

## REFERENDUM BRIEFING PAPER NO 14

### LUXEMBOURG'S REFERENDUM ON THE EUROPEAN CONSTITUTIONAL TREATY

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#### Key points

- In the first referendum after the defeats in the Netherlands and France, Luxembourg approved the European constitutional treaty with a 56.52% majority
- Prime Minister's popularity and the pro-European attitudes of Luxembourg's electorate were key factors in the positive result
- The yes campaign presented the draft constitution as a working text and the yes vote as an opportunity to show commitment towards the European project while the no campaign was mostly concerned with the preservation of the European social model and public services
- The referendum produced one of the most heated debates about European politics and policy in Luxembourg to date
- The campaign demonstrated that there is a considerable discrepancy between the concerns and attitudes toward Europe among political elites and the general public in Luxembourg

#### Background

The Luxembourg government decided to hold a referendum on the European constitutional treaty in June 2003, sixteen months before the draft text was signed by all 25 EU heads of state and government in Rome. At the time of the official signing ceremony, there was overwhelming support for the "yes" camp with more than 60% of citizens in favour of the treaty compared with only 19% against and 21% undecided.<sup>1</sup> The referendum was scheduled for July 10 2004, in order to bring Luxembourg's 6-month EU Presidency to a triumphant ending with an overwhelming expression of sympathy for the European project from its famously pro-European electorate.

In the run-up to the campaign all political parties represented in Luxembourg's Parliament except for the right wing Action Committee for Democracy and Fair Pensions (ADR) expressed

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<sup>1</sup> ILRES-RTL poll

their support for the constitution. Only the ADR, which sits in the European Parliament with the largely anti-European Union for a Europe of Nations (UEN), was split on the constitution and refrained from issuing any voting recommendation to its supporters. Indeed, its leader Gast Gybérien changed his own position on the constitution at least three times during the campaign. The small Luxembourg Communist Party (KPL) and the extreme-left New Left, both of which are not represented in Parliament, were the only two political formations to speak out against the constitution, which they accused of dismantling Europe's social model, enshrining a neo-liberal bias and opening the way to a militarization of the European Union. Apart from these exceptions, dissenters remained far and few between, with most of them confined to the political fringes.

Confidence in a yes vote was high in the run-up to the start of the official campaign with a vast majority of Luxembourgiens and almost all of the mainstream political elite strongly in favour of the text. In order to boost the yes camp even further, the Christian Democrat (CSV) Prime Minister Jean-Claude Juncker decided to up the stakes and throw his own political future into the vote. On 29 December, two days before the start of Luxembourg's EU Presidency, he announced his resignation should Luxembourg's voters decide to reject the constitution. This was backed up by a similar declaration from the Christian Democrats' Socialist coalition partner Luxembourg Socialist Workers' Party (LSAP) whose president Alex Bodry called for a general election in case of a no vote.

Despite his huge popularity, it is far from clear whether Juncker's move benefited the yes camp. In the last weeks of the campaign, an *Ilres* poll found that 45% of respondents thought the resignation threat amounted to "blackmailing voters". In its comment, the *Luxemburger Wort*, which is close to Juncker's conservative party, warned that it was essential to avoid a "French situation" where the referendum was being exploited for domestic political reasons.<sup>2</sup> In a similar vein, the opposition press concluded that the government was trying to "scare people into voting yes" because of domestic concerns rather than engaging in an effective information campaign on European issues and the constitution itself.

Indeed, with the political elite forming a united front in favour of the text and little debate in the media, general knowledge about the constitutional treaty remained very limited. Up until March 2005, most Luxembourg media confined themselves to commenting on the country's specially devised new referendum legislation rather than the constitution itself. Contentious points included the non-binding nature of the referendum, compulsory voting and the exclusion of the Grand-Duke and foreign nationals from participation in the public consultation. It should come as no surprise then that by April 2005, only 8% of the electorate claimed to be "well informed" about the constitution compared with a striking 81% who had "little" or "no" knowledge.<sup>3</sup>

In response to this lack of information and in order to increase the prominence of the referendum in public debate, Luxembourg's parliament organised three public hearings where members of the public and MPs would discuss EU democracy, social and environmental policy and the common foreign and security policy. While these hearings aimed to foster an "objective debate" about European issues, wide sections of the public remained sceptical with the Action Committee for Democracy and Fair Pensions (ADR) accusing the government of "propaganda" in favour of the constitution. Indeed, as parliamentary President Lucien Weiler had to admit, any parliamentary efforts had to be described as merely "subjectively objective" due to the pro-

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<sup>2</sup> Glesener, Marc, 'Es gibt keine Alternative zu Europa', *Wort*, 19 March 2005.

<sup>3</sup> *Ilres* poll, April 2005.

constitution consensus within the political mainstream.<sup>4</sup> As a result, with the legitimacy of governmental and parliamentary efforts undermined, the number of undecided voters remained stable around 20% until the final weeks of the referendum campaign.

In the meantime, ratification procedures were already well underway in some of the other EU member states. On 29 April 2005, the Spanish referendum resulted in an overwhelming victory for the “yes” camp with a 77% majority in favour of the draft constitution. Also, two of Luxembourg’s neighbours, Germany and Belgium, had already ratified the text via their parliaments. Nevertheless, polls in Luxembourg showed a slight drop in the “yes” vote to 59% with a commensurate increase in the “no” camp to 23%. In addition, as the prominent political scientist Philippe Poirier predicted, the French and Dutch referendums could have a substantial effect on public attitudes in Luxembourg and a “yes” vote below 60% would have to be interpreted as “very weak” for traditionally europhile Luxembourg.<sup>5</sup> Indeed, the French and Dutch referendums would prove to be very important in raising the salience and direction of the constitutional campaign in Luxembourg.

### **The European Crisis**

On 29 May 2005 Europe slipped into a full-blown political crisis after the French electorate voted against the draft constitution.<sup>6</sup> EU President and Luxembourg PM Juncker who had campaigned intensively for a yes vote in France expressed his disappointment but ruled out any re-negotiation or plan B. Instead, Juncker welcomed the quality of the political debate in France and called for a continuation of the ratification process to allow every member state to express its opinion on the draft text. Three days after the French rejection, all fears of Luxembourg’s political class were confirmed when the Dutch rejected the constitution with an even larger majority of 61.6%.<sup>7</sup>

The reaction to this double setback in Luxembourg was strong. First, Juncker reaffirmed his threat to resign in case of a no vote and maintained that the ratification process must be continued. He declared the double rejection was disappointing and had led to “global uncertainty”. At the same time, Juncker gave the campaign in Luxembourg a slightly different spin by warning that only a yes vote could guarantee the defence of the country’s national interests when Europe would pick up the pieces in eventual re-negotiations. Only countries that voted in favour of the treaty could negotiate from a position of strength against British attempts to turn the European Union into a free trade zone. Finally, the PM broadened the stakes even further by claiming that the referendum was really about Luxembourg’s general attitude toward the European project as a whole rather than the constitution itself.

Reactions among the rest of the political class varied. The Socialists backtracked on their earlier promise to resign from the government in case of a negative vote. Instead, the party announced it would await the actual results before making its decision. Second, parliament resolved to abide by the referendum result even though the public consultation was not legally binding. Finally, the eurosceptic Action Committee for Democracy and Fair Pensions (ADR) continued to refuse adopting a formal position on the current text and called for a renegotiation. Its party leader Gast Gybérien who had been part of Luxembourg’s representation at the

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<sup>4</sup> *La Voix*, 22 March 2005.

<sup>5</sup> *Woxx*, 29 April 2005.

<sup>6</sup> See Sally Marthaler ‘The French Referendum on Ratification of the Constitutional Treaty’ EPERN Referendum Briefing Paper No.12. Available at: <http://www.sussex.ac.uk/sei/1-4-2-9.html>

<sup>7</sup> See Robert Harmsen ‘The Dutch Referendum on the Ratification of the European Constitutional Treaty’ ERERN Referendum Briefing Paper No.13. Available at: <http://www.sussex.ac.uk/sei/1-4-2-9.html>

Convention that drafted the constitution, now even argued that Europe did not, in fact, need any such text at all.

There was wide coverage of the consequences of the French and Dutch no votes in the local press. 66 prominent members of Luxembourg's civil society signed an open letter calling for a yes vote and emphasizing European successes at peace and prosperity as well as the benefits Luxembourg had received from European integration. Some commentators believed the referendum might not take place after all if a specially scheduled crisis Council of European heads of state and government decided to cancel or delay the ratification procedure. These speculations were reinforced by Europe Minister Nicolas Schmit who called for "caution, patience and debate" before the constitutional affairs committee of the European Parliament.<sup>8</sup> However, Juncker continued to rule out any premature end to the ratification process.

Finally, the general public reacted with confusion to the crisis. As Figure 1 (below) shows, the French and Dutch campaigns had brought the percentage of people opposed to the constitutional treaty to within 10% of the yes camp. At the same time, the number of undecided voters had dropped below the 20% mark as the French and Dutch campaigns were covered extensively in the domestic and the foreign press. The inconclusive European summit temporarily reduced support for the constitution even further to a low of 41% (against 38% no votes) and raised the number of undecided voters back to 21%.

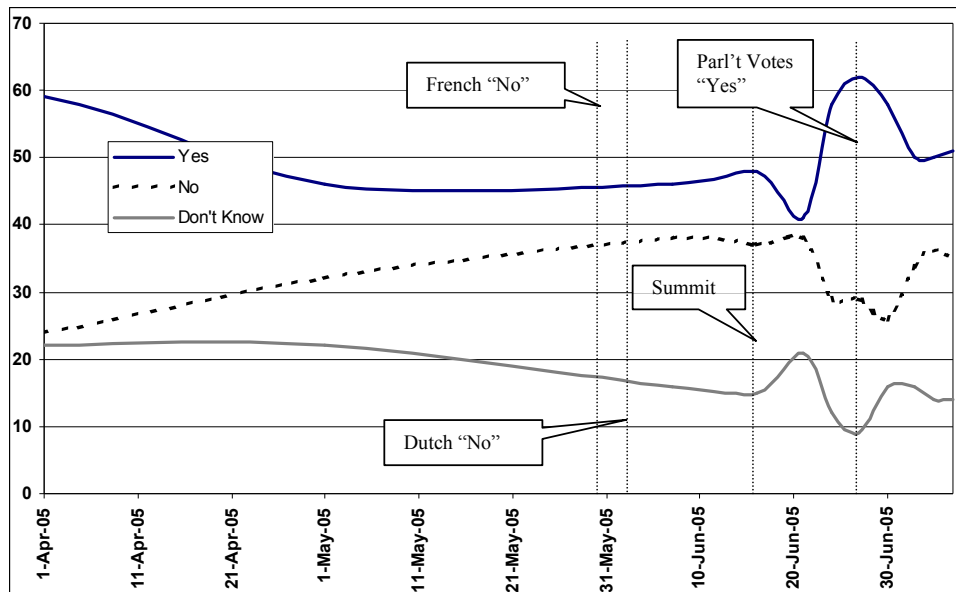
After the European summit which granted member states additional time for "reflection" before submitting the constitution to ratification, it remained unclear whether Luxembourg would hold its referendum or not. While Portugal and Denmark immediately postponed their votes, Juncker officially adopted a neutral line and referred the issue to Parliament. At the same time, however, he admitted that "a debate with an entire population requires more time, even if the population is small" and the German press agency *dpa* even suspected him of having unsuccessfully proposed a stop to the ratification process at the European summit.

Popular sentiment was on Juncker's side. While 71% of Luxembourgers remained in favour of a popular consultation as a mandatory requirement for ratification, an overwhelming majority (70%) also wanted to postpone the referendum as a consequence of the French and Dutch no votes. Nevertheless, parliament maintained the referendum on July 10 and scheduled its own vote on the draft constitution for June 28. As Christian Socialist People's Party CSV leader Wolter said, the July 10 date was legally difficult to change because the first correspondence ballots had already been cast. Similarly, all other parties including supporters and opponents of the constitution agreed that the scheduled date should be kept in the interest of maintaining political credibility. Thus, despite popular concerns, on 28 June, the Luxembourg Parliament voted unanimously in favour of the constitution. Only the right-wing Action Committee for Democracy and Fair Pensions, which continued to be split, did not attend the voting session in protest at the government and parliament's one-sided campaign in favour of the "yes" vote. All unions and business associations supported the constitution and called for popular ratification on July 10 except for the comparatively influential banking association (ALEBA) which argued in favour of postponing the vote.

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<sup>8</sup> *AFP*, 13 June 2005.

**Figure 1. Support for Ratification of the Constitutional Treaty in Luxembourg**



Source: Forum-Referendum.lu; Ilres

## Results

In the referendum on July 10, 56.52% of Luxembourg voters chose to approve the draft constitution. With 14% of voters undecided until the last minute, the result could easily have swung the other way. However, in the week leading up to the vote, the polls predicted the victory of the yes camp very accurately. As Table 1 shows, despite compulsory voting, turnout at 86.27% was lower than for national or European elections. More than one in eight Luxembourg voters was ready to risk a €500 fine rather than make up their minds about which way to vote in the referendum. Because of the relatively low turnout, less than half (49.1%) of all registered voters actually backed the constitutional treaty, which is far from the massive public endorsement envisaged when the referendum was initially announced in 2003. Also, nine towns voted against the constitution, seven of them located right on the border with France. Traditionally working class, this area of the country has remained more sympathetic to socialist and extreme left parties than the rest of the country. It is likely that the French referendum result, and the division of the French Left in particular, had a larger impact on public opinion here than elsewhere.

Nevertheless, the referendum result was a great relief for Luxembourg's political class and especially Prime Minister Jean-Claude Juncker. At the same time, as in France and the Netherlands previously, the "permissive consensus" that had for a long time enabled governments to deal with European affairs relatively freely had come to a rather abrupt halt in even the most europhile member states.<sup>9</sup> Nevertheless, the reasons why Luxembourg citizens supported or rejected the constitution were quite particular to the Luxembourgish context. Table

<sup>9</sup> The idea of a "permissive consensus" goes back to Inglehart, Ronald, *The Silent Revolution*. Princeton: Princeton University Press, 1977.

2 lists some of the motivations that no and yes voters cited for their choice in the run-up to the referendum.

**Table 1. Results of July 10, 2005 Referendum on Draft European Constitution in Luxembourg**

	Total	% Registered Voters	% Valid Votes
<b>Registered</b>	223,000		
<b>Cast</b>	199,609		
<b>Void</b>	5,894		
<b>Valid</b>	193,715	86.87	
<b>Yes</b>	109,494	49.10	56.52
<b>No</b>	84,221	37.77	43.48

*Source: etat.lu*

Those who voted in favour of the text cited primarily domestic motivations. A stark 88% percent believed the government's line of argument that a no vote would violate the national interest by weakening the position of Luxembourg within the European Union. It thus seems then that the intensive campaigning by senior government figures as well as PM Juncker's personal pleas did have an effect on the electorate. Additionally, Luxembourg's EU Presidency might have accentuated the impression that the country has a disproportionate amount of influence in Europe. However, a less popular government disposing over less political goodwill might not have managed to keep a majority of voters in the yes camp.

Of course, the PM could also rely upon the large pro-European consensus in Luxembourg: 81% of yes voters motivated their choice with a general pro-EU attitude while 80% cited a stronger global role for the EU and continued political integration as the primary reasons for their support. However, there was only one strictly constitutional reason for voting in favour of the text, with 63% mentioning the expected improvement of European decision-making capacity. On the whole, the yes camp was motivated not by the constitutional treaty itself but by the wider European project and Luxembourg's role within it.

Among no voters, opposition to enlargement was the main reason for rejecting the constitution (68%), though 61% of also cited their sceptical attitude towards the European project as a whole. Additionally, a majority of no voters thought the constitution was "too complicated" (59%) and argued in favour of a re-negotiation (65%). However, unlike among the "yes" camp there were no national reasons for opposing the draft text. Turkey and the neo-liberal bias of the constitutional treaty, which were some of the largest factors in the French and Dutch campaigns only convinced 39% of no voters. In addition, a third of no voters (33%) motivated their choice with the concern that the constitution did not go far enough. The variation of opinion within the no-camp confirms Prime Minister Juncker's assertion that a re-negotiation was impossible because of internal disagreements among opponents to the current text in France, the Netherlands and Luxembourg.

Finally, it may be interesting to note that, unlike in France, partisan alignment did not have had much effect on people's referendum choices. With the entire political class in favour of the text and the right-wing Action Committee for Democracy and Fair Pensions ADR wavering, voters looked beyond party cues to make up their mind. Similarly, only 22% of yes voters claimed the Prime minister's resignation threat had affected their decision.

**Table 2. Reasons for Yes and No Votes**

<b>Reasons for voting</b>	<b>YES</b>	<b>NO</b>
<i>Constitution</i>		
needs re-negotiation	.	<b>65</b>
brings institutional improvement	<b>63</b>	.
is too complicated	.	<b>59</b>
is too liberal	.	39
does not go far enough	.	33
<i>Europe</i>		
pro European project	<b>81</b>	.
pro global role for EU	<b>81</b>	.
pro political union	<b>80</b>	.
contra enlargement	.	<b>68</b>
contra EU development	.	<b>61</b>
contra Turkey	.	39
<i>National</i>		
good for Lux	<b>88</b>	.
partisan decision	32	.
PM resignation	22	.
<i>Other</i>		
	15	29

*Source: Ilres*

## Conclusion and Future Prospects

In the end, despite a rather comfortable victory for the yes camp, the referendum on the constitutional treaty in Luxembourg was a much riskier affair than originally intended. The government was under no obligation to organise a public consultation since Luxembourg does not have a tradition of holding referendums on European treaties. In fact, parliament went to great lengths to change existing legislation and enable the referendum to go forward. However, the hoped for triumphant approval of the constitution, the European project and, by association, Luxembourg's EU Presidency never materialised. Indeed, in the last weeks of the campaign, the political class, which remained overwhelmingly favourable to the treaty, had to use all its political goodwill to stem the rising tide of no voters.

Luxembourg's exceptional europhilia, fears for a loss of influence within Europe and Prime Minister Juncker's popularity determined the result of the referendum. The constitution itself on the other hand provided most its arguments to the no side. The large number of no votes and the intensity of the debate especially in the last weeks of the campaign illustrate that the "permissive consensus" on European affairs has finally broken down. The vast majority of Luxembourgiens may agree that the country has benefited enormously from European integration but this does not mean that the government is free to do whatever it likes on the international stage. Scepticism about the transparency of European decision-making and the recent evolution toward a wider, less consensual Union have taken their toll on Luxembourg's europhilia. That said, the referendum campaign would not have taken such a dramatic turn had France and the Netherlands approved the treaty.

After the publication of the official result, Prime Minister Juncker underlined that the Luxembourg yes vote meant that the draft constitutional treaty would remain on the European agenda. Similarly, Foreign Minister Asselborn contended that Luxembourg had contributed to healing the 'sick patient' that the European Union had become after the double no vote in

France and the Netherlands. However, these optimistic assessments led to little more than a few sarcastic smirks within the international media.<sup>10</sup> Indeed, it is highly unlikely that the text approved in Luxembourg will come into effect. While a no vote would have buried the constitution entirely, destroyed the already mixed results of Luxembourg's EU Presidency and undermined the legitimacy of the government, the feeble "yes" does not do much more than prevent a "worst case scenario" for the country's political elite. Rather, its most immediate consequence is likely to be a putting on ice of any plans to introduce more direct democracy in the Grand Duchy.

On the positive side, while Juncker may have been right to note that "Europe does not make people dream anymore", the campaign has shown that the EU does have the ability to engage people in an intense political debate. Indeed, in order to give greater prominence to European issues in the future, the Luxembourg Parliament is currently proposing a decoupling of European and national elections and the suspension of double candidatures for the European Parliament. As the EU evolves from a purely economic actor into a political entity, decisions taken in Brussels increase in salience and controversy. The referendum campaign has shown that the "permissive consensus" is not even to be taken for granted in this most pro-European of EU member states.

*This is the latest in a series of election and referendum briefings produced by the European Parties Elections and Referendums Network (EPERN). Based in the Sussex European Institute, EPERN is an international network of scholars that was originally established as the Opposing Europe Research Network (OERN) in June 2000 to chart the divisions over Europe that exist within party systems. In August 2003 it was re-launched as EPERN to reflect a widening of its objectives to consider the broader impact of the European issue on the domestic politics of EU member and candidate states. The Network retains an independent stance on the issues under consideration. For more information and copies of all our publications visit our website at <http://www.sussex.ac.uk/sei/1-4-2.html>.*

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<sup>10</sup> As the Economist suggests: "It will take more than a few plucky Luxembourgeois to defrost [the constitution]". In "Hollow Victory", *Economist*, July 16-22, 2005.