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- II. Liechtenstein Institute
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Wilfried Marxer





LIECHTENSTEIN





Conceptual framework

- Baldur Thorhallsson has developed a conceptual framework containing six categories to explain how size may affect states' action.
- The following slides give a rough overview of the situation in Liechtenstein with regard to the six categories.
 - 1) fixed size (population and territory);
 - 2) sovereignty size (whether the state can maintain effective sovereignty on its territory; its ability to maintain a minimum state structure and presence at an international level);
 - 3) political size (military and administrative capabilities and the degree of domestic cohesion, combined with the degree to which the state maintains an external united front);
 - 4) economic size (GDP, market size and development success);
 - 5) perceptual size (how domestic and external actors regard the state);
 - 6) preference size (ambitions and prioritizations of the governing elite and its ideas about the international system).





Cat. 1

FIXED SIZE





Summary

- Liechtenstein is one of the smallest European states in terms of both size and population.
- Rural are with 11 municipalities (from 500 to 6,000 inhabitants).
- Settlement area only 18 km²
- After economically difficult times until the 1940s, the resident population has increased since the 1950s from less than 15,000 to 38,000 inhabitants.
- Until the 1990s, the proportion of foreigners has risen to almost 40% and has stabilized in recent years at a level of about 35%.





Fixed size – area and population

Total area	160 km ²	100%
Wooded area	67 km ²	42%
Agricultural area	52 km ²	33%
Non-productive area	24 km ²	15%
Settlement area	18 km ²	11%

Resident population

	Share of
	foreign
Inhabitants	population

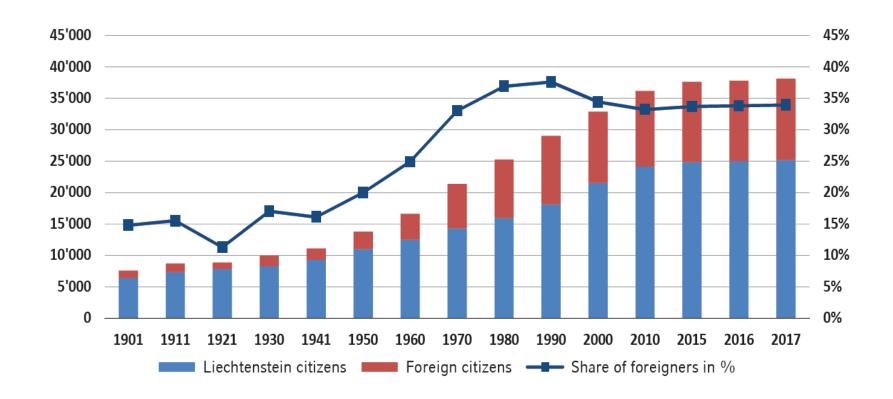
			Other	
Year		Liechtensteiners	nationalities	
1901	7 531	6419	1112	14.8%
1911	8 693	7 343	1350	15.5%
1921	8841	7 845	996	11.3%
1930	9 948	8 2 5 7	1691	17.0%
1941	11094	9 309	1785	16.1%
1950	13 757	11006	2751	20.0%
1960	16 628	12 494	4 134	24.9%
1970	21350	14304	7 046	33.0%
1980	25 215	15 913	9302	36.9%
1990	29 032	18 123	10909	37.6%
2000	32 863	21543	11320	34.4%
2010	36 149	24 145	12 004	33.2%
2015	37 622	24847	12775	34.0%
2016	37810	25 015	12 795	33.8%
2017	38 114	25 173	12 941	34.0%

Source: Liechtenstein in Figures 2018 <u>Link</u>





Fixed size - population







Cat. 2 SOVEREIGNTY SIZE





Summary

- 1719: Unification of the two parts of the country to form the Principality of Liechtenstein.
- 1806: Obtaining state sovereignty after the destruction of the Holy Roman Empire.
- Membership in the Confederation of the Rhine and the German Confederation in the 19th century.
- Close cooperation with Austria, closer ties with Switzerland since the 1920s (Customs Union Treaties).
- Failed efforts for international recognition in the 1920s (membership in the League of Nations refused).
- 1978 Accession to the Council of Europe, 1990 Membership in the UN, both strengthen sovereignty.
- 1995 Participation in the European Economic Area (EEA) as a further gain in sovereignty despite limited decision-making power.
- Gain of sovereignty in relation to Switzerland through adjustments of Customs Union Treaty.





Sovereignty size - milestones

History

1342	Creation of the earldom of Vaduz
1396	The earldom of Vaduz becomes directly subject to
	the Holy Roman Emperor
1434-37	Unification of upland (earldom of Vaduz) and low-
	land (domain of Schellenberg)
1699	Prince Johann Adam Andreas purchases the domain
	of Schellenberg; purchase of the earldom of Vaduz
	in 1712
1719	Vaduz and Schellenberg become the Imperial Princi-
	pality of Liechtenstein
1806	Inclusion in the Confederation of the Rhine:
	Liechtenstein becomes a sovereign state
1815	Accession to the German Confederation
1852	Customs treaty with the Austrian Empire
1862	A new constitution comes into force which provides
	for a parliament to represent the people
1868	Abolition of the Liechtenstein army
1919	Cancellation of the customs treaty with Austria
1921	Amendment of the constitution; democratic rights
	are strengthened

	-
1924	Customs treaty with Switzerland, introduction of the
	Swiss franc as the official currency
1950	Membership of the International Court of Justice at
	The Hague
1960	Supplementary protocol on participation in EFTA
1972	Supplementary agreement on inclusion in Switzer-
	land's EC and ECSC agreements
1978	Member of the Council of Europe
1980	Currency treaty with Switzerland
1990	Liechtenstein becomes the 160th member of the UN
1991	Member of EFTA
1995	Liechtenstein joins the EEA and the WTO
1997	Foundation of Archdiocese of Vaduz
2003	Amendment of the constitution

Micro-state discussions in 1920s and 1960s

1920: Liechtenstein membership in League of Nations rejected (28 to 1 vote; 13 abstention).

1960: Liechtenstein without full membership in EFTA.

1978: Membership of the Council of Europe as a groundbreaking step, followed by UN membership (1990) and European Economic Area (EEA) in 1995.

Source: Liechtenstein in Figures 2018 Link





Cat. 3 POLITICAL SIZE





Summary

- 1868: Dissolution of the military, no military defence of the country.
- Limited human and financial resources for foreign policy engagement.
- Relatively homogeneous society with moderate conflicts.
- Pluralisation of the party system in recent years and increase in political competition.
- Complex system of separation of powers with parliament, government and courts, but also farreaching power of the prince and direct democratic rights.





Political size – army, administration

- No army in Liechtenstein, no expenditure on military forces.
- No security guarantee by neighbouring states.
- 1.775 employees in public administration (state and municipalities) and compulsory social security (= 4.7%).
- Two political levels: State and 11 municipalities.
- 28 employees in diplomatic corps (2017):
 - 12 in Liechtenstein
 - 16 abroad





Political size - embassies and representations

City	Country	Organisation
Bern	Switzerland	
Vienna	Austria	UN, OSCE
Berlin	Germany	
Washington	USA	
Brussels		EU, EEA
Geneva		EFTA, WTO, UN
Strasbourg		Council of Europe
New York		UN

Since 1919: Safeguarding of interests of Liechtenstein and its nationals abroad by **Swiss embassies**.



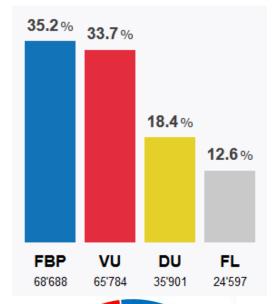
Source: Government of the Principality of Liechtenstein <u>Link</u>

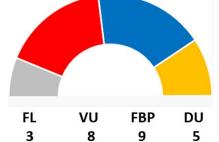


Political size – parliament elections 2017

- 4 political parties; no extreme parties; rather homogenous society; concordant political culture.
- Stability and continuity in politics.
- Grand Coalition FBP-VU (both christian-conservative parties).

Parliament elections 2017 – percent of votes, number of votes, number of seats







Source: Website about the parliamentary elections Link



Political size – political parties

- Dominance of 2 parties
- Ongoing fragmentation evenafter 2017 elections
 - 1 FBP MoP separated (2018)
 - 3 DU MoP separated (2018) and founded a new party: Demokraten Pro Liechtenstein (Democrats Pro Liechtenstein)

FBP, Fortschrittliche Bürgerpartei (Progressive Citizens' Party

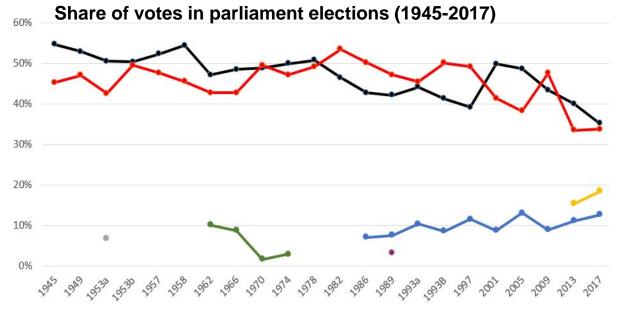
VU, Vaterländische Union (Patritic Union)

UEK, Partei der Unselbständig Erwerbenden und Kleinbauern (Party of Selfemployed and Peasants) CSP, Christlich-Soziale Partei (Christian-Social Party)

FL, Freie Liste (Free List)

UeLL, Überparteiliche Liste Liechtenstein (Non-Partisan List)

DU, Die Unabhängigen (The Independents)





Source: W. Marxer (not published)



Constitution of Liechtenstein

- Adopted on 5 October 1921 → replaced constitutional constitution of 1862.
- Historical context:
 - Economic crisis after World War I
 - Increasing focus on adaptation to Switzerland
 - Emergence of independent party system
- Constitutional hereditary monarchy on a democratic and parliamentary basis.
- Dualistic concept: Prince and People.
- Powerful position of the Prince.
- Far-reaching direct democratic rights (popular referendum, popular initiative and other instruments).
- Parliament (Landtag) elected by the voters.
- Government proposed by the Parliament and appointed by the Prince.
- Important role of the Constitutional Court.





Cat. 4 ECONOMIC SIZE





Summary

- Strong and ongoing economic growth since the 1940s.
- Not only the financial centre is important, but also the industrial sector.
- Strong dependence of the economy on exports.
- Numerous companies with subsidiaries and employees abroad.
- One of the highest per capita incomes in the world.
- Employment growth can only be satisfied by increasing employment of commuters.
- Low public spending ratio.





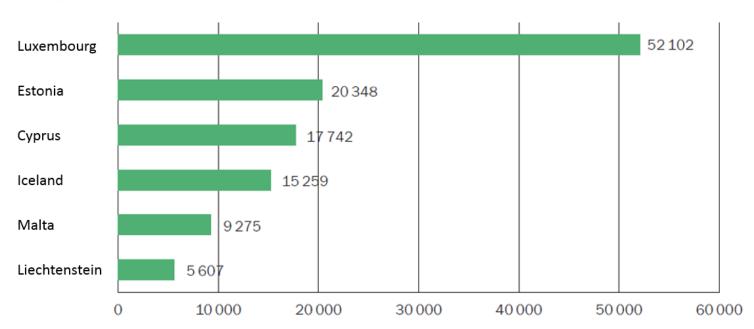
Economic size – GDP and GNI

GDP and GNI at current prices

	Gross domestic product (GDP)	GDP per emplo- yed person	Gross national income (GNI)	•
Year	in billion CHF	in CHF	in billion CHF	in CHF
2013	5.9	193 010	4.7	128 080
2014	6.1	196 820	5.0	133 220

GDP of European small states 2015

Mio. EUR

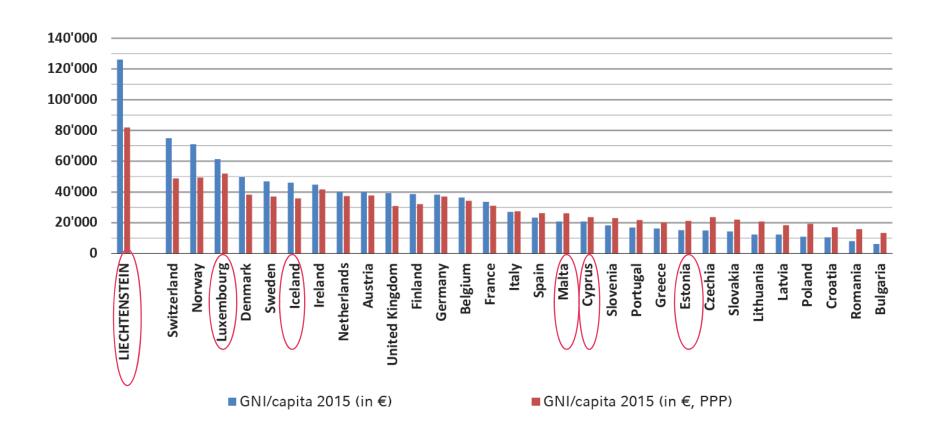


Source: Liechtenstein in Figures 2018; EUR 1 = CHF 0.88 (10/2018) <u>Link</u> Liechtenstein Office of Statistics, National Accounts 2015 <u>Link</u>





Economic size – gross national income per capita

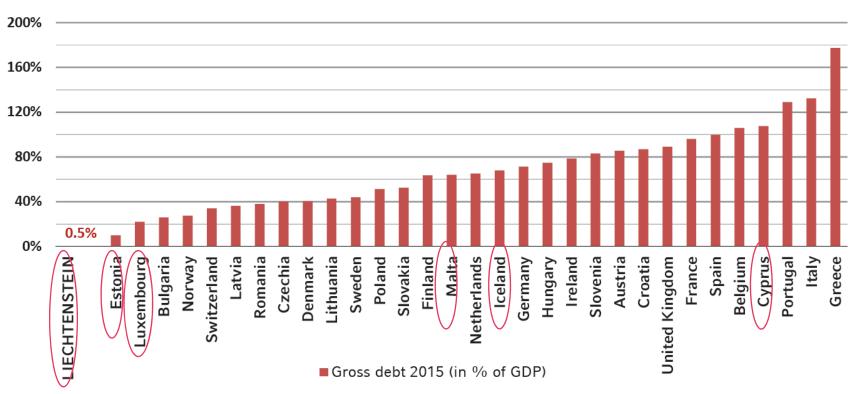






Economic size – gross dept

Gross debt in relation to GDP



Data source: OSL (Government finance statistics)

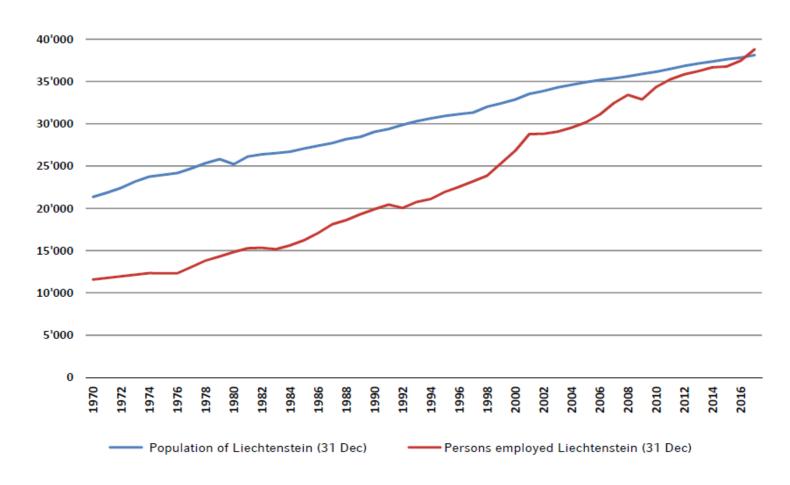


Source: Brunhart/Frommelt (2018): Economic and financial data on Liechtenstein Link



Economic size – population and employment

Population and employment since 1970







Employees by economic sector and employees at home and abroad

Persons employed by economic sector

Employed persons (2016)	Agriculture	Industry and manufacturing	General services	Financial services
Liechtenstein	0.7%	37.9%	45.0%	16.4%
Switzerland	3.2%	21.1%	69.4%	6.4%
Austria	4.4%	25.6%	70.1%	
Germany	1.4%	24.2%	74.4%	
Luxembourg	0.9%	18.9%	62.9%	17.2%

Data source: OSL (Employment Statistics), FSO (Job Statistics, Employment Statistics), STATEC.

Employees of Liechtenstein companies at home and abroad

Employment (2016)	Liechtenstein	Abroad
LCCI industrial companies (number of employees)	9,981	49,981
Liechtenstein banks (FTE employees)	2,313	2,307

LCCI employment: foreign branches, majority-owned or under management control of LCCI industrial companies. Data source: LCCI (Statistics Report), FMA (Liechtenstein Financial Market).

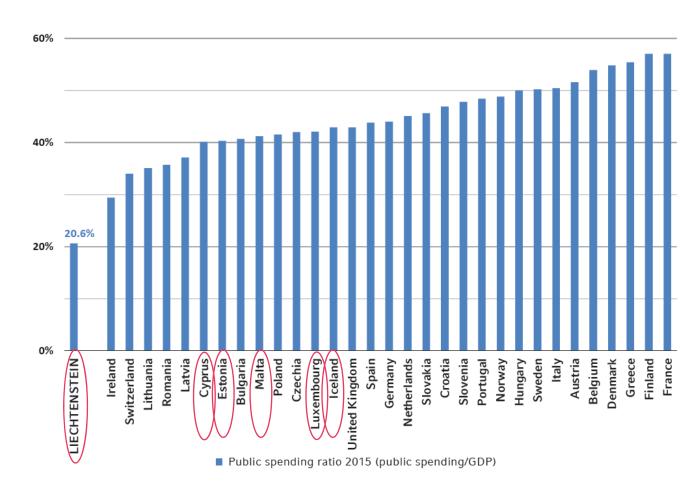


Source: Brunhart/Frommelt (2018): Economic and financial data on Liechtenstein Link



Economic size – public spending ratio

Public spending ratio



Data source: OSL (Government finance statistics, GDP Estimate), OECD.

Source: Brunhart/Frommelt (2018): Economic and financial data on Liechtenstein Link





cat,. 5 PERCEPTUAL SIZE





Perceptual size – internal perception

- Awareness of smallness and dependence.
- Limited resources and power.
- Maintaining sovereignty and economic development opportunities as key targets.
- Flexibility and quick adaptability perceived as an advantage.
- Understanding and support of larger states often ensured.
- International commitment to human rights and sustainability.
- International compliance with international treaties and respect of rule of law important for a small state.
- Relative modern, mobile and open society.





Perceptual size – external perception

- International recognition of Liechtenstein's activities in international relations.
- Close cooperation with the neighbouring states.
 Switzerland and Austria and a lot of goodwill from these states.
- Special role and conditions in small states, for example concerning financial services, more and more questioned.
- Restriction of free movement of persons accepted despite EEA membership due to small size and high proportion of foreigners.
- Sometimes stereotypical perception of Liechtenstein by foreign politicians and media.





Cat. 6 PREFERENCE SIZE





Preference size – preferences by state

- Preservation and safeguarding of state sovereignty.
- Preservation of locational advantages and national (legal) scope for action.
- Low taxes, but high revenues for state and municipalities.
- Legal certainty in relation to other states.
- Stability of international relations.





Preference size – preferences by economy

- Low taxes and other attractive conditions.
- Low bureaucratic burden.
- Free access to markets in the region, Europe and worldwide.
- Effective transport connections to the region, Europe and the world.
- Access to qualified workers.
- Level playing field in competition with regional competitors.





Preference size – preferences by society

- Open borders in the region.
- Visa-free and safe travelling.
- Access to services abroad, e.g. hospitals, educational institutions, etc.
- Free choice of residence and workplace outside Liechtenstein.





LIECHTENSTEIN INSTITUTE





Liechtenstein Institute – summary

- Founded in 1986
- Private and independent research institute
- Research with relevance to Liechtenstein
- No university, no students
- Public lectures
- Financial support by the state (state contributions app. 60%
- Budget approx. EUR 1,5 Million
- Approximately 1300 FTE (full time equivalent)



LIECHTENSTEIN-INSTITUT



Liechtenstein Institute – research fields (I)

History:

- Political history
- Social history
- Economic history

Politics:

- Political system of Liechtenstein
- International relations
- Opinion research
- Policy studies



Source: Liechtenstein Institute Link

Liechtenstein Institute – research fields (II)

Law:

- Constitutional law
- Public economic law
- Administrative law
- European law
- International law

Economics:

- Economics of small states
- Public finances
- Business cycle analyses and economic growth
- Inequality and distribution



Source: Liechtenstein Institute Link



Liechtenstein Institute – goals

- To carry out Liechtenstein-related research.
- To ensure a better understanding of Liechtenstein at home and abroad.
- To foster a cosmopolitan and realistic selfperception within Liechtenstein.
- To support a sustainable development of Liechtenstein.



Liechtenstein Institute – implementation

- Basic research as well as applied research aimed at solving specific problems.
- Pursued in long-term projects as well as shorter studies.
- Based on interdisciplinary projects and international cooperations.





Liechtenstein Institute – output

- Academic publications (self-published and also peer-reviewed international publications).
- Contributions to external academic conferences.
- In-house events.
- Media contributions.
- International cooperations.
- Teaching.
- Point of contact for academics from Liechtenstein and abroad.



Liechtenstein Institute – open access strategy



Liechtenstein constitutional commentary <u>Link</u>



Historisches.

State Darf (Permittens Lichtenste)

Lichtensteinische Landeszeitung

Jamen Millen (Eige, Marke Spark State)

Lichtensteinische Landeszeitung

Jamen Millen (Eige Lichtensteinische Landeszeitung von 11.4 1852 bis

11.11.1816, Ab ders 26.5 1832 unter dem Namen Landensteiner Landeszeitung Ein hebre Jahr auch der konstructionen Verferung von 12.4 1852 von der State Darf (Permittensteiner Landeszeitung Ein ber Jahr auch der konstructionen Verferung von 12.4 1852 von von 12.4 1852 von von 12.4 1852 von 12.5 1852 von

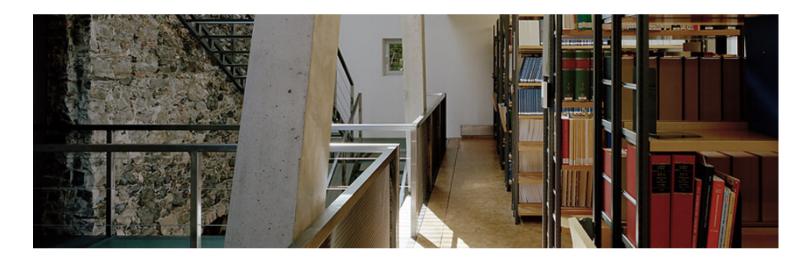
Historical encyclopedia online (accessible from 13 November 2018) <u>Link</u>



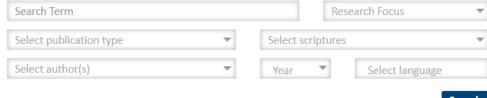


Liechtenstein Institute – 933 publications since 1986

RESEARCH EVENTS PUBLICATIONS PERSONS INSTITUTE



PUBLIKATIONEN



Search

933 of 933 items found.

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Source: Website Liechtenstein Institute Link





III.

HIGHER EDUCATION





Summary

- Only 4 institutions of higher education
- Only one university with Bachelor's and Master's degree.
- >90 percent of students from Liechtenstein at higher education institutions abroad – mainly Switzerland.
- Treatise with other countries to guarantee access to universities institutions of higher education.





Higher education – institutions

University of Liechtenstein



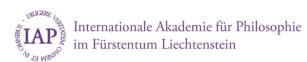
 Private University in the Principality of Liechtenstein (UFL)



Liechtenstein Institute (LI)



 International Academy of Philosophy in the Principality of Liechtenstein (IAP)







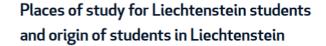
University of Liechtenstein – departments

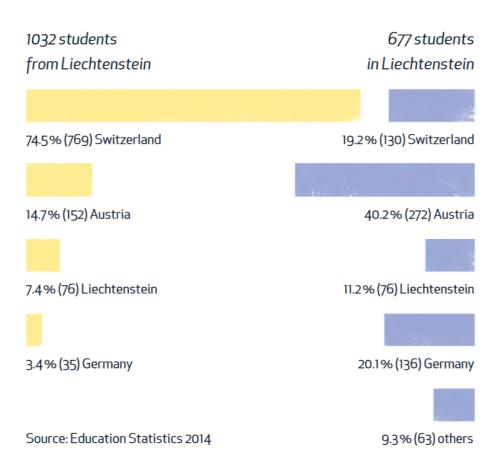
- Architecture
- Economy:
 - Entrepreneurship
 - Finance
 - Information Systems
- Bachelor's, Master's and Doctoral degree programmes





Students from and students in Liechtenstein









Private University in the Principality of Liechtenstein - faculties

- Faculty of medicine
- Faculty of law
- Doctoral degree programmes







International Academy of Philosophy

- Founded 1986
- Private
- Tradition of realist phenomenology (Husserl, Pfänder, Scheler, Reinach, v.Hildebrand, Ingarden et al.
- Doctoral study







IV.

ADULT EDUCATION





Summary

- Liechtenstein Adult Education Foundation as public roof organization to finance and control AE providers.
- 8 providers financially supported.
- Courses also provided by private associations (sports club, cultural clubs etc.).
- Music School and Art School with many young and adult scholars.





Liechtenstein Adult Education Foundation



- Public foundation since 1999
- Activities:
 - Financing and coordination of adult education
 - General and quality control of providers
 - International contacts
- Budget 2017:
 - approx. CHF 1,28 Mio. (EUR 1,12 Mio.)





Adult Education Providers

Institution		Support CHF
Stein Egerta		811.000
Haus Gutenberg		210.750
GZ Resch		58.000
Senioren-Kolleg Liechtenstein		19.300
Eltern Kind Forum		19.300
Kloster St. Elisabeth		11.600
Stefanuskreis		7.200
Liechtensteinischer Arbeitnehmerverband		2.320

Source: Liechtenstein Adult Education Foundation . Annual Report $\underline{\text{Link}}$





Adult Education – courses

- humanities
- social sciences
- natural sciences
- pedagogy
- personality formation
- economy and society
- health
- computer
- languages
- leisure time
- basic skills





Music School and Art School

- Music School
- Founded 1963
- 2,500 persons registered for courses (2017)

gitarre posaun violine saxoph bass querflöte trompete rock liechten zither steinische har musik akkordeon schule hackbr schlagzeug ce jazz klarinette waldhorn viola gesang fagott blockflöte pop klavier ...

- Art School
- Founded 1993
- 2017: 46 courses with13,360 participant lessons







Links

- Liechtenstein Institute
- Adult Education Foundation (with Links to providers)
- National Agency for International Education Affairs (AIBA)
- Liechtenstein Government
- Liechtenstein Parliament
- Princely House of Liechtenstein
- State Administration
- Office for Foreign Affairs
- Liechtenstein Law
- Liechtenstein Courts
- Court decisions
- National Education Systems (Eurydice)

- Liechtenstein Office of Statistics
- <u>Liechtenstein in Figures 2018</u>
- <u>Liechtenstein presented by Liechtenstein</u>
 <u>Marketing</u>
- Results of National Elections
- Results of Municipal Elections
- Results of Popular Votes
- Constitution of the Principality of Liechtenstein
- Liechtenstein Constitutional Commentary
- Historical Encyclopedia online (from 13 November 2018)

