

# **Government at a Glance 2023**

## **Country Notes**

# Luxembourg

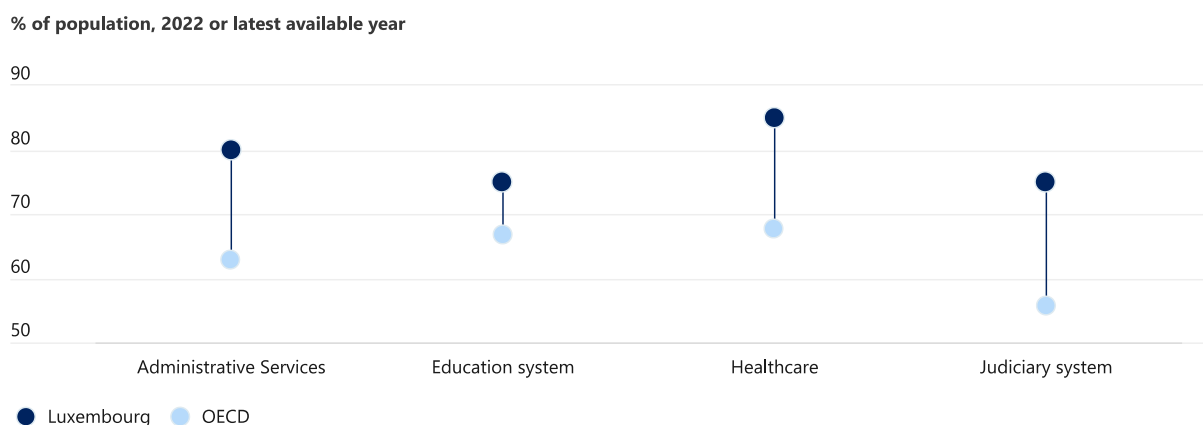
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## Trust and satisfaction with public services

Trust in public institutions and satisfaction with public services are important yardsticks of the quality of public governance. They reflect people's perceptions of government competence in designing and delivering policies and services, and expectations on the behaviour of public institutions and their representatives. Although high trust in public institutions is not a necessary outcome of democratic governance, trust and satisfaction with public services facilitate effective governance, as they correlate with high rates of compliance with policies, participation in public life and social cohesion.

**Satisfaction with public services in Luxembourg exceeds the OECD average across all services considered.** Satisfaction with the healthcare system was 85% compared to the OECD average of 68%. Moreover, Luxembourg also outperforms the OECD average for satisfaction in education (75%), administrative services (80%), and the judiciary system (75%).

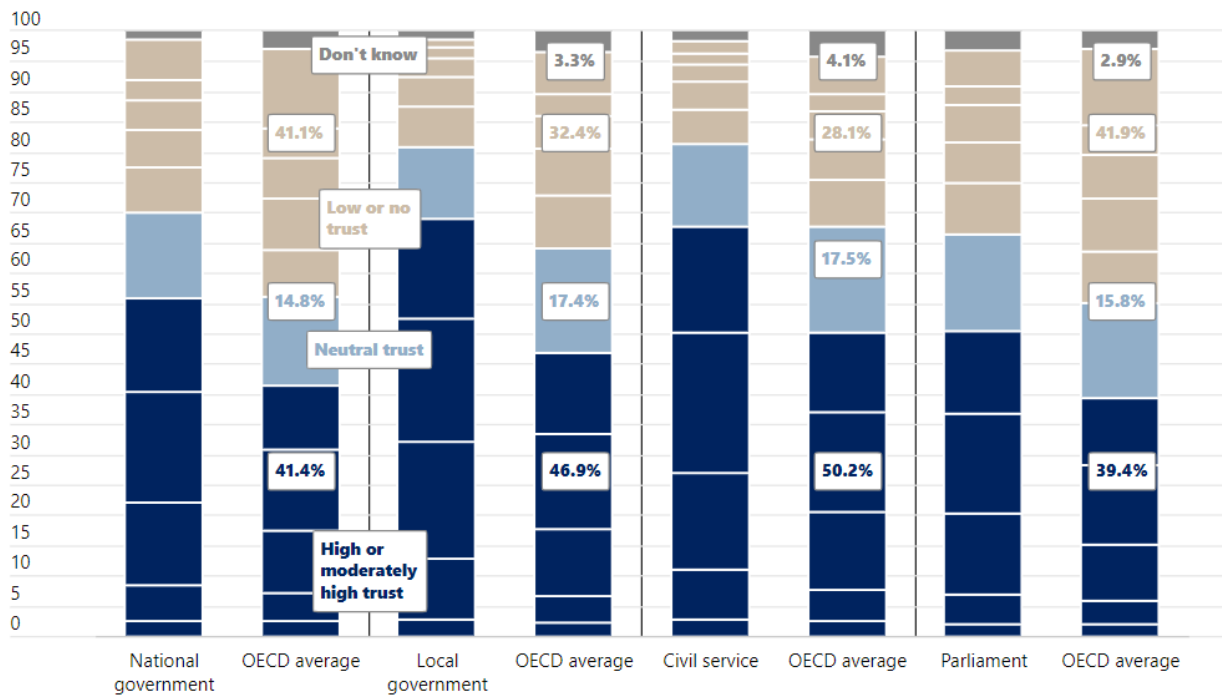
**Figure 1. Satisfaction with public services, 2022**



**Luxembourg fares above the OECD average on trust in public institutions.** A majority reported high or moderately high trust in the national government (56%), civil service (67%) and parliament (50%). The institution with the highest trust is the local government, for which 69% have high or moderately high trust, compared to the OECD average of 47%.

**Figure 2. Trust in public institutions, 2021**

% of population reporting high or moderately high trust in various public institutions, Luxembourg, 2021



## Achieving results with good governance practices

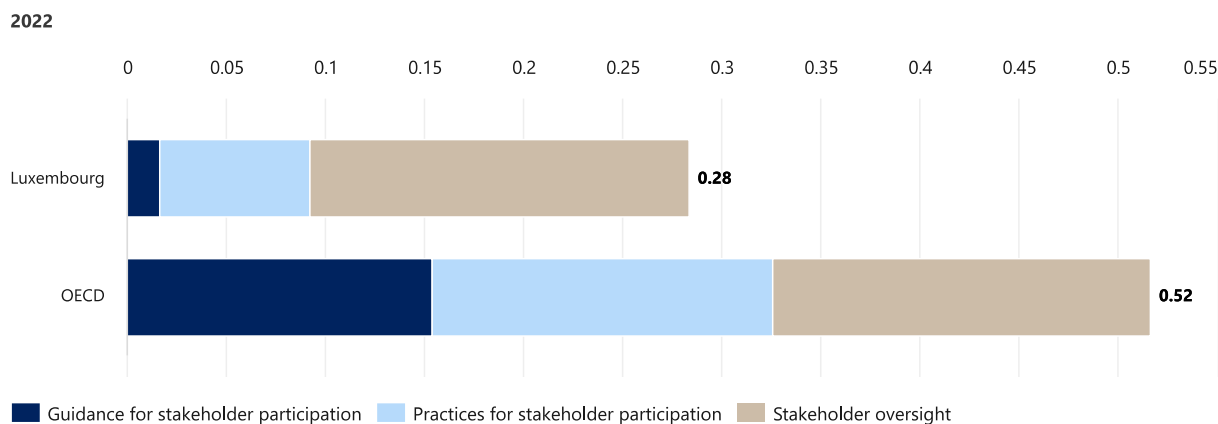
In an age of multiple crises, governments need to adopt more advanced practices to build trust in public institutions and enhance democratic resilience. Actions include building on democratic strengths, such as enhancing citizen and stakeholder engagement in decision making; reinforcing key competences to handle crises, such as budgeting and public financial management processes to address the green and digital transitions; and protecting against threats to democratic values, such as maintaining effective public integrity rules and promoting ethical use of artificial intelligence.

Citizen and stakeholder engagement in decision making helps to improve the design, implementation, and public acceptance of policies, infrastructure and services. The OECD Infrastructure Governance Index (IGI) on stakeholder participation provides an overview of countries' performance in developing national guidance for stakeholder engagement, promoting their effective participation, and ensuring stakeholder oversight over infrastructure projects.

**Luxembourg performs below the OECD average on the IGI on stakeholder participation.** It scores 0.28 on the IGI, compared to the average value 0.52 across OECD countries (1 is the maximum possible score, meaning full application of IGI on stakeholder participation). Luxembourg performs at the same level as the OECD average with a score of 0.19 out of a maximum value of 0.33 on stakeholder oversight.

**Figure 3. Index on stakeholder participation in infrastructure decision making**

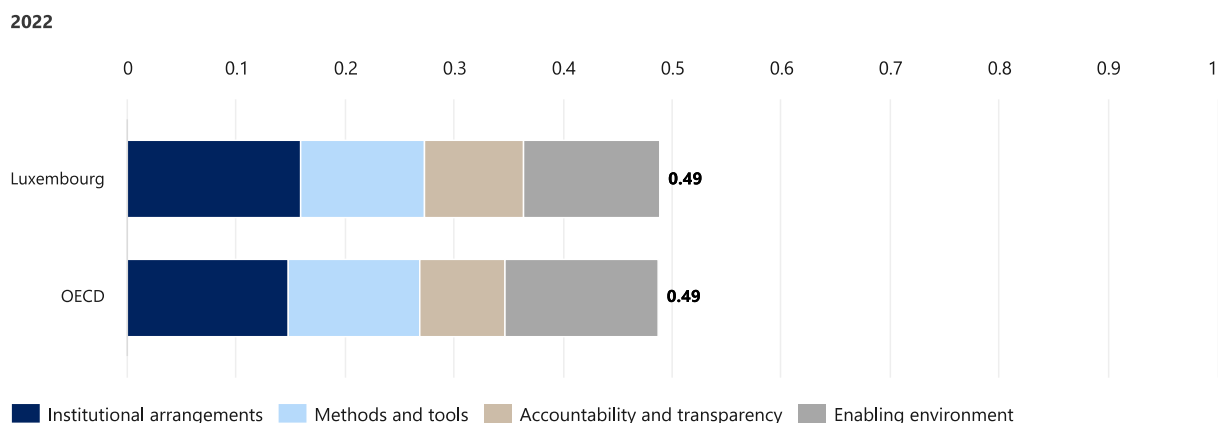
From 0 (lowest) to 1 (highest), 2022



Budgeting management processes, such as green budgeting, can help address the climate crisis and achieve environmental goals. While there has been a rapid increase in the number of countries implementing green budgeting mechanisms, these could be used more effectively. Green budgeting mechanisms include institutional arrangements to assess the environmental impacts of budgetary and fiscal policies, methods for evaluating their consistency, mechanisms to enhance transparency and accountability, and an enabling budgetary governance framework.

**With a score of 0.49, on a 0-1 scale, Luxembourg equals the OECD average in the application of green budgeting.** Luxembourg achieves its highest score in OECD Green Budgeting Index in the institutional arrangements dimension (0.16) and its lowest score in accountability and transparency (0.09).

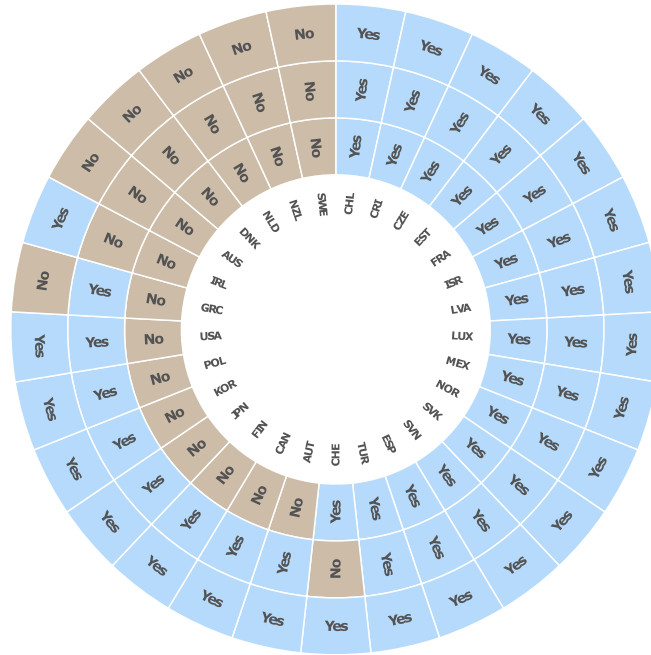
**Figure 4. OECD Green Budgeting Index, 2022**



Financial contributions allow individuals and entities to support political candidates and parties. However, political finance needs to be adequately regulated to reduce risks of undue influence and policy capture.

**In Luxembourg, publicly owned enterprises and foreign states or enterprises are not allowed to finance political campaigns and parties.** In turn, anonymous donations to political parties or candidates need to be registered or reported.

**Figure 5. Regulation to ban financing political parties and election campaigns, 2022**

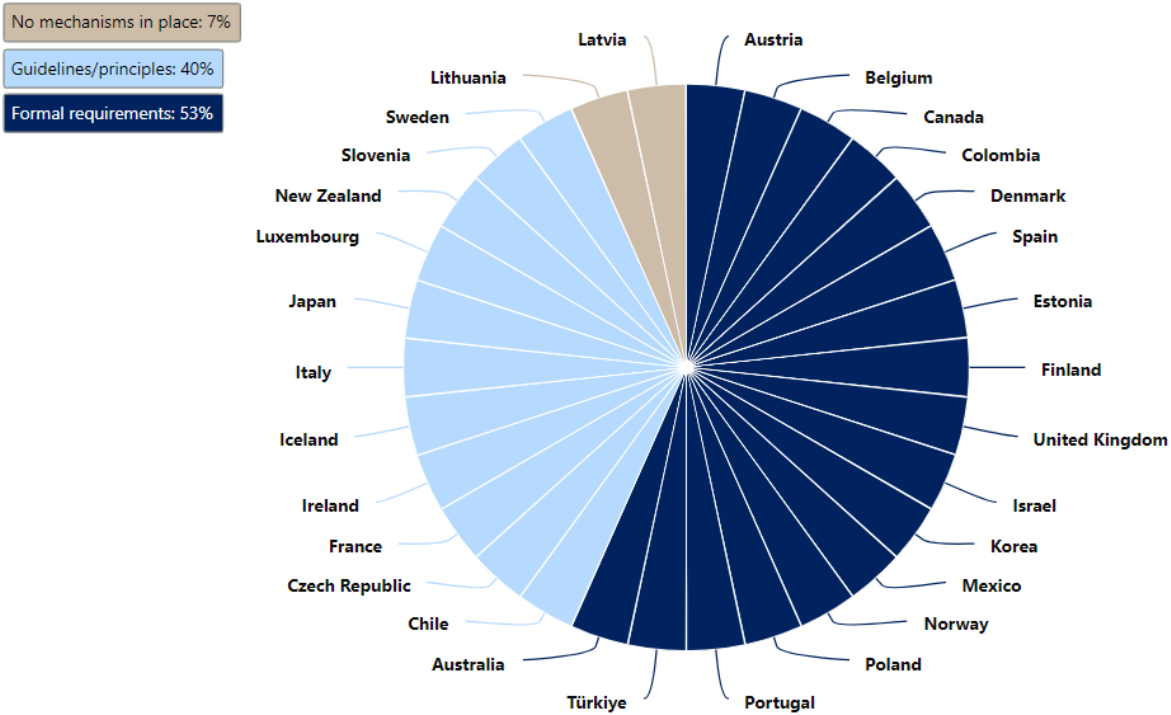


**Inner ring:** Ban on anonymous donations, and all contributions made to political parties and/or candidates must be registered and reported.  
**Middle ring:** Ban on contributions from publicly owned enterprises.  
**Outer ring:** Ban on contributions from foreign states or foreign enterprises.

Strengthening information integrity has become particularly complex in the digital age. While digitalisation and artificial intelligence (AI) provide enormous opportunities, including in expanding and protecting the exercise of some democratic rights and freedoms, their use also brings challenges for governments such as ensuring that they enhance people’s willingness and ability to engage constructively in democratic life and that they benefit society as a whole.

**Luxembourg has policy initiatives - such as guidelines, standards, or principles - in place to ensure the ethical use of AI.**

**Figure 6. Mechanisms used to ensure the ethical use of artificial intelligence in government, 2022**

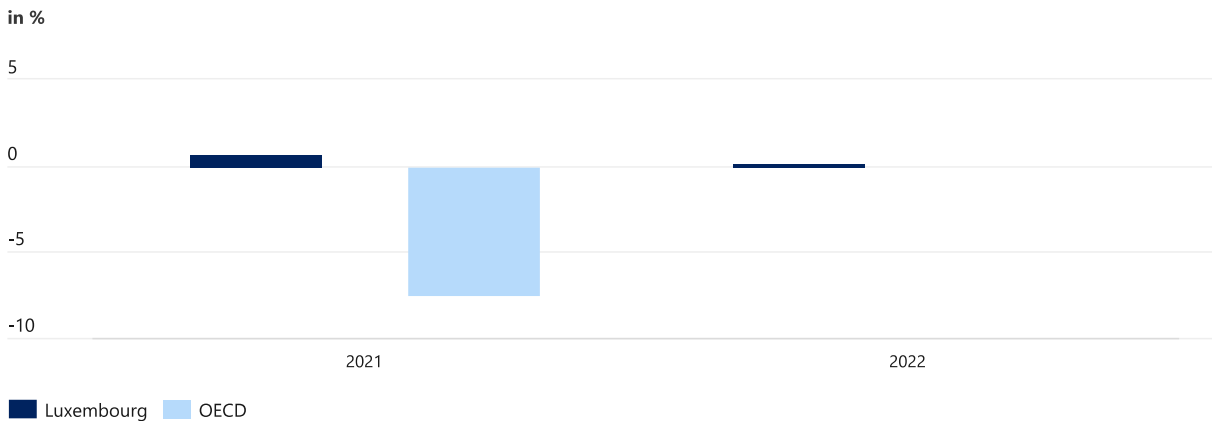


**What resources public institutions use and how they are managed**

After stark deterioration due to the COVID-19 pandemic, which required emergency measures and direct support mechanisms to business and people, public finances show positive signs, but the recovery remains fragile. The fiscal balance is the difference between a government’s revenues and its expenditures in a year. When the government spends more than it collects, it has a fiscal deficit. When it spends less, it has a fiscal surplus.

**Luxembourg recorded fiscal surplus in both 2021 (0.7% of GDP) and 2022 (0.2%).** In comparison, the average across OECD countries was a deficit of -7.5% in 2021. In addition, Luxembourg also had the second lowest debt ratio in 2021 with 31.4% of debt as share of GDP. The OECD average the same year was considerably higher (120.8%).

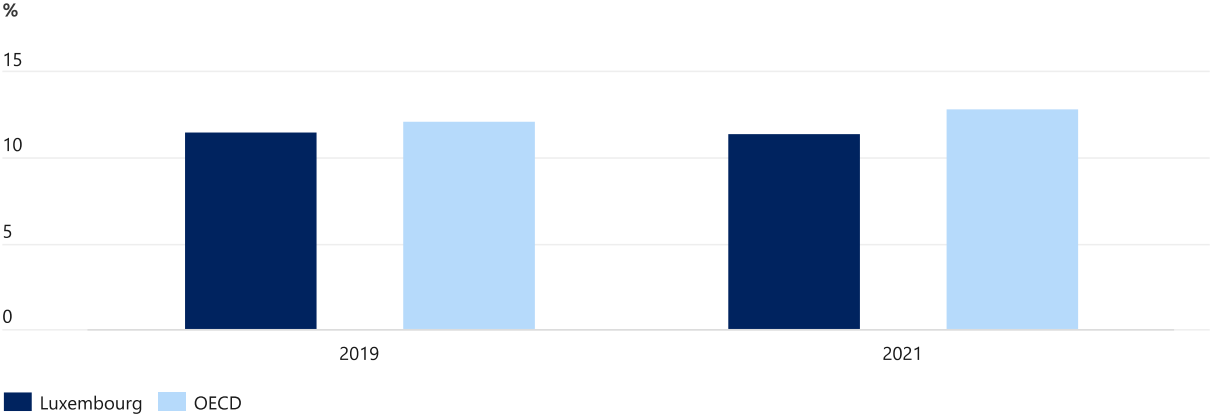
**Figure 7. General government fiscal balance as a percentage of GDP**



Public investment can enhance productivity and economic growth and help implement long-term policies, such as green energy infrastructure to support action on climate change. In turn, governments procure large amounts of goods, services and works to help them implement policies and deliver public services.

**Luxembourg’s public procurement spendings are similar to the OECD average: 11.5% of GDP in 2021, compared to 12.9% on average in the OECD.** Luxembourg’s public investment, however, is above the OECD average. In 2021, it invested 4.2% of GDP, compared to 3.4% on average across OECD countries.

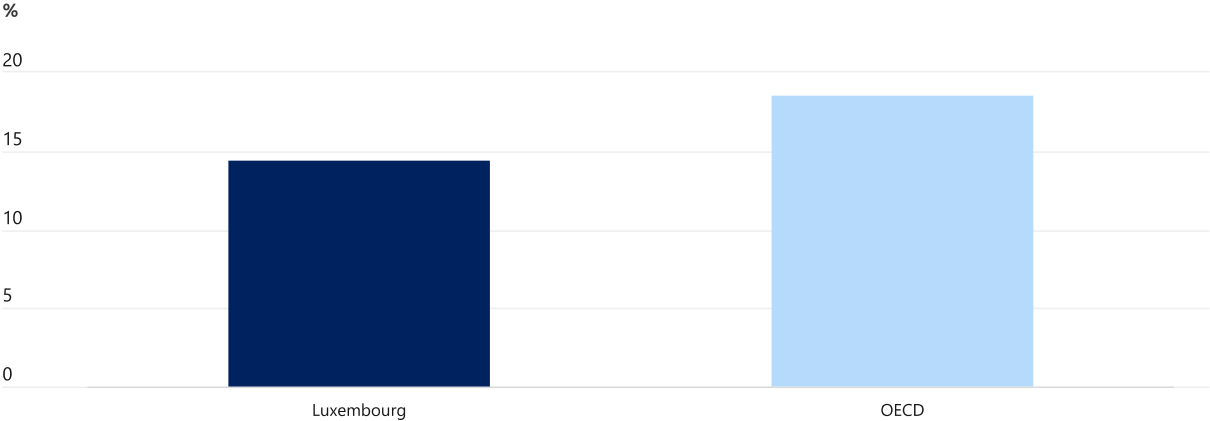
**Figure 8. Government procurement spending as a share of GDP**



The size of public employment varies significantly among OECD countries, ranging from around 10% to just above 30%.

**In 2021, public employment in Luxembourg accounted for 14.5% of total employment, below the OECD average of 18.6%.**

**Figure 9. Public employment as a percentage of total employment, 2021**

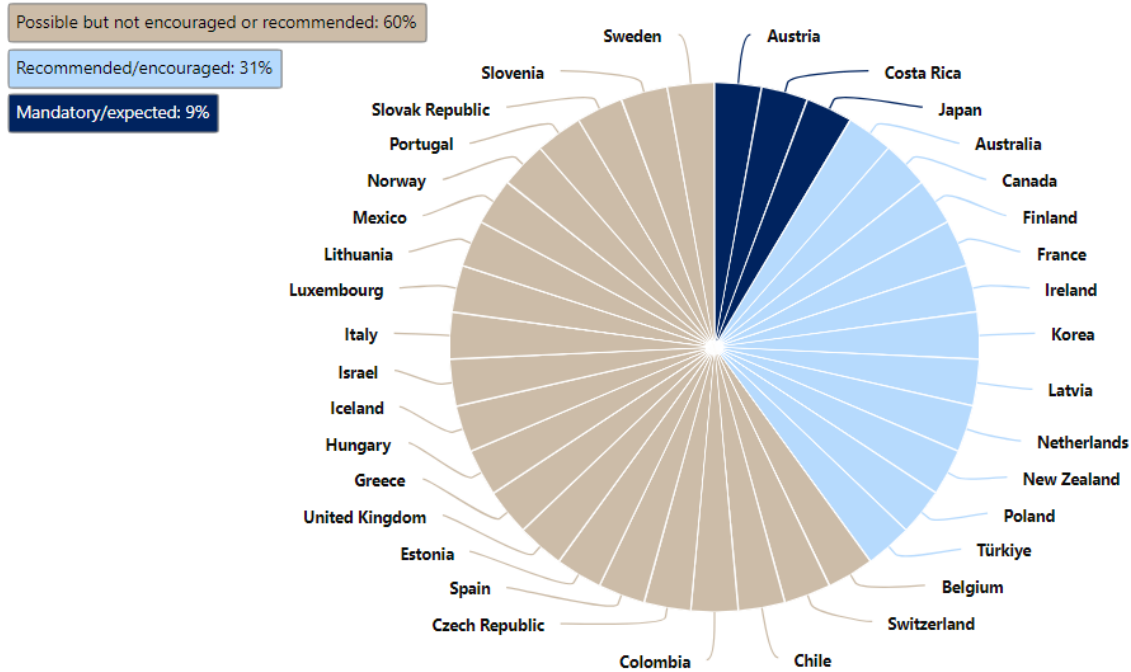


Governments use different mechanisms to harness and develop the capacity of their workforce. For example, internal mobility in public administrations helps to pool human resources across government and attract and retain civil servants.

**In Luxembourg internal mobility of civil servants is possible but not encouraged or expected.** Similarly, internal mobility is also possible for senior-level civil servants, although it is not encouraged or

expected. Luxembourg has the practice of developing individual learning plans for all or most public employees.

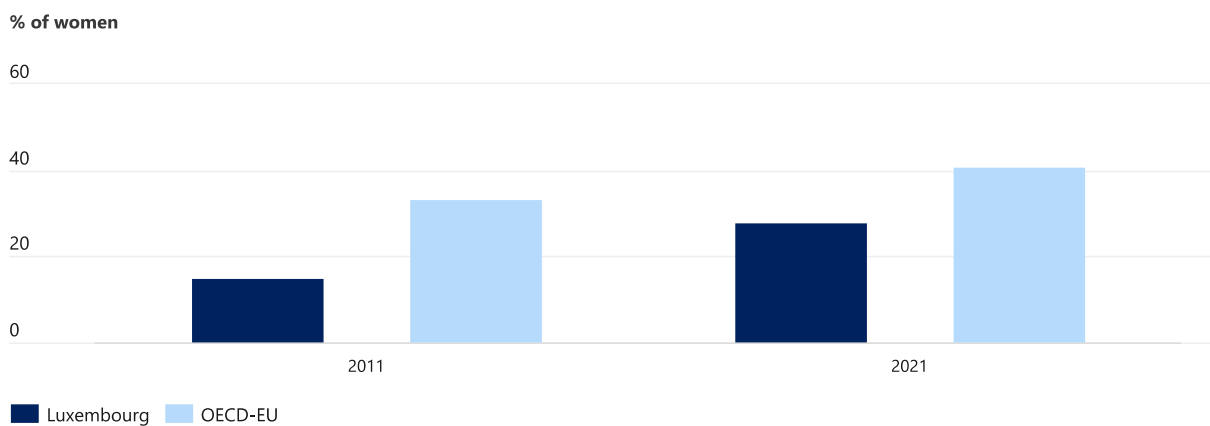
**Figure 10. Mobility of civil servants across public administrations in central government, 2022**



Equal representation of women and men in the public sector is a key indicator of progress towards gender equality, diversity and better representation. In 2020, a majority of employees in the public sector in OECD countries were women (58.9%), with large differences among countries. However, women are often under-represented in managerial positions.

**Luxembourg falls below the OECD-EU average for gender equality in senior management positions in national administration (28.1% against 40.8%).** Luxembourg has not achieved gender parity in ministerial position, although it slightly surpasses the OECD average (38% compared to 36%).

**Figure 11. Gender equality in senior management positions in national administration, 2021**

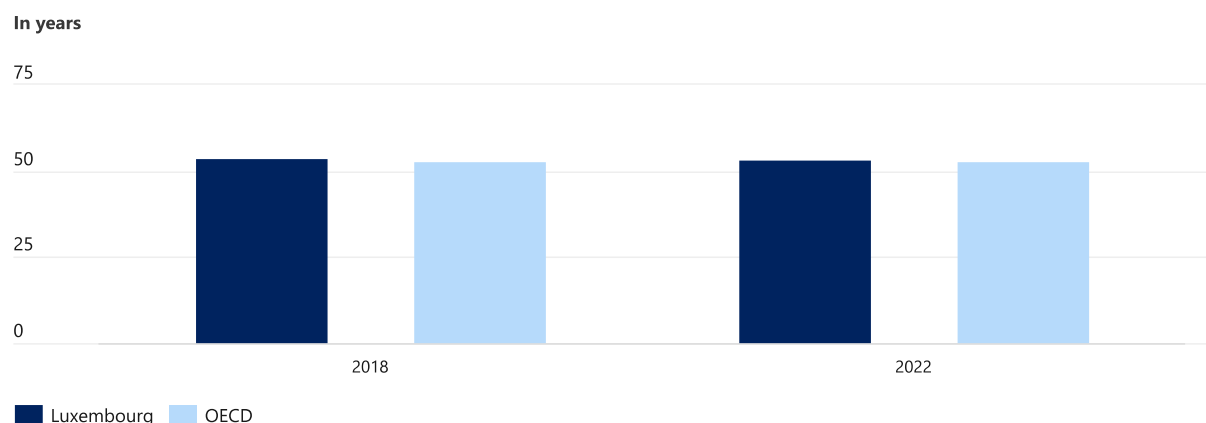


Young people are under-represented in public and political life across the OECD, with the risk that their voice and interests are not sufficiently taken in consideration in policymaking.



The average age of cabinet members in Luxembourg is 54 years, 1 year higher than the OECD average (53 years).

**Figure 12. Average age of cabinet members, 2018 and 2022**



### **About the report**

Government at a Glance presents the most up-to-date internationally comparable data on how public administrations function and perform in OECD countries, accession countries, and other major economies. Country factsheets highlight key indicators against the OECD average. Data included in the factsheets are derived from the new Government at a Glance data portal, which allows for a more user-friendly and interactive way of comparing countries with each other and the OECD average. The factsheets do not provide a comprehensive picture of public governance performance, but rather a snapshot of key indicators in the three sections of the publication: a) trust and satisfaction with public services; b) achieving results with good governance practices and c) what resources public institutions use and how they are managed.

### **Figure notes**

People who express satisfaction with public services: for the judiciary and the courts the data reflect the proportion of citizens who express having confidence in the institution. Data on satisfaction with administrative services come from the OECD 2021 Survey on the Drivers of Trust in Public Institutions. Data on satisfaction with the education and health systems and confidence in the judiciary are from the Gallup World Poll.

Data on public finance and economics are derived from the System of National Accounts (SNA) and were extracted on 5 May 2023.

Fiscal balance as reported in SNA framework, also referred to as net lending (+) or net borrowing (-) of government, is calculated as total government revenues minus total government expenditures.

Government gross debt is reported according to the SNA definition, which differs from the definition applied under the Maastricht Treaty. It is defined as all liabilities that require payment or payments of interest or principal by the debtor to the creditor at a date or dates in the future. All debt instruments are liabilities, but some liabilities such as shares, equity and financial derivatives are not debt.

Public employment refers to employment in the general government as defined in the System of National Accounts (SNA). Data on employment in general government were extracted on 17 April 2023.

Data on employment in general government for Iceland, Japan, Korea, Mexico, Türkiye and the United States are from the International Labour Organization (ILO), ILOSTAT.

Data show women as a share of cabinet members who head ministries as of 1 January 2023 (excluding ministers without portfolios).

The data on age of cabinet members reflects the situation as of 20 December 2022.

OECD average refers to the unweighted average with the exception of public finance indicators.

For more information see

[www.oecd.org/governance/government-at-a-glance.htm](http://www.oecd.org/governance/government-at-a-glance.htm)