

In June 2014, Luxembourg's Chamber of Deputies approved a bill legalizing same-sex marriage and extending adoption rights to same-sex couples.

In July, former prime minister Jean-Claude Juncker was elected by the European Parliament as the next president of the European Commission.

In November, Luxembourg's role as a tax haven became the center of international attention after the International Consortium of Investigative Journalists (ICIJ) published leaked documents concerning secret tax breaks given to multinational corporations by Luxembourg authorities. A number of officials—including Juncker—faced scrutiny for their involvement in approving such activities.

Political Rights and Civil Liberties:

Political Rights: 38 / 40 (-1) [Key]

A. Electoral Process: 12 / 12

Luxembourg's head of state is the unelected Grand Duke Henri, whose powers are largely ceremonial. The unicameral legislature, the Chamber of Deputies, consists of 60 members elected to five-year terms by proportional representation. The legislature chooses the prime minister. Voting is compulsory for Luxembourg's citizens. Foreigners constitute more than a third of the population.

In parliamentary elections held in October 2013, Juncker's Christian Social People's Party (CSV) captured 23 seats, down from 26 in the 2009 election, while the Luxembourg Socialist Workers' Party (LSAP) and the Democratic Party (DP) each won 13 seats. The Greens took 6 seats, and smaller parties hold the remaining 5 seats. The elections were held seven months early as a result of the collapse of Juncker's government. DP leader Xavier Bettel, mayor of the city of Luxembourg, was sworn in as prime minister in December 2013. Bettel led a three-party coalition with the LSAP and the Greens, excluding the CSV and ending Juncker's years in power. Juncker had served as prime minister since 1995.

B. Political Pluralism and Participation: 16 / 16

The political system is open to the establishment of new parties. There are three traditionally strong parties: the CSV, historically aligned with the Catholic Church; the LSAP, a formerly radical but now center-left party representing the working class; and the DP, which favors free-market economic policies. Prior to the 2013 elections, the CSV had dominated politics since 1945, except for a brief hiatus in 1975–79.

C. Functioning of Government: 10 / 12 (-1)

The government is largely free from corruption. However, Juncker's resignation in 2013 followed allegations of widespread misconduct by members of the State Intelligence Service, including wiretapping politicians' conversations and accepting bribes in return for access to local officials.

Luxembourg was ranked 9 out of 175 countries and territories surveyed in Transparency International's 2014 Corruption Perceptions Index. In June 2014, the European Commission opened an investigation into tax breaks given to multinational corporations by Ireland, Luxembourg, and the Netherlands on the basis that the tax breaks could be a form of illegal state aid.

In November, the ICIJ published leaked documents regarding clandestine tax agreements between the government and corporations, which were able to obtain extremely low tax rates by routing hundreds of billions of dollars in profits through subsidiaries based in Luxembourg. Juncker faced criticism for having presided over an expansion of such arrangements while serving as prime minister, although he maintained that the arrangements were in compliance with European Union (EU) law. In his role as president of the European Commission, Juncker survived a confidence vote by the European Parliament in November, held in response to the leaks. After further documents were released in December, Luxembourg's government agreed to comply with the European Commission's demand to disclose the details of the tax agreements.

Civil Liberties: 60 / 60

D. Freedom of Expression and Belief: 16 / 16

Freedom of expression is guaranteed by the constitution. A single conglomerate, RTL, dominates broadcast radio and television. Newspapers generally represent a broad range of opinion. Internet access is not restricted.

Although Roman Catholicism is the dominant religion, there is no state religion, and the state pays the salaries of clergy from a variety of Christian groups. Islamic clergy, however, are not supported. In September 2014, Bettel announced plans to seek constitutional reform through a referendum to end state funding for religion. The government held talks with representatives of all religious groups throughout the year on the matter. School children must choose to study either the Roman Catholic religion or ethics; most choose the former. Academic freedom is respected.

E. Associational and Organizational Rights: 12 / 12

Freedoms of assembly and association are protected, and nongovernmental organizations (NGOs) operate freely. Luxembourgers may organize in trade unions, and approximately 40 percent of the workforce is unionized. While the right to strike is not explicitly guaranteed by the constitution, it is protected by case law stemming from a 1952 Court of Cessation ruling.

F. Rule of Law: 16 / 16

The judiciary is independent, though judges are still appointed by the grand duke. Detainees are treated humanely in police stations and prisons.

Luxembourg's Muslim minority, mainly of Bosnian origin, faces no official hostility. The country's criminal code includes penalties for hate crimes. Luxembourg received more than 1,000 asylum applications in 2014, comparable to the number received the previous year.

G. Personal Autonomy and Individual Rights: 16 / 16

The rights to own property and operate private businesses are legally protected and respected in practice.

While women comprise more than half of the labor force, they are underrepresented at the highest levels of government; 17 women currently serve in the 60-member parliament, and 5 hold seats in the 16-member cabinet. The Ministry of Equal Opportunities in September 2014 proposed measures to improve gender equality in both the public and private sectors, including setting a quota requiring political parties to reserve at least 40 percent of their parliamentary candidate lists for women in order to qualify for state funding.

While the law does not technically allow for abortion on demand, women can legally have abortions if in “distress.” The Chamber of Deputies in 2012 approved legislation that allowed abortions in a greater number of cases while maintaining existing penalties for unapproved abortions.

Bettel became the nation’s first openly gay prime minister in 2013. In June 2014, the Chamber of Deputies passed a bill to legalize same-sex marriage and grant full adoption rights to same-sex couples; the law will come into effect in January 2015.

Scoring Key: X / Y (Z)

X = Score Received

Y = Best Possible Score

Z = Change from Previous Year

[Full Methodology](#)