

Luxembourg

Country:Luxembourg**Year:**

2016

Freedom Status:

Free

Political Rights:

1

Civil Liberties:

1

Aggregate Score:

98

Freedom Rating:

1.0

Overview:**Political Rights: 38 / 40 [Key]****Civil Liberties: 60 / 60**

The European Commission (EC) continued to investigate allegations that Luxembourg had given multinational corporations favorable tax arrangements that violated European Union (EU) regulations. EC president Jean-Claude Juncker, who was the country's prime minister from 1995 to 2013, faced scrutiny in the investigations, with critics raising questions about his awareness of the arrangements. In October 2015, the EC found that Luxembourg had given Italian automaker Fiat illegal tax advantages, ordering the recovery of close to €30 million (\$34 million). Separately, in April, a local court charged French journalist Edouard Perrin for his role in the so-called "LuxLeaks" affair, which in 2014 revealed secret tax breaks for multinational firms. The court charged Perrin with abetting the violation of professional secrecy laws as well as possessing and distributing confidential papers; two former PricewaterhouseCoopers employees who leaked the documents also faced similar offenses. The cases were ongoing at year's end.

Social reforms initiated by Prime Minister Xavier Bettel—who leads a coalition government composed of the Luxembourg Socialist Workers' Party, the Democratic Party, and the Greens—continued in 2015. In January, officials reached an agreement with the Catholic Church to change its longstanding relationship with the state. Under the agreement, state funds will no longer be used to pay priests' salaries, an ethics class will replace religious instruction in schools, and subsidies for the Catholic Church will be drastically cut. In addition, the state will begin to provide subsidies to Luxembourg's Muslim community. The legalization of same-sex marriage, also a prominent goal of the Bettel administration, took effect in January.

Some of the government's reform efforts have faced popular resistance. In a June referendum, voters overwhelmingly rejected proposals to place a 10-year limit on ministerial mandates, to lower the voting age from 18 to 16, and to grant voting rights to foreigners if they have resided in Luxembourg for at least 10 years and previously voted in a local or EU election.

Under a plan to resettle the unprecedented number of asylum seekers who reached the EU during the year, Luxembourg agreed to accept 751 individuals over a period of two years. The first refugees began arriving in the country in November.

This country report has been abridged for Freedom in the World 2016. For background information on political rights and civil liberties in Luxembourg, see Freedom in the World 2015.

Scoring Key: X / Y (Z)

X = Score Received

Y = Best Possible Score

Z = Change from Previous Year

Full Methodology

Source URL: <https://freedomhouse.org/report/freedom-world/2016/luxembourg>