



## The Luxembourg Productivity Centre: 50 years old

**L**'Office Luxembourgeois pour l'Accroissement de la Productivité (OLAP), the productivity center of the EU's smallest member state of Luxembourg, was established almost a decade later than its neighbors. Thus it celebrates its half-centenary in 2007, an age that only its German counterpart has been able to reach. The original French, Belgian, and Dutch productivity centers were all "put to rest" in the late 1960s and early 1970s, with their places taken by bodies focusing on the social side of productivity, i.e., the humanization of work.

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Longevity has not been its only distinguishing characteristic: during its first decade OLAP was as concerned with agricultural as with industrial productivity until the agricultural unit was spun off to the appropriate ministry. Subsequently, as Luxembourg has deindustrialized (its key steel-maker was bought up by India's Mittal) OLAP has come to focus on improving the Grand Duchy's service enterprises, the prime facets of Europe's most productive and wealthiest economy. Thus, for the country's service sector it arranges training activities to the virtual exclusion of the information, consultancy, and research activities present in the palette of other productivity centers. Focusing on training is justified by the country's, and Europe's, belief that enhancing human resources is the key to future competitiveness. If, in an open economy like Luxembourg's, there are information, consultancy, and research services galore, there is a genuine need for a publicly sponsored body that focuses on the learning needs of smaller enterprises, while participating in the open training market to keep its eye on the ball and broadly propagating knowledge of the supply side of training. The



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Like other centers, or perhaps even more so, OLAP continues to operate within a consensual setting between employers, employees/workers, and government. Bi- and tripartism imbue the whole country: all major corporate restructuring exercises or closures are accompanied by tripartite action to redeploy redundant workers. The constitution requires that all employers, craft workers, and farmers must belong to their own specific chambers, as must all employees (state and private sector separately) and workers. All employer chambers are fee-paying members of OLAP. The trade union representatives are also OLAP board members, as are three governmental representatives, albeit the latter only have consultative status. This consensual stance has ensured OLAP's survival over the changes of the last decade or more, generated by two major environmental changes.

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First, as elsewhere in Europe, government finance has been declining. The reduction in OLAP's case has been particularly severe: from €260,000 in 2003 to €120,000 in 2007. Since the state, in this case the Ministry of Economics, accounted for roughly one-half of the center's annual income, the only viable means of balancing the budget was to reduce costs. This was achieved by not replacing the secretary general and making greater use of part-time staff. But also essential during the crisis years was the full backing of the center by the trade unions (which, like employers' associations, are voluntary bodies paralleling the above-mentioned chambers).


Second, a series of laws on life-long learning starting in 1979 culminated in 1999 in the establishment of a national institute to implement a set of rules and regulations aimed at stimulating life-long education and training. These include scrutinizing the provision of financial support to individual enterprises with training policies and practices using the learning events, both external and internal, previously vetted by the institute. To rationalize the supply side, in 2005 OLAP became allied with the training units of the Chambers of Commerce and Handicrafts. The impact was immediately apparent: participant cancellations plummeted from 40% to 20%. As one of the bodies under which training has been authorized, course participants or their employing enterprises can usually benefit from state coverage of 10% of company/individual investments in life-long learning. The external and in-company programs offered by OLAP cover a range of subjects concerned with management and administration. It has made its reputation in practical domains such as computer techniques, using secretarial resources efficiently, effective use of

the telephone, taking notes and writing reports, or corporate fiscal procedures. But it also provides courses on general management themes such as the new roles of managers, time and stress management, efficient delegation, and identifying core issues.

For in-company programs, all offers (under European Commission procedures) are subjected to open tender. Such programs aim to deepen the knowledge and capacities of a specific group of persons within a single company or administration or to ensure specified results when implementing a new strategy, organizational design, or management style. In more complex cases, training needs to be accompanied by consulting to enhance the chances of success. Like the external training courses, in-company programs can benefit from the 10% state grant. OLAP has been particularly successful with its programs for the post office.

In 2004, OLAP launched its “summer action” from mid-July when Luxembourg’s enterprises and administrations close for vacation. Since the first trial, numbers participating in the four areas covered have tripled: personal efficiency and organization; industrial relations; written and verbal communication;

and purchasing and logistics. From 2007, an added attraction has been the organization of these courses in the brand-new training center of the Chamber of Workers in an exhilarating riverside location.

OLAP has gradually found its productivity niche as a national networker and organizer of training programs. This is bringing about a change in its ministerial sponsorship in 2008 from economics to education. It has also meant that its recent alliance with the training actions of the Chambers of Commerce and Crafts is creating more efficiency and synergy. Since its image is so well established on the learning market, it is unlikely to drop the “p” from its logo, although the letter will in future be understood to mean “pedagogy” as much as “productivity.” 

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