



Interview with Hereditary Prince Alois of Liechtenstein

Uni.li Introduction Week project 'Politics in Liechtenstein'

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A highly international team of students from 7 different nationalities started a series of interviews with a focus on current political issues during Introduction Week and they continued their work during the complete semester. The team worked on topics and questions the answers to which draw a picture of Liechtenstein from an internal and external point of view. The aim of the project is to bring the politics of Liechtenstein closer to the audience, to increase political knowledge about Liechtenstein and to analyse Liechtenstein politics from different perspectives.

Could you describe the role of Liechtenstein in the international political arena in general?

The first objective of the foreign policy of Liechtenstein is to keep sovereignty and independence. Secondly to ensure barrier-free access to markets. Thirdly to protect the rule of law and human rights worldwide. Due to the fact that Liechtenstein is such a small country with limited resources we try to achieve that by working very closely together with our neighbours. And otherwise through our memberships in international organisations like the UN or the Council of Europe.

What difference does the Royal Family make for Liechtenstein?

The understanding of the princely family was always that the monarchs should concentrate on the long-term future of the country. As you know we also have a government that is responsible for the daily business.

You could compare that with a company. The role of the government is that of the CEO and the top management, whereas the monarch is the chairman who concentrates on the strategy and the long-term orientation. The monarchy has the advantage that it doesn't have to face a re-election every four or five years, so it can offer a lot of stability and continuity, in particular when the government is changing. As a result it is also easier for the monarch to emphasise or to bring in topics that are important for a minority and not so popular with the majority - especially when an election approaches.

An additional important role - for monarchies in general - is that a monarchy brings a certain identity to a country. In particular to a small one. Liechtenstein is often seen as a

Principality and not only as the country of Liechtenstein.

60 years ago Liechtenstein was an agricultural country; 10 years ago the main sector was banking, now Liechtenstein is industrial. What is the next step?

Actually it was slightly different. Liechtenstein used to be a very poor agrarian state up to the middle of the 19th century. Then we first had a customs and currency union with the Austro-Hungarian Empire which increased the potential market a lot. It was possible for Liechtenstein to establish a textiles industry, which was quite successful. Owing to the First World War, the end of the Austro-Hungarian empire and the resulting currency crisis, the industrial sector almost collapsed. Then we shifted to Switzerland and started to use the Swiss franc.

The industrial sector developed first and fastest, and has been the largest by GDP and numbers of people employed. Relatively seen it is also largest sector of any country in Europe.

The financial sector developed rapidly in the 80s and 90s. But since the financial crisis the industrial sector is again the faster growing sector. How it will be in the future is hard to say. I strongly believe the focus will be on businesses with high productivity. As you know, Liechtenstein has big limitations with regard to land and workforce. Today half of the workforce is coming from across the border. This is challenging, especially for the companies who need the workers.



Students of the University of Liechtenstein with the Hereditary Prince Alois

What importance does Liechtenstein's public sector have? Does it cover the basic needs of citizens?

Some people say the government should provide more. But in comparison with other countries Liechtenstein's public sector covers more than the basic needs. On the other hand it's not as overblown with bureaucracy as in other countries. However, we currently have a discussion on the question how the state should spend money. We have to learn how and where to reduce the cost of the state. In recent years we have had a decrease in the tax revenue.

On the one hand we have to increase government spending in some areas, like financial regulation for instance. On the other hand we have to think hard where to reduce spending in order to avoid excess.

As a small country, you always have to look very carefully. You distribute the cost to only a few shoulders. We have to think hard about what tasks we have to do. So we also help ourselves with outsourcing. Liechtenstein's tradition in outsourcing is very long – for example in education, health care, currencies and several other areas where it would just be too costly for a state of 37,000 inhabitants to do it by ourselves. It's very often cheaper to pay partners such as Switzerland, or to some extent Austria, for providing certain services.

We also have to continue the task of considering how we are regulating which sectors.

Has Liechtenstein ever had a problem with over-bureaucracy?

If you compare it on an international level: no. But could we do better? Yes!

And if you speak with the people in Liechtenstein, they mostly agree that we can do better. Recently there have been a lot of suggestions of possible improvements.

We know that Liechtenstein plays a leading role in human rights nowadays. What was the motivation to become a leader in this sphere?

For a small country without any military and economic power, it's very important that the international community follow the rule of law and also protect human rights. You want to make sure that decisions are followed by clear and transparent rules and not by big countries pushing through their agenda. And as part of these rules they should also take the view of the small countries into account. That's why we rely on international organisations to support the establishment of the rule of law and human rights.



I have heard that Liechtenstein also has a few human rights foundations in Africa and Central America. Can you tell us how they develop and perform there?

When providing development to third world countries, we focus on education and on making the population aware of human rights. In parts we do this either directly, with people from Liechtenstein working in the country, or indirectly, especially via organisations in Austria and Switzerland.

In what ways are women's rights supported in Liechtenstein? It's quite a hot topic nowadays...

On the one hand we support women's rights on an international level, in particular at the UN. On the other hand we do it in Liechtenstein. The government runs the 'Stabsstelle für Chancengleichheit' [Equal Opportunities Commission]. One of their main tasks is women rights. And besides that we have a couple of private organisations which help women in difficult situations, for example after a divorce or domestic violence. In cooperation with the state they also offer courses to women who want to prepare themselves for politics.



How open is Liechtenstein to international integration?

Due to its size and the fact that we already have around 33% foreigners living in

Liechtenstein, the possibility for foreigners to move to the country and take up residence here is very limited. There is not a strict rule to keep it at 33%, but it's a kind of shared understanding on the part of the people. It's a ratio where they still feel comfortable, and opening the gates - many foreigners would like to come to Liechtenstein - would be difficult for the population. I think perhaps in the future they might feel easier to have more. But it's a delicate balance to bring in enough but not too much, so that the population does not suddenly feel overcrowded.

One factor is that people wouldn't like Liechtenstein to become an urban state. They prefer Liechtenstein to maintain its rural character. Over recent years Liechtenstein has grown, so that Triesen, Vaduz and Schaan are getting really close.

So I don't think it is going to be possible to change the situation in the near future.

We have seen that there are only a couple embassies of Liechtenstein all over the world. In the vast majority of cases Switzerland represents the interests of Liechtenstein. Why?

Basically it's due to our size and limited resources. It's quite costly to provide embassies. We maintain bilateral relations with Switzerland, Austria, Belgium, the United States and Germany. The Vatican and the Czech Republic are special cases where we have non-residential ambassadors. With Belgium it is because we are a member of the European Economic Area, so we have an embassy in Brussels in any case. And otherwise we only have ambassadors with international organisations.

What role do you think the University of Liechtenstein can play for the local region and for all the countries surrounding Liechtenstein?

I think its main task is to educate. For most people from Liechtenstein this is a postgraduate education while working full-time. Most students from Liechtenstein study abroad as they want to see the world after finishing school. So Liechtenstein can use the university to offer young people from all around the world a good education. This also provides opportunities for businesses here to recruit international students directly from the university. Liechtenstein's companies - as you already found out - are very international. If you are already studying in Liechtenstein and do an internship at one of these companies, it's a good opportunity for the company to recruit. Another aspect is knowledge transfer. You develop new ideas with your professors and transfer them to the local communities. So I think there are various benefits that the university can provide for Liechtenstein.

It's also quite a big talent pool. The university is really big if you compare it to the size of the country...

We benefit from a lot from universities nearby. We have Zurich, St. Gallen, Munich, Innsbruck, Konstanz and so on.

Some people in Liechtenstein have mixed feelings about the university because it grew in recent years. What is your point of view in general?

I think it's very good how the university has developed and established itself, it has quite a high reputation. It is also to the benefit of Liechtenstein if the country has a good university. And as I pointed out before it brings interesting people to Liechtenstein.

One of the challenges - Liechtenstein has as many inhabitants as some big universities have students - is how a small country finances a university. Luckily the university raises half of its budget through private means, but it's a considerable cost block for the state. At the

moment, as I mentioned before, we have some cost-cutting exercises going on. And I think that's the main reason for some of the current discussions on questions like 'How big should the university be?' or 'Should it focus on certain things?' Of course a university wants to grow.

However, in my opinion it is difficult in a time of budget cuts to justify a big increase in state contributions to the university. On the other hand a university needs planning security and should be in a position to continue its projects with the same amount of resources as it has now. I think it would be difficult to reduce costs without negative impact on current projects.



In view of the fact that we are here now, it is possible to draw the conclusion that Liechtenstein and particularly the Royal Family are really warm and welcoming. And here we have a question – what was your motivation in agreeing to meet us here today?

Firstly I was curious to know if you enjoy the University, where you come from, what motivated you to come to Liechtenstein. Secondly, we have a policy of being very open, of listening to anyone living here in Liechtenstein who has a valid request. It allows us to keep in close contact with the people, and that applies not just to the indigenous population but also to foreigners living here. This is another benefit of the size of the country.



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In the course of the project interviews were conducted with Hereditary Prince Alois of Liechtenstein, Adrian Hasler, Prime Minister of Liechtenstein, Aurelia Frick, Minister of Foreign Affairs, Culture and Education, Mauro Pedrazzini, Minister of Social Affairs, and others.