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Challenging the system...

Our current model of society and economy is not sustainable. Not only scientists, but also experts in economics and finance have demonstrated this in numerous publications.

This is also the fundamental conviction of the Ecological Movement, which has been following this work for years.

We need a new social consensus on the pillars upon which we wish to build our economic system in the future – whilst respecting the planet's ecological limits and global distributive justice.

We therefore need dialogue and discussion on fundamental issues, such as how we envisage the world of tomorrow and the kind of planet we want to leave to future generations.

To this end, it is also essential to have positive visions of the future. Today, no one can yet say how a 'sustainable' economic system in detail, as there are too many levers to pull. But the key steps to be taken are known.

That is why Mouvement Ecologique was once again very active in 2025, with a view to enriching the debate in the spirit of a gradual transformation of the current system.

FOR A SUSTAINABLE ECONOMIC AND SOCIAL MODEL!

Our current socio-economic model is not sustainable. This has been demonstrated in numerous publications, not only by scientists, but also by economic and financial experts. It is this fundamental conviction that has guided the work of the Mouvement Écologique for years.

We need a new social consensus on the pillars upon which we wish to build our economic system in the future – whilst respecting the planet's ecological limits and global distributive justice.

We therefore need to engage in dialogue and discussion on fundamental questions: how do we define 'good living' today whilst respecting planetary boundaries and global justice; how do we envisage the world of tomorrow; and what kind of Earth do we want to leave to future generations?

Above all, we need positive visions for the future. For we know that material growth does not make people happier. What is more crucial for this are good social relations, justice, a sense of personal autonomy...

Today, no one can say in detail what a 'sustainable' economic system serving as the basis for a 'good life' will ultimately look like; many levers need to be pulled. But the key steps to achieving this are known.

That is why, in 2025, the Mouvement Écologique once again played a very active role in enriching the debate in favour of a gradual transformation of the current system. The subject was addressed on several occasions in various statements, discussions, conferences, round tables, etc.

THE PENSION SYSTEM'S RELIANCE ON CONSTANT GROWTH AND THE QUESTIONS THIS RAISES

The belief that the economy will continue to grow as it has in past years or decades rests on shaky foundations.

Geopolitical tensions and their effects amply demonstrate this – from an ecological perspective, this objective is also clearly absurd: this has been amply demonstrated, among others, by the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services and the Intergovernmental Panel on Climate Change.

The fact is, however, that the financing of the current pension system in Luxembourg relies on continuous growth: both in gross domestic product and in the number of people in work. In particular, it is assumed that the number of employees will rise steadily and that productivity will increase significantly. If these trends do not materialise, the financing will collapse in the medium term.

Is the current pension system model therefore a driver of growth?

Yes and no: through reforms to its funding, it could be designed to be independent of growth, but this requires political will.

Le Mouvement Ecologique has been drawing attention to this situation for years and has therefore commissioned, among others, *the Austrian Institute of Economic Research* (WIFO) to analyse to what extent it is 'plausible' that the Luxembourg economy, under the current funding formula, can actually ensure the financing of the pension system. The authors' conclusions were revealing: funding under the current model is by no means on a sound footing.

This analysis and the Mouvement Écologique's numerous interventions on this issue were likely also the decisive factor in the Mouvement Écologique 2025 being invited, as the sole environmental organisation, to the government's 'pensions round table' in Bourg-lénster (alongside, amongst others, employees and employers).

Obsession with growth and e-democracy – HOW CAN WE ENSURE THE SUCCESS OF THE SOCIAL AND ECOLOGICAL TRANSITION?

Conferences contribute to shaping public opinion in Luxembourg. They are of particular importance in times of upheaval. It goes without saying that, for Mouvement Écologique, events relating to the issue of growth and the economic system are of particular interest.

As part of the series: *'Addressing the climate and biodiversity crises in a coherent and socially just manner: what are the prerequisites? How to make the transition a success!'*, the Mouvement Ecologique has organised the following conferences, some in collaboration with partners:

- 5 February 2025 – *Is society failing in the fight against climate change? What concrete conclusions can be drawn?* with Jens Beckert, Director of the Max Planck Institute for the Study of Societies and Professor of Sociology in Cologne.
- During a Zoom event attended by nearly 100 people entitled: *"Emotionally charged discussions – an opportunity for shaping the future and the transition?"*, Prof. Dr Maren Urner, neuroscientist, author and professor of transformation design, presented new ideas for addressing current crises from a neuroscientific perspective.
- *"How much is enough? Living well without compromising the foundations of life: the role of lifestyle"* was the topic addressed next by *Dr Elisabeth Dütschke, senior researcher at the Fraunhofer Institute for Systems and Innovation Research*. The speaker presented the subject from both a psychological and a practical perspective. The podcast is well worth a listen.

These events always attract a large audience and shed light on these very important yet complex societal challenges.



OVERSHOOT DAY

In 2025, Luxembourg once again found itself on the winners' podium. As the second country in the world, we reached Earth Overshoot Day on a global scale. Reason enough for the Mouvement Écologique to break new ground by publishing full-page advertisements. With a clear message for the general public and policymakers: this date must be pushed back, which we can achieve if we want to... and it even has benefits for us all. Let's do it!

TAX THE SUPER-RICH – A SUSTAINABLE FUTURE FOR ALL!

In 2024, the Mouvement Écologique supported the pan-European initiative

supported the 'Tax the Super-Rich' initiative. Although the threshold required for a European citizens' initiative could not be met at the time, experts and civil society organisations around the world are increasingly campaigning for fairer taxation of the super-rich. This is essential for a socio-ecological transition.

Le Mouvement Ecologique remains active within the alliance and regularly addresses the issue of social justice.

STATE OF THE NATION SPEECH: “DISAPPOINTING AND WORRYING – 'DISAPPOINTING FROM THE PERSPECTIVE OF BUILDING A SUSTAINABLE FUTURE'

... this is how the Mouvement Écologique commented on Prime Minister Luc Frieden's speech in May 2025.

According to the Mouvement Écologique, this speech revealed a problematic attitude on the part of the Minister of State towards the central issue of sustainable development and the acute challenges posed by the climate and biodiversity crises. These central challenges do not appear to feature on the government's list of priorities, nor does the issue of the fair distribution of wealth.

Unfortunately, the impression is still being given that the socio-ecological transition is possible through acts of 'goodwill' and mere awareness-raising, which is not the case.

At the same time, however, deregulation measures are constantly being promoted – particularly at EU level. An analysis of the Minister of State's speech has therefore been published.

INFORMATIVE MEETING WITH FINANCE MINISTER GILLES ROTH

During an interview with Finance Minister G. Roth, key issues from a sustainable development perspective that directly concern the Ministry of Finance were discussed.

For example, the concept of 'Green Budgeting'. This involves specifically scrutinising the state budget to identify expenditure that is counterproductive in terms of climate and the environment. Many countries have already introduced this tool or are in the process of phasing it in. This ensures, on the one hand, that public funds are no longer spent in a way that contradicts societal objectives (namely climate protection and biodiversity conservation) and, on the other hand, that new financial resources are made available for relevant measures.

Finance Minister Gilles Roth has shown himself to be open to the introduction of such an instrument, provided that existing budgetary structures are not called into question. His staff are already in discussions with foreign experts on this subject.



The 'GDP-wellbeing' instrument was also discussed. It was included for the first time in the 2026 budget, although unfortunately in a rather unsatisfactory manner. The indicators selected are certainly open to debate. But at least a first step has been taken, and the minister is willing to optimise this instrument.

Other topics discussed included the **climate social plan** designed to support the most financially vulnerable households, **sustainable tax reform** and a 'penalty' system for high-emission vehicles. Finally, the **transition from the CO₂ tax** to the ETS2 emissions trading scheme was discussed, with the Mouvement Écologique arguing that a phased approach and social compensation measures were necessary.

The controversial **arbitration tribunals** were also addressed: these allow companies to take states to court to claim billions of euros in compensation if environmental or climate protection measures reduce their profits. Luxembourg is currently involved, among other cases, in the 'Fridman case' (see EU/International).



IN DIALOGUE WITH POLITICAL STAKEHOLDERS

It is precisely the challenge of sustainably reshaping our social and economic model that requires close dialogue. This is why various discussions have taken place, notably with the Minister for the Economy and Energy, Lex Delles, with the Minister for the Environment, Serge Wilmes (abolition of counterproductive subsidies, design of the ^{carbon} tax, conducting a stress test for Luxembourg's development...), and with the Minister for Finance, Gilles Roth.