

Paper *one* shows that Liechtenstein behaved as a ‘Katzenstein small state’ whereas Switzerland did not. Because their financial services industry closed ranks and used its privileged access to the government to shape the government’s response decisively, Liechtenstein offered far-reaching bilateral deals to several major economies. Yet the Swiss elite failed to present a united front, which rendered them ineffective at fighting international pressure. Their policy-makers were hopelessly divided on how to confront the challenges presented over banking secrecy and internal disputes often resulted in painful and costly last-minute concessions. One of the key implications of the paper is that Switzerland has become a more normal state in the sense that important decisions are no longer made behind closed doors between powerful representatives of business and politics. Katzenstein (1985) even used Switzerland as his ‘poster child’ of a small state; small and vulnerable yet adaptable and successful. However, in paper *one*, Switzerland did not act like the adaptable and pragmatic small state that Katzenstein (1985) had envisaged.

Whilst in the end, both countries were forced to enact change and end banking secrecy by agreeing to the automatic exchange of information on tax matters, this paper shows that they reacted in very different ways to international pressure and that Liechtenstein was far more proactive than Switzerland. Liechtenstein even joined the early adopter states of the automatic exchange of information who signed-up to undertake their first exchanges of information in 2017, whereas Switzerland signed up for the second stage and undertook their first exchanges in 2018. The long-awaited automatic exchange of information was of high importance, symbolically and substantively as it was important milestone in the lengthy quest for tax transparency, but also demonstrated that limits could be placed on state sovereignty to overcome cooperation problems over international taxation.

In doing so, the US and OECD exercised power and so paper *one* raises questions about the legitimacy of their methods as the literature has suggested that state sov-