Joint European Level Social Partners' Work Programme 2009-2010

Joint Study on Restructuring in the EU

National dossier: Luxembourg

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Part One: Restructuring in Luxembourg

- **Macroeconomic review and trends of restructuring in Luxembourg**
  - ⌘ The Luxembourgish economy
  - ⌘ Patterns and trends of restructuring
  - ⌘ Questions and issues for the discussion

Population

- ⌘ Estimated at 493 000; over 40% are foreigners
- ⌘ One of the countries with the biggest inward migration
  - ◆ Bordering countries + Portugal and Italy + immigrants from the Balkans
  - ◆ Growing migration

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Migration	3 815	4 461	3 431	3 319	2 649	5 419	4 396	6 106	5 353	6 001

  - ◆ Significant number of illigal migrants: in 1999 some 5 000 people
  - ◆ Attractive destination: full employment, intensive job creation in different sectors, attractive salary level and relatively low taxes

“We wish to remain what we are” (*Mir wölle bleiwe wat mir sin)*

- ⌘ Luxembourg is the richest country in the EU
- ⌘ Constant GDP growth per year; significantly outdistancing other EU countries

	2004	2005	2006	207	2008
EU25	104.2	104.1	103.9	103.7	103.6
Luxembourg	**253.4**	**254.0**	**266.8**	**267.2**	**252.7**

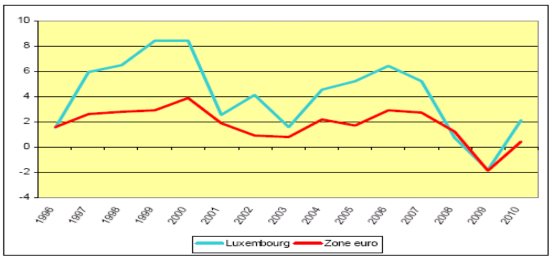
- ⌘ GDP slightly biased due to a big number of *frontaliers* working in Luxembourg
- ⌘ GDP growth undisturbed until 2007
  - ◆ Average GDP real growth of 5% per year

Strong and stable economy (II)

Success factors

- ⌘ Transformation from a heavy industry-based economy to high-value added service-oriented one
- ⌘ Relatively low personal, corporate and indirect taxes
- ⌘ Favourable legislation on banking and investment funds

GDP Growth 1996- 2010



Strong and stable economy (III)

Luxembourg's ranking

- ⌘ World Economic Forum's Global Competitiveness Index ranking 2008/2009: **25th position** out of 134 ranked economies
  - ◆ Criteria: institutional infrastructure, economic stability and education

Lisbon indicators: overall 7th rank

- ⌘ 3rd rank in enterprise environment and sustainable development
- ⌘ … but only 13th rank in Innovation and R&D, 9th in Liberalization and 8th in Information Society and Network Industries

➢ … which proves that Luxembourgish economy is a business-friendly economy based on principles of the social-economic model

Luxembourg's Progress on the Lisbon Indicators in 2008

Country	Final Index		Sub - indexes							
	Rank	Score	Information Society	Innovation and R&D	Liberaliza-tion	Network Industries	Financial Services	Enterprise Enviro-nment	Social Inclusion	Sustainable Develo-Pment
				Rank	Rank	Rank	Rank	Rank	Rank	Rank
Sweden	1	5.71	1	2	3	4	1	7	3	2
Denmark	2	5.64	3	3	4	2	2	6	1	4
Finland	3	5.64	7	1	6	6	4	1	2	1
Austria	5	5.34	6	8	2	5	5	11	6	6
Germany	6	5.34	9	4	5	1	9	15	9	5
Luxembourg	**7**	**5.22**	**8**	**13**	**9**	**8**	**7**	**3**	**7**	**3**
France	8	5.12	10	9	10	3	10	13	14	11
United Kingdom	9	5.12	5	7	11	9	11	8	15	12
Poland	26	3.76	26	22	25	26	25	25	26	24
Bulgaria	27	3.68	25	27	27	25	27	22	27	27

EC estimates: GDP is to fall by 3% in 2009…

Country/area	2005	2006	2007	2008	2009*	2010
EU27	2.0	3.1	2.9	0.9	-4.0	-0.1*
Luxembourg	**5.2**	**6.4**	**5.2**	**-0.9**	**-3.0**	**0.1**
Belgium	1.8	3.0	2.8	1.1	-3.5	-0.2
Germany	0.8	3.0	2.5	1.3	-5.4	0.3
Netherlands	2.0	3.4	3.5	2.1	-3.5	-0.4
Poland	3.6	6.2	6.6	5.0	-1.4	0.8

* Year 2009, 2010 - forecast

Luxembourgish economy and financial crisis (II)

- **… and careful outlook for the future**

"a mild recovery will emerge on the back of fiscal stimulus, easier monetary conditions and a pick-up in world trade" […] "with the exception of public expenditure, which is projected to remain extremely dynamic, most demand components will only post very modest positive growth rates (or even in some cases still negative ones due to the carry-over from this year) and real GDP is likely to grow only marginally in yearly average in 2010"

European Commission Spring Economic Forecast 2009

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Luxembourgish economy and financial crisis (III)

- **Serious problems in the financial sector**

- **Spillover effect to other sectors of the economy, i.e. steel production, automotive and construction sectors**
  - ⌘ Industrial production noted the biggest drop in the whole EU27: by 16% (Q3 to Q4 in 2008)
  - ⌘ 15 out of 18 sectors of the Luxembourgish economy experienced decrease in production in 2008
  - ⌘ Serious decrease in investment may cause further drop of production

- **Slight decrease of real estate prices**

- **The crisis may affect also other spheres of economy**
  - ⌘ Real estate, services or communication

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Luxembourgish economy and financial crisis (IV)

- **Luxembourg relatively well off while compared to other EU countries**
  - ⌘ Small size of the economy
  - ⌘ Ability to adapt to change
  - ⌘ Sound public finances
  - ⌘ High degree of social cohesion
  - ⌘ Effective tripartite cooperation
  - ⌘ Existence of appropriate institutions and mechanisms

  ➢ … some believe that the crisis is a real opportunity for Luxembourg to rethink its economic model

Structure of the economy (I)

- **Luxembourgish economy is characterised by**
  - ⌘ Big share of high-value added services – over 85% of the GDP
    - ◆ 28% generated by finacial sector
    - ◆ Important share of B2B services
  - ⌘ Industrial sector including steel, chemical, metal and rubber production
  - ⌘ Modern industries such as IT, telecomunications, transport, logistics, food processing
  - ⌘ Minor importance of agriculture sector
    - ◆ Mainly small, family farms

  ➢ … as a result **the Luxembourgish economy** can be described as a **bipolar one** (industry-services) with a strong domination of the services sector

Structure of the economy (II)

Share of gross value added (2000)

	Agriculture	Manufacturing	Construction	Commerce Transport Communication	Finance & business services	Other services
	Gross value added (as % of total economy)					
EU15	2.2	22.9	5.3	21.0	27.2	21.4
Luxembourg	**0.7**	**12.1**	**5.7**	**22.2**	**43.8**	**15.5**
Belgium	1.5	20.8	5.0	20.4	28.7	23.6
France	2.8	20.9	4.5	18.6	29.6	23.5
Germany	1.2	25.2	4.9	17.2	30.4	21.1
Netherlands	2.8	20.7	5.7	21.8	26.6	22.5

Small and medium sized enterprises

Some 47 SMEs per 1000 inhabitants

- ⌘ Exceeding the EU average of 40 SMEs
- ⌘ Account for almost 70% of the country's value added
  - ◆ The biggest contributors to value added
- ⌘ Account for 99,6% of all enterprises
- ⌘ Employ over 66% of workers
  - ◆ 87% employ up to 9 people (microenterprises)

	Number of enterprises		Number of persons employed		Value added (MEUR)	
	%	EU26 average (%)	%	EU26 average (%)	%	EU26 average (%)
Micro	87.6%	91.8%	20.6%	29.6%	26.6%	21.1%
Small	10.1%	6.9%	23.7%	20.6%	22.9%	19.0%
Medium	1.9%	1.1%	22.6%	16.8%	20.2%	17.8%
Total SMEs	**99.6%**	**99.8%**	**66.8%**	**67.1%**	**69.7%**	**57.9%**
Large	0.4%	0.2%	33.2%	32.9%	30.3%	42.1%

Employment in Luxembourg (I)

- **Stagnation and decline in the 1970s**
- **Employment growth picks up & change of employment structure**
  - ⌘ From industry (steel) to services (financial sector)

Structure of employment by activity, 2000 (% of total employment)

	Agriculture	Manufacturing	Construction	Commerce Transport Communication	Finance & business services	Other services
EU15	4.4	19.7	7.2	25.4	13.9	29.3
Luxembourg	**1.6**	**13.3**	**9.9**	**27.1**	**26.6**	**21.6**
Belgium	2.1	17.5	6.0	22.9	15.3	36.4
France	4.4	17.1	6.4	23.6	16.1	32.4
Germany	2.5	22.2	7.1	25.1	14.6	28.4
Netherlands	3.4	13.9	6.1	26.0	19.8	30.9

Employment in Luxembourg (II)

- **Employment rate**
  - ⌘ Overall 63. 8% (EU27: 65.9% in 2008), female: 50%, older workers: 34.3%

Country	Employment rate			Full-time employment rate			Part-time employment rate		
	1997	**2000**	**2007**	**1997**	**2000**	**2007**	**1997**	**2000**	**2007**
EU27	60.7	62.2	65.4	:	:	59.9	15.9	16.2	18.2
EU15	60.7	63.4	66.9	:	58.0	60.2	16.7	17.7	20.9
Luxem-bourg	**59.9**	**62.7**	**63.6**	**:**	**60.4**	**59.4**	**8.2**	**10.4**	**18.0**
France	59.6	62.1	64.6	:	58.7	59.4	17.0	16.7	17.2
Spain	:	56.3	65.6	:	53.9	61.9	7.9	7.9	11.8

- **2008: employment growth of 5%, beginning of 2009: 3%**
  - ⌘ Most hit: industry, construction and banking sectors

Employment in Luxembourg (III)

- **Characteristic features of employment in Luxembourg**
  - ⌘ Skiled and multilingual labour force
  - ⌘ High share of full-time employment, part- time employment growing
    - ◆ Only approx. 5% of part-time employment seems to be on involuntary basis
    - ◆ Share of part-time employment increases during the crisis: growth by 4.6% in 2008
  - ⌘ Temporary agency workers are increasing
    - ◆ Tripled between 1995 and 2007
    - ◆ Financial, transport and communications sectors hit the most
  - ⌘ Civil service jobs reserved for nationals
  - ⌘ Significant share of cross-border workers
    - ◆ Lack of predjudice towards cross-border workers

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Cross-border workers in Luxembourg

- **Characteristics of cross-border workers**
  - ⌘ 51 of total employed in the private sector
    - ◆ Most often in services for business, industry and financial sectors
    - ◆ Medium-sized and large companies
  - ⌘ Younger than Luxembourgish workers – majority aged 30-39 years
  - ⌘ Change job more often
  - ⌘ Secondary educational level
  - ⌘ 53% are manual workers
  - ⌘ Very often they are temporary workers: 82% of the cross-border workers were contracted out in 2006.
  - ⌘ In 2008 they took 2/3 of the newly created jobs
- **Cross-border workers were hit by the crisis**
  - ⌘ *Frontaliers* are the biggest group to have lost their jobs
  - ⌘ Mainly temporary workers

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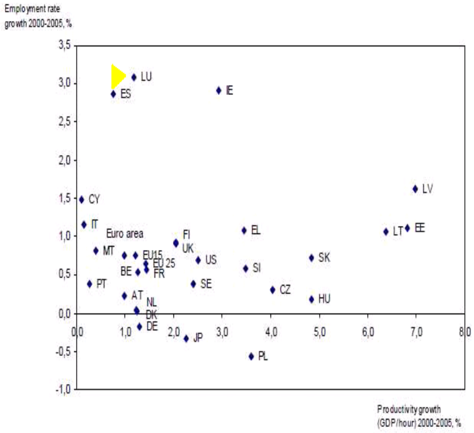
Unemployment in Luxembourg

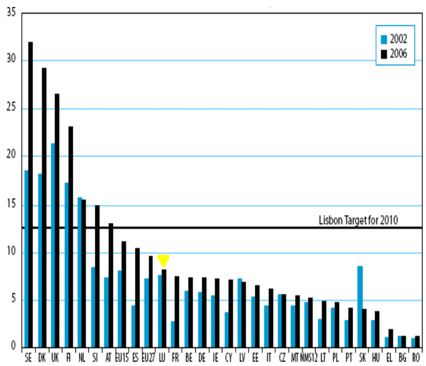
- **Unemployment rate rather low**
- **Relatively high rate of youth unemployment even in prosperous times**
  - ⌘ Over 7% in 2001-2004 and over 17% in 2007
- **Relatively low long-term unemployment rate**
  - ⌘ Long-term unemployment rate: approx. 1%
- **„Two unemployment" rates**
  - ⌘ „Slim" unemployment rate: March 2009 – 5.3%
  - ⌘ „Official expanded" unemployment rate: March 2009 – 6.6%

Labour productivity and labour cost



- **Labour productivity corresponds to average EU15 labour productivity**
  - ⌘ Between 1997 and 2007 productivity growth reached the level of 1.46% (EU15 was 1.38%)
  - ⌘ Between 2000-2005 increasing employment was combined with almost average productivity growth
  - ⌘ Wages are not low: productivity growth is based on a combination of existing high absolute productivity (much higher than the EU average) and the domination of modern technology and services in the economy

Educational attainment , skills and training



- **4.1% of GDP spent on education and training**
- **Distinctive features**
  - ⌘ Strong link between education and training
  - ⌘ Multilingulaism: Luxembourgish, German and French
  - ⌘ Vocational education based on a German-style dual system
  - ⌘ More years spent in education than average in OECD countries (both sexes, all ages)
  - ⌘ Relatively significant share of workers with fairly low level of education

The nature and extent of restructuring (I)

- **At least 4 major „waves” since 1950s/60s**
  - ⌘ Massive restructuring process in the steel industry - 1950s/60s
  - ⌘ Restructuring caused by oil crisis used – 1970s
    - ◆ „Luxembourgish” model for management of restructuring processes defined
  - ⌘ Restructuring caused by „the second oil crisis”
    - ◆ Further reductions of steel production
  - ⌘ Restructuring caused by economic slowdown of 2002-2004
    - ◆ „Luxembourgish” model for management of restructuring further developed in the ARBED case (*Cellules de Reclassement*)
- **Most often: internal restructuring, followed by bankruptcy/closure and offshoring/delocalisation (EMCC)**

The nature and extent of restructuring (II)

- **Structural change in certain economic sectors**
  - ⌘ 1970s: from steel-based economy to a service-based one

Service value added	ca.1970	1975	2006
Steel industry	28%	12%	3%
Services	42%	:	79%

  - ⌘ Employment in the steel industry dropped by 80% between 1970 and 2000
  - ⌘ Financial sector – main economic growth engine over the past two decades
    - ◆ Gross value added: less that 5% in 1970, 22% in 1985 and over 28% in 2002
  - ⌘ Chain reacation: development of financial services positively influences development of such sectors as hotels, restaurants, air transports, IT services etc. …
  - ⌘ … but dependancy on the financial sector also makes the whole economy vulnerable to external shocks

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The nature and extent of restructuring (III)

- **Growing sector: transport and communications**
  - ⌘ Favourable location
  - ⌘ Hit by the crisis: smaller overal demand for industrial transport services + activities relocated to CEE countries
- **Recent attempts to balance economy**
  - ⌘ Developing ICTs, e-commerce and media, automotive components, materials and plastic, logistics, health and environmental technologies
    - ◆ How will this trend be influenced by the crisis?

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Questions and issues for the discussion

- A distinguishing feature of the Luxembourg labour market is the low participation rate of women. Is this an important issue for the social partners and what needs to be done?
- Unemployment of young people appears to be a problem. How will this be resolved?
- Cross-border workers have played an important role acting as economic stabilizers during times of economic difficulty. They also appear to have bolstered the need for skilled workers when the qualifications of Luxembourg nationals are lower than required. Would the social partners comment on the role played by *frontaliers*?
- It has been suggested that the combination of high tax bearing wages and corporate profits with high government expenditure leaves public finances open to volatile shifts. What is the social partner's view?
- To what extent will the financial crisis again change the shape of the Luxembourg economy, and in what direction?

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The role of national social partners in restructuring

- **Social partners and social partnerships**
- **Micro- and macro economic restructuring as an issue of employee participation, collective bargaining and social dialogue**
- **Questions and issues for discussion**

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Social partners in Luxembourg

- **Trademark of social relations in Luxembourg is political stability and industrial peace**
  - ⌘ „Luxembourgish model" based on tripartite consultations
  - ⌘ „Economic buffers": wealth of the country and cross-border workers
  - ⌘ Semi-formal and informal contacts between social partners

- **Trade unions and employers' organisations**
  - ◆ Density rates: trade unions - 44%, employers' organisations – 80%
  - ◆ Trade unions
    - ☞ Two confederations – OGB-L (16 trade unions, 50 000 members) and LCGB (16 federations, 40 000 members); ALEBA (banking sector), CGFP and FGFC (public sector)
    - ☞ Clear rules for representativity (Industrial Relations Act of 2004)
  - ◆ Employers' organisations
    - ☞ 7 employers' organisations: FEDIL, ABBL, ACA, CLC, HORESCA, FDA and CDM
    - ☞ Union of Luxembourg Enterprises (UEL) – 8 members (EOs) + 2 chambers

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Social partnership in Luxembourg (I)

- **Rich institutional system (I)**
  - ⌘ Professional chambers
    - ◆ 3 chambers for employers and 2 chambers for employees
    - ◆ Compulsory membership
    - ◆ Consultative role in the law-making process on social and economic issues
  - ⌘ Economic and Social Council
    - ◆ Government's consultative body
    - ◆ Drafts the national plan for participation in the European social dialogue
  - ⌘ The Committee of Conjoncture
    - ◆ Prepares monthly analyses of labour market
    - ◆ Decisive role in adopting measures aimed at protecting employment
      - ☞ One of the most important institutions involved in managing restructuring processes at the enterprise level

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Social partnership in Luxembourg (II)

Rich institutional system (II)

- ⌘ The Tripartite Co-ordination Committee
  - ◆ Offers responses to employment challenges
  - ◆ Worked out Emergency Employment Scheme
- ⌘ The Commitee of Female Work
- ⌘ Standing Committee on Labour and Employment
  - ◆ Mediates in case of disputes relating to labour law and worker's health and safety
  - ◆ Takes into consideration international context and impact of globalization
- ⌘ Observatory of Industrial Relations and Employment
  - ◆ Follows developments in Luxembourgish industrial relations

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Social partnership in Luxembourg (III)

Characteristic features

- ⌘ Substantial density of industrial relations institutions
- ⌘ Tripartite nature
- ⌘ Continuing relations and on-going discussion

Challenges linked to the tripartite approach

- ⌘ Length of discussions
- ⌘ Inability to reach the compromise results in solutions imposed by the government

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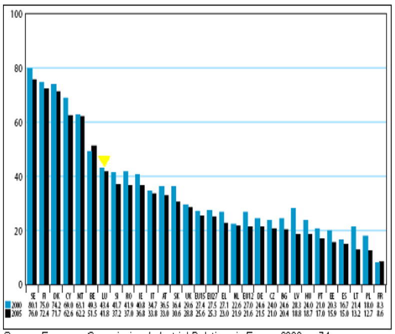
Workforce representation

Trade union density, EU-25, 2000/2005



Source: European Commission: Industrial Relations in Europe 2008, p. 74.

- **Rather high union density (over 41%) and high workforce representation (58%)**
- **Two basic structures for employee representation**
  - ⌘ Employee committees
    - ◆ Safeguard interests of workers
    - ◆ Involved in collective bargaining
  - ⌘ Joint company committees
    - ◆ Forum for cooperation between employers and workers
    - ◆ Decision-making, consultation and monitoring responsibility
    - ◆ Once a year consultations on company's current and prospective staffing needs + necessary training initiatives

Collective bargaining (I)

- **Legal basis: law of 12 June 1965 with amendments of 1986 and 2004**
  - ⌘ Enterprise level and sectoral level collective bargaining
  - ⌘ Collective agreements are most often concluded between individual employers' associations and trade unions representatives at the national level
  - ⌘ Any employer requested to enter negotiations is obliged to begin talks
  - ⌘ When collective agreement fails to be concluded, the National Conciliation Office is involved in the conciliation procedure
    - ◆ Without involvement of the National Conciliation Office, the strike or lock-out cannot take place
  - ⌘ Centralization of collective bargaining process is at the EU average…
  - ⌘ … but collective bargaining coverage reaches the level of 60%
  - ⌘ At the enterprise level: a single collective-agreement system
    - ◆ In 2005 there were 250-300 collective agreements in force

Collective bargaining (II)

- **No „real" incentives to bargain wages…**
  - ⌘ Automatic indexation mechanism
  - ⌘ Salary level is high

- **Automatic indexation can be suspended by the government during the economic downturn**
  - ⌘ The mechanism was suspended between 1981-1984
  - ⌘ Wages were indexed automatically in March 2009

- **Very generous minimum wage**
  - ⌘ In March 2009 amounted to 1 682 EUR
  - ⌘ The most generous minimum wage in the EU
    - ◆ Over 1 EUR/hour more in comparison with the second most generous country, France (9,49 EUR versus 8,71 EUR)

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Employee involvement in restructuring (I)

- **Body of legal regulations**
  - ⌘ Law of 18 May 1979 on employee committees and joint company comittees
    - ◆ Forums for discussions and passing information
  - ⌘ Law on collective dismissals
    - ◆ Defines the nature of collective dismissals
  - ⌘ Law of 22 December 2006 on promoting maintaining of employment and defining special measures in the field of social security and environmental policy
    - ◆ Obligation to notify the Commitee on Conjoncture about collective dismissals due to the reasons not related to employees
    - ◆ Regulations on amount of the non-taxed compensation paid in case of voluntary leaves in case of a complete or partial closure down of an enterprise
    - ◆ Regulations on employer's financial contribution in case of partial unemployment scheme
    - ◆ Introduction of *le plan de maintien dans l'emploi*

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Employee involvement in restructuring (II)

- **Collective dismissals procedure**
  - ⌘ Obligation to enter negotiations with employee representatives
  - ⌘ If there is collective agreement in force, employer is obliged to negotiate with signatory trade union to reach the *plan social*
    - ◆ Information on planned collective dismissals is sent to employee representatives and l'ADEM
  - ⌘ A social plan must be drafted or the case is sent to the National Conciliation Office
  - ⌘ When the Office issues memorandum, employer is entitled to issue individual notices of dismissals
  - ⌘ If collective dismissal takes place in enterprise employing more than 15 people, all dismissals due to the reasons not related to employees should be reported to the Commitee of Conjoncture
    - ◆ Rules for calculating effective working time take into consideration part-time workers, fixed-term and temporary contracts

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Employee involvement in restructuring (III)

- **Employees are involved in negotiation of compensation package**
  - ⌘ Severance pay is regulated by law
    - ◆ 2 month's salary in case of employment up to 5 years;
    - ◆ 4 month's salary in case of employment between 5 and 10 years;
    - ◆ 6 month's salary in case of employment longer than 10 years.
  - ⌘ Employment termination is also compensated (*indemnite de rupture)*
    - ◆ One month's salary in case of employment between 5 and 10 years;
    - ◆ 2 month's salary in case of employment longer than 10 years.
  - ⌘ Total compensation package cannot exceed a maximum of one year's salary.

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New instruments to manage restructuring at the enterprise level (I)

- **Partial unemployment (*le chômage partiel)***
  - ⌘ To avoid dismissals in case of enterprises facing temporary difficulties
  - ⌘ Collective dismissals cannot be executed during the time when company is participating in partial unemployment scheme
  - ⌘ For economic *(source conjoncturelle)* or structural (*source structurelle)* reasons
    - ◆ Economic reasons: it has to be announced by the government, combination of difficulties faced by an enterprise and by the sector, employees participate in training programs, possible at individual worker's request
      - ☞ Two variations: for economic dependence and *force majeur*
    - ◆ Structural reasons: difficulties faced by the enterprise, plan on maintaining in employment has to be drafted
  - ⌘ Partial unemployment used more often during the crisis
    - ◆ Before: 5-7 applications per month; at present 100-170 per month

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New instruments to manage restructuring at the enterprise level (II)

- **Special rules linked to partial unemployment**
  - ⌘ Eligibility periods were cleared in anticipation of the increased number of applications
  - ⌘ Uneven distribution of the partial unemployment time possible

- **Other practices**
  - ⌘ Parental leave can be taken for a longer time (up to 5 years after the birth of the child)
  - ⌘ Part-time arrangements as alternative to partial unemployment

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New instruments to manage restructuring at the enterprise level (III)

- **Plan of maintaining in employment (*le plan de maintien dans l'emploi)***
  - ⌘ Introduced by law of 22 December 2006
  - ⌘ Alternative to collective dismissals, should be discussed within the framework of the social plan
  - ⌘ Convention signed by the social partners, sent to the Commitee of Conjoncture and transferred to the Ministry of Labour
  - ⌘ Introduces the following instruments
    - ◆ Partial unemployment
    - ◆ Flexibe working hours
    - ◆ Voluntary work on the part-time basis
    - ◆ Working time accounts
    - ◆ Training during working time
    - ◆ Temporary „loans" of employees (*prêt temporaire de main d'oeuvre)*
    - ◆ Preretirement arrangements (*preretraite solidarite* and *preretraite ajustement)*

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New instruments to manage restructuring at the enterprise level (IV)

- **Unemployment benefits**
  - ⌘ For cross-border workers: after 2010 Luxembourg will reimburse 3 month's unemployment benefit of the dismissed cross-border worker
  - ⌘ Extended from 6 to 12 months , and in case of an employee aged over 50, up to 24 months

- **Assistance to SMEs**
  - ⌘ The assistance plan has been formulated

- **„Solidarity Fund"**
  - ⌘ Discussion on introducing „Solidarity Fund"
  - ⌘ Contributions would come from individual workers and enterprises
    - ◆ Individuals would contribute 2,5% of the paid tax

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Luxembourgish social partners and continuing vocational training (CVT)

- **The Convention of 2 May 2003 on individual access to CVT**
  - ⌘ Concluded by UEL and trade unions: OGBL and LCGB
  - ⌘ Lays provisions for individual worker's access to continuing training
  - ⌘ Foreseen introduction of the following instruments:
    - ◆ Flexitime with a view to accomodate training needs (*l'horaire mobile*)
    - ◆ Unpaid leave
    - ◆ Individual training leave (*conge individuel de formation,* CIF)
    - ◆ Part-time work
    - ◆ Individual working time accounts (*le systeme de compte epergne-temps*)
- **Social partners believe that professionalising skills and CVT are crucial for maintaining employability**
- **Discussions are carried on certyfing non-formal vocational education and training**

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Questions and issues for the discussion

- The Luxembourg model of change management has worked well in the past. To what extent is its success based on economic wealth and what elements could be exported to less financially successful countries?
- The Luxembourg system of employment policy determination is based strongly around tripartism. To what extent is this an essential part of its success, and to what extent does it limit the autonomy of the social partners?
- How successful is the Observatory of Industrial Relations and Employment in anticipating future labour market changes?
- It is suggested that the crisis offers the Luxembourg economy a chance to re-invent itself. What role do the social partners play in future thinking?
- The country has implemented a number of anti-crisis measures recently. Which have been the most and least successful in the view of the social partners?

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