Turning Luxembourg into a digital nation

The creation of an entrepreneurial culture in Luxembourg is not an easy task. The high public-private sector wage gap combined with the high wage in the financial sector makes it hard for other sectors of the economy to attract skilled workers, let alone for policy makers to encourage entrepreneurship. The lack of affordable office or co-working spaces and the shortage of skilled workers notably due to the low number of science and engineering graduates does not make the situation any easier. The level of entrepreneurial activity in Luxembourg could have stayed low, had it not been for the initiatives of bold individuals dedicated to turning Luxembourg into a digital nation.

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The city of Luxembourg constantly needs to reinvent itself to secure economic growth and sustainable prosperity. In the 1970s, the country of Luxembourg shifted from an industrial economy strongly relying on the iron and steel industry to a service economy led by financial services. Nowadays, building on its position of global financial hub, Luxembourg remains dependent on the financial services industry. However, with the rapid pace of change in ICT and technological advances, the city of Luxembourg is confronted with the need to achieve greater inter- as well as intra-sectoral diversification.

The development of an entrepreneurship culture, the creation of start-ups and the focus on digital skills are perceived as critical parts of the solution for the diversification of the Luxembourgish economy. New initiatives are therefore being developed to attract digital talents and entrepreneurs in Luxembourg.

Key initiatives

Nyuko was launched in 2015 as an initiative hosting and helping entrepreneurs to articulate their business plans and early stage ideas. Nyuko takes local entrepreneurs to the next level by accelerating the transformation of their ideas to the launch of a start-up. After their Nyuko experience, entrepreneurs are ready to enter to incubators and accelerators in Luxembourg to grow their businesses.

Nyuko was created as an independent structure and resulted from the merger between Business Initiative and the co-working platform "The Impactory". Nicolas Buck, a Luxembourgish entrepreneur and former head of Business Initiative carried the vision for the creation of Nyuko, a space for exchanges, training, and sharing between entrepreneurs, investors and coaches. Nyuko is composed of energetic and inspirational entrepreneurs offering the 3 following lines of services to new and second chance entrepreneurs:

Multi-level governance for digital transformation

With a relatively small domestic market, the proximity of actors in Luxembourg facilitates the coordination between public sector decision makers (both at state and city levels) and the collaboration with other stakeholders of the digital ecosystem.

The city of Luxembourg, as the biggest city of the country of Luxembourg account for a large part of government's efforts to turn Luxembourg into a digital nation. The government of Luxembourg is therefore leading the efforts towards the transformation of Luxembourg into a smart nation. In 2014, the government launched its flagship initiative "Digital Lëtzebuerg" which aims to offer a common umbrella for all the public and private initiatives of the digital economy and society. "Digital Lëtzebuerg" is a partnership between the government and a directory of more than 109 public and private actors of the digital ecosystem.

Digital Lëtzebuerg

The main focus areas of *Digital Lëtzebuerg* cover:

- ICT infrastructures;
- support for innovation and access to financing for start-ups;
- 'FinTech';
- e-skills;
- e-administration;
- Promotion of Luxembourg

In Luxembourg, unemployment among low-skilled workers is relatively high which illustrates challenges in the education and vocational training system. Yet, according to a recent study, 500 vacancies are expected in the ICT sector over the next couple of years. *Digital Lëtzebuerg's* working group on "e-slkills" has launched several initiatives to attract and train digital talents in order to better meet the requirements of the labour market. Hack4kids, FIT4CODING, and the EDUsphere project constitute only a few of the digital initiatives that are being developed.

Cross-border cooperation for a strong digital talent pipeline

WebForce3, the very first coding school of Luxembourg opened in November 2015. The coding school intends to provide jobseekers with the required skills to immediately work as integrators or junior developers after the 490 hours of training of the programme. The school is operated by the French digital campus "Numericall" located less than 100km across the French border. By contributing to the training of web developpers on both side of the border. As evidenced by the progressive shift from iron mining to digital currency mining, Numericall aims to turn this historically industrial region to a digital territory.