Liechtenstein – a small country with a dynamic economy

The settlement of the area known today as Liechtenstein reaches back as far as the third millenium B.C. The origins of Liechtenstein as a state date back to 1719. The counts of Hohenems were, as sovereigns, heavily in debt at the end of the 17th century as a result of mismanagement, and they were therefore forced to sell their Vaduz and Schellenberg dominions. In order to obtain a seat and vote in the Council of Princes of the Holy Roman Empire, Prince Hans Adam I of Liechtenstein purchased the dominions of Schellenberg and Vaduz in 1699 and 1712. In 1719, Emperor Karl VI elevated the dominions to a principality and gave it the owner's name. Hence, he founded the Principality of Liechtenstein as an independent state.

The country

Liechtenstein is situated at the foot of the Alps approximately 40 kilometres south of Lake Constance. With an area of 160 square kilometres, it is the sixth smallest state in the world. It borders the Swiss canton of St. Gallen to the west, the canton of Grisons (Graubünden) to the south, and the Austrian Federal State of Vorarlberg to the north and east. The length of the national border is 76 kilometres (canton of St. Gallen 27 kilometres, canton of Grisons 14 kilometres, Vorarlberg 34.9 kilometres).

Its borders have remained largely unchanged since the 15th century. They once contained the county of Vaduz and the territory of Schellenberg.

With the exception of the Rhine Valley plain, Liechtenstein is a mountainous region. The average height of the Rhine Valley is 453 metres above sea level. The highest mountain in the country is the Grauspitz with 2,599 metres. The valley plain is the true agricultural region, although the larger industrial plants and commercial enterprises as well as practically all service companies are located in this area. The capital is Vaduz. The residence of the Prince is located at Vaduz Castle; Parliament (Landtag) and the government are located at the government building, and most other state authorities can also be found in Vaduz. The capital has approx. 5,000 inhabitants.

The Liechtenstein mountain region consists of three butresses, running from the main massif, the Rhaetikon Chain, into the main valley, Samina Valley, and two subvalleys, Malbun Valley and Valorsch Valley. Lawena Valley points west and ends in the so-called Lawenatobel, a deep and inaccessible gorge. With summer and winter tourism, the mountain region, and especially Malbun and Steg in Samina Valley, along with Vaduz, form the centre of Liechtenstein's tourist area.

The people

At the end of 1996, Liechtenstein had approx. 31,200 inhabitants. A little more than a third are foreigners. The population of Liechtenstein speaks an Alemann dialect which reveals certain variations and peculiarities from parish to parish. One special dialect has survived in the parish of Triesenberg where a Wallis dialect is still spoken. The Triesenberg population originate from immigrants from the canton of Wallis; they settled on the heights above Triesen and probably also in Planken at the end of the 13th century.

Approximately 86 percent of the total population are Roman Catholic, and some 8 percent belong to the Protestant church. Approx. 6 per cent are of other or no religions. Until 1997, Liechtenstein belonged to the diocese of Chur; it now has its own archdiocese.

Despite its small size and its very close connections to neighbouring countries, the inhabitants of Liechtenstein are an independent people. They attach great importance to their independence.

In spite of the arrival of new and modern ways of life, the inhabitants of Liechtenstein have remained traditionally minded. A series of customs – mainly farmer's customs – originate from times gone by and are still upheld today. These include church traditions such as the Corpus Christi procession, rogational processions, visiting of graves on All Saint's Day, etc. Secular traditions include the New Year wishes, annual fairs, carnival customs and processions, Alpine decents with decorated cattle, and many more.

Prince, Provincial Diet and Government

In accordance with Article 2 of the Constitution dating back to the year 1921, Liechtenstein is a constitutional hereditary monarchy on a democratic and parliamentary basis: "The supreme power is embodied in the sovereign and in the people and is exercised by both according to the articles of the constitution." The state of Liechtenstein consequently represents a union of monarchy and popular sovereignty. Laws passed by Parliament need to be approved (sanctioned) by the sovereign.

The sovereign is the head of state. He not only represents the country but also actively exercises power together with the people. The successor of the sovereign is determined by the royal household law in male succession. The political participation of the population at a national level is achieved through the election of representatives into parliament and via voting in specific matters. The power of initiative and the plebiscite are further characteristics of the national sovereignty.

The government, which is answerable to the sovereign, consist of five members: The head of government and four privy councillors. One of the privy councillors is nominated as deputy head of government. Three parties are represented in the Provincial Diet: The "Vaterländische Union" (Patriotic Union – VU), the "Fortschrittliche Bürgerpartei Liechtenstein" (Progressive People's Party of Liechtenstein – FBPL), and the "Freie Liste" (Free List – FL).