overall employment, the effects of automation and mechanization, and the rise of the private service sector. In Luxembourg, the magnitude of change has been amplified by the rapid growth of financial activities, dramatically changing the composition of Luxembourg’s labour force. The powerful employment creation linked to the long period of high GDP growth that started in the second half of the 1980s, the increase in workers’ qualification levels and the creation of numerous small and medium-sized companies have confronted unions with the limits of unionization strategies built on the negotiation of collective agreements and service provision. Industries with no established tradition of collective bargaining and with a weak union presence, such as business services and retail, have grown most strongly. Sustained immigration and the rise of cross-border work represent an additional challenge to unions as many new workers are not familiar with Luxembourg’s industrial relations system.

Unions still have important organizational and institutional resources that give them substantial residual strength. They maintain significant collective bargaining coverage, are efficient at providing services and have developed solid links with the most numerous migrant group (the Portuguese) and with cross-border workers. Important building blocks of Luxembourg’s industrial relations system – the minimum wage and collective bargaining mechanisms – have been preserved over the financial and economic crisis of 2008 or lightly modulated, as seen in the
wage indexation system. Unions have increased their absolute membership and continue to be solely entitled to negotiate collective agreements. Political support for an industrial relations culture favouring consensus and the search for negotiated outcomes remains widespread among the political parties represented in Parliament.

But the balance sheet of (neo)corporatism is ambiguous: while it has ensured a degree of political influence for unions, it has also reinforced their centralized and bureaucratic culture. Their integration into a myriad of commissions, boards and committees tends to cut union leaders off from their constituencies and to nourish an overly pragmatic approach to policy issues. In addition, unions’ capacity to engender and organize social conflict has atrophied in the absence of large-scale social conflicts and strikes. This, in conjunction with a lack of interest in programmatic and theoretical perspectives, makes it more difficult for unions to question their established routines and build links with new actors. As a result, unions are struggling to develop policy responses to key issues such as the pressing need for decarbonization of the economy and the challenges of digitalization. Unions have also not developed a critical outlook on a core issue of Luxembourg’s political economy, the country’s responsibility as a financial centre amidst the international surge of tax avoidance strategies.

Given this mixed balance sheet, what does the future hold for Luxembourg’s unions? The four scenarios for future union development spelled out by Dutch labour sociologist Jelle Visser provide useful reference points: marginalization, substitution, dualization or revitalization (Visser 2019). In the absence of a revitalization of their outlook and organizational practices, a gradual marginalization as a result of decreasing unionization rates is a distinct risk for Luxembourg’s unions. This marginalization may, in turn, lead to an incremental dualization of union representation and policies, limiting unions’ influence to the well-organized segments of the economy. While the era of social partnership has accustomed unions to think of themselves as having a broad socio-political mandate, marginalization and dualization would condemn them to a future as one special interest group among many.

References


luxembourgeois, Luxembourg, Institut d'études européennes et internationales du Luxembourg.


**Abbreviations**

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<thead>
<tr>
<th>Abbreviation</th>
<th>Full Form</th>
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<tbody>
<tr>
<td>ALEBA</td>
<td>Association Luxembourgeoise des Employés de Banque et Assurance (Luxembourg Association of Bank and Insurance Employees)</td>
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<tr>
<td>APESS</td>
<td>Association des Professeurs de l’Enseignement Secondaire et Supérieur du Grand-Duché de Luxembourg (Association of Teachers of Secondary and Higher Education of the Grand Duchy of Luxembourg)</td>
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<tr>
<td>CESI</td>
<td>Confédération Européenne des Syndicats Indépendants (European Confederation of Independent Trade Unions)</td>
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<tr>
<td>CGFP</td>
<td>Confédération Générale de la Fonction Publique (General Public Sector Confederation)</td>
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<tr>
<td>CHFEP</td>
<td>Chambre des Fonctionnaires et Employés Publics (Chamber of Civil Servants and Public Employees)</td>
</tr>
<tr>
<td>CSC</td>
<td>Confédération des Syndicats Chrétiens (Confederation of Christian Trade Unions)</td>
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<tr>
<td>CSL</td>
<td>Chambre des Salariés (Chamber of Wage Earners)</td>
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<td>EU</td>
<td>European Union</td>
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<tr>
<td>ETUC</td>
<td>European Trade Union Confederation</td>
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<tr>
<td>FEP</td>
<td>Fédération des Employés Privés (Federation of Private Sector Employees)</td>
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<tr>
<td>FGFC</td>
<td>Fédération Générale de la Fonction Communale (Federation of Local Government)</td>
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<tr>
<td>FLA</td>
<td>Freie Letzeburger Arbechterverband (Free Luxembourg Workers’ Union)</td>
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</table>
FNCTTFEL  Fédération Nationale des Cheminots, Travailleurs du Transport, Fonctionnaires et Employés Luxembourgeois (National Federation of Luxembourg Railway and Transport Workers and Civil Servants)

LAV  Letzeburger Arbechter-Verband (Luxembourg Workers’ Union)

LCGB  Lëtzebuerger Chrëschtleche Gewerkschaftsbond (Luxembourg Confederation of Christian Trade Unions)

NGO  Non-governmental organization

OECD  Organization for Economic Co-operation and Development

OGBL  Onofhängege Gewerkschaftsbond Lëtzebuerg (Luxembourg Independent Trade Union Confederation)

SYPROLUX  Fédération Chrétienne du Personnel des Transports (Christian Federation of Transport Personnel)

UEL  Union des Entreprises Luxembourgeoises (Union of Luxembourg Enterprises)