

Another significant problem was the fact that the Principality of Liechtenstein had no lobby, and in particular no communication department, which would have communicated these drastic measures by the State to foreign media and other stakeholders and that would have taken care of reputation management. On the contrary, the motto was "no news is good news", in order to pursue one's business without interference from the outside world.

In September 2001, the Government Spokesperson's Office (*Stabsstelle für Kommunikation und Öffentlichkeitsarbeit*, SKOE) was established in order to accompany the reform process with communication efforts, also internationally, and to take long-term measures to improve the image of the Principality of Liechtenstein in the world (see Chapter 5.1.2).

Liechtenstein as a member of the European single market

With Liechtenstein's accession to the European Economic Area (EEA) in 1995, Liechtenstein was required to implement all relevant EU directives in the same way as member States of the European Union (EU). Liechtenstein thus has exactly the same standards as the EU countries. However, this fact has frequently been overlooked in recent months in the wake of the emotionally debated tax affair. The Agreement on the European Economic Area (EEA Agreement) is based on:

- the primary legislation of the European Union, which has developed over the course of the past forty years (= prohibition of discrimination, four freedoms, common competition rules, and flanking and horizontal policies), and
- the secondary legislation based thereon, i.e. the *acquis communautaire* (EU enactments with EEA relevance continuously adopted by the EU institutions).

Accordingly, the EEA *acquis* is identical with the EU *acquis* in the areas covered by the treaty. Liechtenstein is therefore – like the EU States – required to implement the EU directives into national law and apply them. By 1 February 2008, a total of 5,156 EU enactments had been incorporated into the EEA Agreement. Liechtenstein's implementation rate is currently 99.2% (as of June 2008). Liechtenstein's implementation and application of EEA law is monitored by the EFTA Surveillance Authority (ESA) in Brussels. For EU States, this monitoring is the responsibility of the EU Commission.

The EEA *acquis* is therefore also identical to that of the EU States in the areas of banking, insurance, and money laundering.

Since Liechtenstein's accession to the EEA in 1995, which opened up market access to other countries, the number of banks has grown fivefold (from 3 to currently 15). New fields in funds and insurances also opened up. The financial center generates 30% of GDP, less than most would expect. Only 15% of all people working in Liechtenstein are employed in this sector.