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## The Virtue of Being Small: An Analysis of Luxembourg's Defence Strategy

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CHRISTIAN NIKOLAUS BRAUN, MAR 20 2020

Historically speaking, International Relations (IR) as an academic discipline has concentrated on powerful states, whereas the behaviour of small states has received relatively little attention. Contemporary developments in international affairs, as evidenced by the actions of powerful states such as China, Russia and the US, are undergirded by a self-image which the Greek historian Thucydides famously summarised as: "The strong do what they will, the weak suffer what they must." Is it, then, that in today's world the cards are inescapably stacked against small states? If we reject that notion but still accept that small states cannot compete with large states in terms of military prowess, how can we explain that quite a few small states have been writing surprising success stories?

Small states have been able to thrive economically while also managing to protect their vital security interests. One of these success stories is the Grand Duchy of Luxembourg. While Luxembourg is renowned as a financial centre, boasts the EU's highest GDP per capita and has recently become the first country with a free public transport system, its approach to security is less well known. Based on an analysis that follows the constructivist school of IR, this article presents Luxembourg as a noteworthy exception to the power-based logic that seemingly dominates contemporary international affairs. Constructivism, because it seeks to go beyond a mere focus on systemic factors and takes the identity of states seriously, is uniquely positioned to explain Luxembourg's security strategy. I argue in this paper that Luxembourg, grounded in its history, national identity, and its smallness, has adopted a security strategy that concentrates on multilateralism. Luxembourg emphasises a comprehensive approach to security in which the military is subordinate to development aid. Contributing to small-state studies, I argue that its security strategy has enabled Luxembourg to 'punch above its weight' internationally, which marks a promising sign in a world that is increasingly tilting toward power politics.

This article will start with a section that provides an overview of the dominant approaches to IR and explains how those schools approach the behaviour of small states. By adopting a constructivist approach, the following section will explore how Luxembourg's history, national identity and its smallness can be taken to explain its multilateral approach in the period after the Second World War. Next, the article assesses Luxembourg's "3D Approach" to security, demonstrating that this approach emphasises development aid over military expenditures. As a consequence, Luxembourg's military expenditure fails to meet the North Atlantic Treaty Organisation's (NATO) spending target by far. However, due to the relative insignificance of its contribution to the overall budget, Luxembourg has been able to avoid massive pressure by the Trump administration to increase its spending. The article concludes that because of its smallness Luxembourg has been able to pursue a security strategy that not only keeps it safe, but that is also in line with its national identity.

### Small State Studies – From Challenges to Opportunities

Recently, there has been an increased interest in the study of small states, but there is a lot of work remaining to be done. For example, there is a considerable number of small states that have adopted distinctive security strategies, which seem worthy of being investigated by IR scholars. The origins of small-state studies go back to the late 1950s and 1960s and the field has been in the process of constant development since (see Thorhallsson 2018). The most profound change in the study of small states vis-à-vis its early beginnings has been the shift from concentrating on

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the challenges posed by smallness towards the opportunities arising from it (ibid: 17).

IR scholars have mainly assessed the role of small states from within the established frameworks of realism, liberalism and constructivism. Realists concentrate on the role of "hard power" in international affairs. Consequently, the theory sees few opportunities for small states to achieve their objectives in the competition with great powers (see, e.g. Mearsheimer 2001). Starting from a disadvantaged position, realist scholars have investigated the strategies small states must adopt to survive in what for them is an anarchical international system that is determined by power politics (see, e.g. Pedersen 2018). Liberals, in contrast, do not accept the realist notion that hard power is by far the predominant determinant in global politics (see, e.g. Keohane and Nye 2011). For them, other aspects, such as democracy, trade and institutions, can make peaceful cooperation between states, both small and large, possible (see, e.g. Gstöhl 2002).

Constructivists highlight the role of ideas and identities as determinants of individual and collective behaviour (see, e.g. Wendt 1992). In other words: "Identities are representations of an actor's understanding of who they are, which in turn signals their interests. They are important to constructivists as they argue that identities constitute interests and actions" (Theys 2017: 37). That is why constructivist scholars are especially keen to study non-material factors driving state behaviours, such as culture, values, norms or ideas. Consequently, constructivists disagree with both realists and liberals in that, for them, state behaviour is grounded in the identity of the respective state, rather than in systemic factors. As Wendt (1992), in contradistinction to the realist notion of an international system plagued by power politics and disorder, puts it succinctly: "Anarchy is what states make of it." Put differently, constructivists argue that state behaviour is not entirely pre-determined by the international system but is also subject to the respective state's self-image and there is thus an opening to investigate the often unique perspectives of small states (see, e.g. Crandall and Varov 2016).

In what follows, I argue that the constructivist school of IR is well-positioned to explain Luxembourg's national security strategy. Based on its close cultural and linguistic ties to both France and Germany and grounded in its historical experience, I argue that a multilateral approach to international affairs is part of the political DNA of Luxembourg. At the same time, I argue, Luxembourg's smallness allows it to de-emphasise the military pillar of its security strategy and focus on foreign development aid instead.

## **The Grand Duchy of Luxembourg – A Dwarf between Two Giants**

Perhaps the most striking example of the renunciation of power politics in recent history has been the process of European integration. Often described as a peace project, this process was above all triggered by the catastrophic experiences of two world wars, which were the direct result of the power-based logic (see Birchfield, Krige & Young 2017). Of particular importance in the development of today's European Union (EU) was the reconciliation between its two most powerful states, France and Germany. To create a lasting and peaceful order on the European continent, France and Germany needed to make sure that another war between them would become both materially and psychologically impossible.

Among those affected the most by the so-called hereditary enemies of France and Germany were the people living in the border regions between the two behemoths. In the years before the Second World War, Luxembourgers had to live in constant fear that war would break out. When the Second World War started, the war brought tremendous destruction, and Luxembourg ceased to exist as an independent state. After the Second World War, when Germany had been defeated and the sovereignty of Luxembourg had been restored, the country took on an important role in the attempt to reconcile France and Germany and create a peaceful and lasting post-war order (see Campbell 2000). Grounded in Luxembourg's close cultural and linguistic ties to both France and Germany, it almost seemed natural that the role as an interlocutor between the two would fall to the country.

Moreover, the effort to create a durable post-war order was deeply personal for Luxembourg. The post-war leader of Luxembourg, Joseph Bech, had witnessed the war on a very personal level and, like many leaders of his generation, sought to do his utmost to prevent future conflict (see Trausch 1978). Bech's personal experience connects closely to that of France's then foreign minister, Robert Schuman. Schuman came from the border region between France and

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Germany and whose famous plan, which sought to make war between France and Germany materially impossible, was at least partly informed by his biography (see Lückner & Seitlinger 2000).

At the same time, these particular Luxembourgish characteristics notwithstanding, it did not require much geopolitical geniality to conclude that Luxembourg with its small and landlocked territory and a population of less than half a million people could not defend itself alone. Luxembourg's post-war multilateralism was thus the result of both identity politics and practical considerations. Consequently, in addition to its commitment to European integration, Luxembourg joined NATO as a founding member.

As I will argue next, Luxembourg's multilateral orientation has continued until the present day. Upholding the multilateral world order as enshrined in organisations such as the United Nations, EU or NATO is considered to be similar to life insurance for Luxembourg. However, Luxembourg's multilateralism does not prevent it from adopting a security strategy which would conflict with its commitments to NATO, instead reflecting its self-understanding about its role in the world.

## **Luxembourg's 3D Approach**

In 2017, for the first time, Luxembourg's Ministry of Foreign Affairs published a defence policy white paper called "Luxembourg Defence Guidelines for 2025 and Beyond." The white paper outlined the nation's defence strategy for the decade to come. In the white paper, the government acknowledged that Luxembourg's security has benefitted from the security on the European continent and through being a member of NATO and the EU. Luxembourg is defined as an engaged and solidary actor in favour of acting multilaterally (Ministère des Affaires étrangères et européennes 2017: 6). The policy document notes that in today's changing security environment, only a few countries are capable of influencing the course of events alone.

For Luxembourg, due to its smallness and limited military resources, cooperation with partners and the maintenance of a stable national and international security environment is thus considered to be a priority (ibid: 8-9). Portraying Luxembourg as a country of peace and multilateralism, the ministry acknowledges that the nation's sovereignty is reliant on the respect toward a rule-based system of international affairs. Moreover, the government accepts that its territorial integrity "depends on the security of its neighbours, of the European Union and NATO, and of global stability" (ibid: 12).

In contrast, in the eyes of the Ministry of Foreign Affairs, the order of European and transatlantic security has come into question lately. The norms of international law have become contested, Europe has been confronted with a migration crisis, and the threat of radical extremism continues to plague the continent. These are considered to be profound threats to Luxembourg's security, which can only be addressed through multilateral cooperation. That is why Luxembourg pledges to "make its just contribution to collective security" (ibid: 13).

Specifically, Luxembourg has adopted an approach it refers to as "3D approach." The 3D approach is defined as a "global and coherent approach which combines diplomacy, development cooperation and defence" (ibid: 13). This approach seeks to go beyond an exclusive concentration on the military realm by enabling the countries that receive Luxembourg's support to take care of their security themselves. The prevention of conflicts and post-conflict reconstruction are singled out as particular objectives of this strategy.

In practical terms, Luxembourg's 3D strategy means that the country spends more on development aid than on defence. This stands in contrast to NATO's objective of all member states have a 2% of GDP expended on defence in the medium term. Luxembourg has pledged to spend 0.6% of its GDP by 2020, which puts it at the very bottom of the table. Luxembourg seeks to counter this seeming violation of its promise by pointing to the relatively high proportion of investments, which exceeds the goal set by the alliance. In addition, the government points to its support for stabilisation missions in countries such as Kosovo and Afghanistan (ibid: 21). Spending 2% of its GDP on defence has even been called "irresponsible" by the secretary of state for defence, Francine Closer. There seems to be a cross-party consensus in Luxembourg that it should not seek to achieve NATO's 2% goal.

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In contrast to its defence spending, Luxembourg's spending on foreign development aid goes beyond the internationally agreed target goal of 0.7% of GDP. In 2018, Luxembourg spent 400 million euros on development aid, which is the equivalent of 1% of its GDP. Its government's coalition agreement (DP, LSAP, and déi gréng 2018: 182) determined a particular focus on the Sahel zone, whose security has direct consequences on the European continent as a major migration route and a region that has been plagued by Islamic terrorism. In line with its 3D approach, Luxembourg's development aid seeks to assist not only to countries ravaged by war, but countries that are suffering from climate change and pandemics, too (ibid: 192).

## Luxembourg – Turning Smallness into a Virtue

Based on a constructivist point of view, this article has examined the security strategy of Luxembourg. For those hoping to avoid a return to the power politics of earlier days, the surprising success of Luxembourg's security strategy post-1945 should be seen as a positive sign. Luxembourg has not only prospered economically, but it has also been able to maintain its political sovereignty and territorial integrity at a very low cost. Knowing that it is too weak militarily to defend itself alone, Luxembourg became a founding member of NATO and has been an ardent supporter of the EU's efforts to establish a collective security and defence policy. Luxembourg takes pride in its emphasis on multilateralism. The country collaborates with its NATO allies and fellow EU members, especially with its powerful neighbours France and Germany, and close partners Belgium and the Netherlands. Luxembourg's desire to collaborate seems to at least partly originate from its history and national identity.

It seems fair to argue that Luxembourg has been able to turn its military weakness into a virtue. Its low defence spending is an excellent indicator of its success. Much has been said about US President Trump's harsh criticism of NATO members that do not meet the agreed 2% spending goal. Trump's strategy of naming and shaming has been successful in the sense that Germany, the main target of his critique, has pledged to significantly increase its military spending. Luxembourg, however, continues to spend less than a third of the agreed 2% of its GDP although, admittedly, it had increased its spending from 0.38% in 2013 to 0.55% in 2018. The reason for this, it seems, is that because Luxembourg's contribution to NATO is negligible in absolute terms, the US concentrates its pressure on the alliance's major member states. Not being subjected to massive pressure to approach the 2% goal, Luxembourg has been able to spend the money elsewhere. In other words, Luxembourg benefits from its smallness in the sense that its powerful allies on whose support it depends let it go away with its low defence spending. The money saved is then taken by Luxembourg to fuel its innovative 3D approach to security with its focus on foreign development aid, which not only contributes to its security, but which also helps polish its image around the world.

In conclusion, the surprising success of Luxembourg as a beacon of wealth and security in the heart of Europe should be seen as an example of a small country that has been capable of flourishing in a world of resurgent great power politics.

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## About the author:

**Christian Nikolaus Braun** is an independent researcher currently based in Saarland, Germany. He recently finished his PhD at Durham University, UK. His research interests include the ethics of war, IR theory and the history of political thought. He is also interested in the security policies of small states generally and of the Grand Duchy of Luxembourg specifically. Christian's work has been published in several journals, including *International Relations*, the *Journal of International Political Theory* and the *Journal of Military Ethics*.