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Through Liechtenstein's Lens***

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ABSTRACT

The consular institution is viewed by academics and practitioners alike as the poor sibling of diplomacy. Yet the study of consular instruments offers potentially new perspectives on the subject of diplomatic representation and the exercise of state sovereignty. In this vein, the use of honorary consuls by the Principality of Liechtenstein for selected bilateral relationships provides fresh insights into the study of international relations and diplomacy, particularly for very small states. This paper investigates how Liechtenstein strategically uses honorary consuls to extend its limited bilateral diplomatic representation given constrained resources, while enhancing both its brand and international relevance. It explores the roles honorary consuls perform for Liechtenstein, especially those beyond the classical consular functions of visa issuance and citizen services. These extended functions encompass efforts in the public and cultural diplomacy domains. Finally, the paper aims to extend the limited diplomatic literature base on honorary consuls for both academics and practitioners, while adding to the growing body of research on the diplomacy of very small and micro-sized states.

ABOUT THE AUTHOR

Dr. Kevin D. Stringer is a Visiting Professor of International Studies at Thunderbird School of Global Management and an international banker. He holds a Ph.D. from the University of Zurich, an M.A. from Boston University, and a B.Sc. from the US Military Academy at West Point. He has served as a US Foreign Service officer, and is the book review co-editor for the *Hague Journal of Diplomacy*. His research interests are economic and consular diplomacy, honorary consuls, and the commercial and diplomatic strategies of small states.

HONORARY CONSULS IN SMALL STATE DIPLOMACY: THROUGH LIECHTENSTEIN'S LENS

Kevin D. Stringer

Introduction

The consular function has regularly been viewed by academics and practitioners alike as the poor sibling of diplomacy. Yet the study of consular instruments offers potentially new perspectives on the subject of diplomatic representation and the exercise of state sovereignty.¹ In this vein, the use of honorary consuls by the Principality of Liechtenstein for selected bilateral relationships provides fresh insights into the study of international relations and diplomacy, particularly for very small states, and demonstrates an innovative approach using a venerable consular institution.

Liechtenstein decided to establish honorary consulates in 2004, and began appointing them in 2007-2009 to fill certain representational voids in the Liechtenstein foreign policy strategy. While it would appear Liechtenstein is a latecomer in realizing the benefits of honorary consul usage, the Liechtenstein case merits closer study for the way it applies this consular institution for diplomatic purposes. Unlike other countries who use the honorary consul for traditional consular duties like visa issuance and citizen services, the five currently existing Liechtenstein honorary consuls do not perform these classical consular functions at all. These tasks remain outsourced to Switzerland. Rather, the Liechtenstein consuls have a far-reaching public diplomacy, brand development, and educational role designed to increase knowledge about Liechtenstein in their respective countries. That is to say, they have to enhance its image as a world class manufacturing hub, create a more positive picture of its financial center in light of recent attacks against supposed tax havens, and to serve as sensitive foreign policy listening posts.

The goal of this paper is to explore the nexus of honorary consuls and very small state diplomacy through the case study of Liechtenstein. The paper investigates how Liechtenstein strategically uses honorary consuls to extend

1) Adaptation from Halvard Leira and Iver B. Neumann, *Consular representation in an emerging state: The case of Norway, Occasional Paper 1-2007* (Reykjavik, Iceland: Centre for Small State Studies, University of Iceland, September 2007), 3.

its limited bilateral diplomatic representation given constrained resources, while enhancing both its presence and international relevance. It determines what roles honorary consuls perform for Liechtenstein, especially those beyond the classical consular functions of visa issuance and citizen services. The paper also aims to extend the limited diplomatic literature base on honorary consuls for both academics and practitioners, while adding to the growing body of research on the diplomacy of very small and micro-sized states.²

Case-focused in nature, this paper first provides an overview of the diplomatic challenges faced by small states, particularly the sub-set of very small states or microstates. It then highlights the representation options potentially available to them, including honorary consuls. Subsequently it describes the customary role of the honorary consul as defined by international law. It then turns to the Liechtenstein case, and explores how Liechtenstein manages its global diplomatic and consular relations. The paper examines the strategic drivers and considerations for the use of honorary consuls in order to strengthen selective bilateral relationships. It addresses the following dimensions of honorary consul representation: explicit and implicit tasks or functions; roles and priorities within the overall country strategy; relations with the resident ambassador; and the nature of stakeholder relationships within the receiving country. The analysis and conclusion

2) Honorary consuls are an understudied aspect of diplomacy, and the dearth of literature on the subject reflects this. See Kevin D. Stringer, 'Think Global, Act Local: Honorary Consuls in a Transforming Diplomatic World,' *Clingendael Discussion Paper in Diplomacy*, No. 109 (The Hague, Netherlands Institute of International Relations 'Clingendael', November 2007); Kevin D. Stringer, 'Honorary Consuls: A Diplomatic Instrument of Choice in an Era of Globalization, Trade, and Investment,' in Jan Melissen and Ana-Mar Fernández (eds), *Consular Affairs and Diplomacy* (Boston/Leiden: Martinus Nijhoff Publishers, 2011); and Euripides L. Evriviades, 'The Demands of Diplomacy: The Role of Career and Honorary Consuls,' *The Whitehead Journal of Diplomacy and International Relations*, Summer / Fall 2005, 21-27. Small state diplomacy receives increasing attention in diplomatic studies and international relations. For small states the literature has grown substantially. There is even a Centre for Small State Studies at the University of Iceland. For a strong argument making the case for small state studies and how research should proceed in this area, see Iver B. Neumann and Sieglinde Gstöhl, *Lilliputians in Gulliver's World? Small States in International Relations, Working Paper 1-2004* (Reykjavik, Iceland: Centre for Small State Studies, University of Iceland, May 2004). Two further good references for small state studies are Robert L. Rothstein, *Alliances and Small Powers* (New York, NY: Columbia University Press, 1968) and David Vital, *The Inequality of States* (New York, NY: Oxford University Press, 1967).

endeavor to draw out pertinent insights into honorary consul usage by Liechtenstein which could be deemed innovative and that could therefore be applicable for further study or wider application.

Small and Microstates: Definitions and Characteristics

Small states can be defined in a number of ways, but there remains always ambiguity and some debate among academics and scholars to these arbitrary categorizations.³ Thorhallson defines small states as actors with limited capabilities and influence.⁴ Others use parameters such as population, geographical size, Gross National Product (GNP), Gross Domestic Product (GDP), and elements of national power to define this type of state.⁵ The main problem is where to draw the boundary between small states and their medium-sized, sovereign peers. The small power category shades into a gelatinous category of 'middle powers' on the one hand, and on the other hand it comes up against an equally gelatinous category of 'micro-states.' The literature on micro-states seems to congeal around issues of sovereignty and action capacity –on how dependence on other polities in formulating and conducting policy impinges on that policy.⁶ In line with this, some authors

3) For example M. Handel uses the categories superpowers, great powers, middle powers, small powers, and microstates as a framework for analysis. See M. Handel, *Weak States in the International System* (London: Frank Cass, 1981), 10. These categories are arbitrary given the debates in international relations concerning the definitions of different types of states. The definition of microstates, small states, and small powers is certainly a controversial one. See Matthias Maass, 'The elusive definition of the small state,' *International Politics*, Vol. 46, 1, January 2009, 65-83; A.K. Henrikson, 'A coming 'Magnesian' age? Small states, the global system, and the international community,' *Geopolitics*, 6, 2001, 49-86, specifically 56; J. Rapaport, E. Muteba, and J.J. Therattil, *Small States & Territories: Status and Problems*, UNITAR [United Nations Institute for Training and Research] Study (New York: Arno Press, 1971), 29; Kishan S. Rana, 'The Diplomacy of Small States', Background Paper, International Conference, Diplomacy of Small States, Malta, January 2007; and Ali Naseer Mohamed, 'The Diplomacy of Microstates,' *Studies in Diplomacy*, No. 72 (The Hague: Netherlands Institute of International Relations 'Clingendael', January 2002) for a discussion of these definitions.

4) B. Thorhallson, *The Role of Small States in the EU* (Aldershot, UK: Ashgate, 2000).

5) See David Vital, *The Inequality of States*.

6) See George L. Reid, *The Impact of Very Small Size on the International Relations Behavior of Microstates* (London, UK: Sage, 1974); Elmer Plischke, *Microstates in*

suggest that it may be useful to think of micro-states as those states whose claim to maintain effective sovereignty on a territory is in some degree questioned by other states, and that cannot maintain what larger states at any one given time define as the minimum required presence in the international society of states (membership in international organizations, embassies in key capitals, etc.) because of a perceived lack of resources. For example, in 1920, Liechtenstein's application for membership in the League of Nations was rejected because it had 'chosen to depute to others some of the attributes of sovereignty' and had no army.⁷ However as one practitioner noted, perhaps these theoretical parameters are really meaningless. He stated, 'I firmly believe that it is not the land size or the number of citizens of a country that determines its relevance to world society, but that it is instead its contribution to honorable multilateral activities and achievements that determine that relevance.'⁸

The United Nations (UN) has also attempted to define small and very small states. A study produced by the United Nations Institute for Training and Research in 1971 quoted the UN Secretary-General's definition from 1966 which defined small states as 'entities which are exceptionally small in area, population and human and economic resources.' According to the UN definition, a microstate or very small state denotes a state with a population numbering one million or less.⁹ While this expression 'microstate' might be perceived as a pejorative by the officials of countries so designated, in fact, for want of a better word, and given the growing body of academic research literature on this theme, the use of this term is a necessary evil. For this paper, and to limit the scope, the terms 'microstate' and 'very small state' will be

World Affairs: Policy Problems and Options, AEI Studies 144 (Washington, DC: American Enterprise Institute for Public Policy Research, 1977); Sheila Harden (ed.), *Small is Dangerous: Microstates in a Macro World* (London, UK: Francis Pinter Publishers, 1985); and Jorri Duursma, *Fragmentation and the International Relations of Micro-States: Self-Determination and Statehood* (Cambridge, UK: Cambridge University Press, 1996).

- 7) See Sieglinde Gstöhl, 'Der Mikrostaat als Variante des Kleinstaats? Erfahrungen mit UNO und EU,' in Kirt Romain/Waschkuhn, Arno (eds.), *Kleinstaaten-Kontinent Europa: Probleme und Perspektiven* (Baden-Baden, Germany: Nomos, 2001), 101-124, specifically 106.
- 8) Dr. Bruce Allen, Honorary Consul of the Principality of Liechtenstein to the Southern and Southeastern United States of America, Interview, September 5, 2010.
- 9) See Jacques Rapaport, Ernest Muteba and Joseph J. Therattil. *Small States and Territories: Status and Problems*.

used interchangeably and neutrally, to connote a country with a population below 100,000 inhabitants. Liechtenstein belongs to this category.

Regardless of the definition chosen, the nature of a state's 'micro-ness' logically implies resource limits in the overall exercise of its foreign policy and diplomacy. Because of their small size, microstates are generally characterized by limited natural resources and a small economy which constrains governmental activity and public services. They therefore are perceived as weak powers in international relations.¹⁰ Maurice East postulated that a small power's foreign policy has five main features and appears much different to that of a larger power. A small power is characterized by its limited interaction with other states; becomes involved with great enthusiasm in international organizations; supports international laws; has a minimum use of force; and finally, its foreign policy is often concentrated on regional matters. East concludes that small states tend toward reactivity in foreign affairs.¹¹ East's view is particularly relevant for microstates in that very small states tend to join international organizations and coalitions with the prospect of promoting their national interests, while minimizing their overall costs of conducting foreign policy.¹² For example, small states with limited resources find the United Nations headquarters an essential clearing house for their diplomatic, security, and economic needs.¹³ Very small states also use diplomacy as their primary instrument of national power given their predilection for adherence to international law, and limits on their military, economic, and informational elements of power. The next section looks more closely at the microstate approach to international diplomacy.

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- 10) See for example Maurice East, 'Size and foreign policy behaviour: A test for two models,' *Journal of World Politics* 25, 556-576, specifically 557, and David Vital, *The Inequality of States*. Vital strongly emphasizes the weaknesses of small states.
- 11) Maria Papadakis and Harvey Starr, 'Opportunity, Willingness, and Small States: The Relationship Between Environment and Foreign Policy', in C. Hermann, C. Kegley, Jr., and J. Rosenau, *New Directions in the Study of Foreign Policy* (London, UK: Harper Collins Academic), 1987, 409-453, specifically 428.
- 12) See Christos Kassimeris, 'The Foreign policy of small powers,' *International Politics*, Vol. 46, 1, 2009, 84-101, specifically 95, and Iver B. Neumann and Sieglinde Gstöhl, *Lilliputians in Gulliver's World? Small States in International Relations, Working Paper 1-2004* (Reykjavik, Iceland: Centre for Small State Studies, University of Iceland, May 2004), 10.
- 13) See David Beattie, *Liechtenstein: A Modern History* (London, UK: I.B. Tauris & Co Ltd, 2004), 158.

The Nature of Microstate International Relations and Diplomacy

While a large body of microstate literature focuses on the economics, foreign affairs, and diplomacy of Pacific and Caribbean island nations, this section looks primarily at the diplomacy of the very small European states – Andorra, Liechtenstein, San Marino, and Monaco.¹⁴ Since these four states each have populations under 100,000, are geographically close, and have had common historical challenges in the areas of sovereignty, international relations, and diplomatic representation, this grouping is more pertinent to the study of Liechtenstein's diplomacy than non-European microstates, which have a very different geopolitical positioning and past.

Historically, the European microstates of Andorra, Liechtenstein, Monaco and San Marino were confined to the margins of international diplomacy. In the 20th century, the latter three were recognized states, but with only a modest network of diplomatic relations and minimal participation in a few United Nations' agencies. Andorra's international status was ambiguous until a 1993 referendum led to constitutional change allowing full state recognition from the international community. Although recognized, its full participation in the central channels and councils of international diplomacy was unthinkable.¹⁵ These microstates faced severe disadvantages in their dealings with the rest of the world owing to low bargaining power, high fixed costs of negotiation, and the presence of overpowering European neighbors. Owing to their small size, microstates like these, do not usually possess the needed human and physical capacities to unilaterally conduct the

14) For a sampling of Pacific and Caribbean microstate literature, see Kevin D. Stringer, 'Pacific Island Microstates: Pawns or Players in Pacific Rim Diplomacy?' *Diplomacy and Statecraft*, 17, 2006, 547-577; Gordon Baker (ed.), *No Island is an Island: The Impact of Globalization on the Commonwealth Caribbean* (London: Chatham House, 2007); Edward Dommen and Philippe Hein (eds), *States, Microstates and Islands* (London, Croom Helm, 1985); Lino Briguglio, 'Small Island States and their Economic Vulnerabilities,' *World Development* 23(9), 1615-1632; and Winston H. Griffith, 'CARICOM Countries and the Irrelevance of Economic Smallness,' *Third World Quarterly* 28(5), 939-958.

15) See Barry Bartmann, 'The Microstate Experience: Very Small States in the International System' in *Hvítabók* [The White Book] (Torshavn: Foroya Landstýri, September 1999); and Barry Bartmann, 'Very Small States at the Millennium, The Contest Between Opportunity and Vulnerability' invited paper at the international colloquium of the Royal Commonwealth Society, *The Commonwealth at the Millennium* Conference Centre, Ottawa, February 20, 1998.

various bilateral and multilateral negotiations that are needed for national requirements.¹⁶ Yet paradoxically, given these weaknesses or limited capabilities, diplomacy remains the chief, if not the only, instrument of statecraft available to them, albeit with a narrower range of concerns and interests.¹⁷

Maurice East, in an extensive analysis of the foreign policy behaviors of small states, argued that since such states lack the necessary resources to establish sufficient diplomatic apparatuses, they depend predominately on multilateral diplomacy -a relative economic method, compared to bilateral diplomacy- in their relations with other states.¹⁸ Very small states attach the highest priority to multilateral diplomacy, partly because it makes sense to work within the large framework that the UN and its agencies provide, and partly because missions in New York, Brussels, and Geneva can also serve as a base for bilateral contacts.¹⁹ For all the small states the virtues of multilateral diplomacy are as symbolic as they are practical. Participation itself reaffirms the dignity, sovereignty, and the legal equality of all states at the table. This is not to understate the importance of international and regional bodies in addressing the central interests of microstates.²⁰ Liechtenstein joined the Council of Europe in 1979 and the United Nations in 1990. San Marino (1992), Andorra (1993), and Monaco (1993) also took up full UN membership during this period when there was a turn towards more ready acceptance of micro-state claims to equal sovereignty within international society.²¹ This result came largely from the proliferation of microstates across the globe, particular in the developing world, which paved the way for the

16) See Soamiely Andriamananjara and Maurice Schiff, 'Regional Cooperation among Microstates,' *Review of International Economics*, 9(1), 2001, 42-51, specifically 42 for this viewpoint.

17) See Ali Naseer Mohamed, 'The Diplomacy of Micro-States,' *Clingendael Discussion Paper in Diplomacy*, No. 78 (The Hague: Netherlands Institute of International Relations 'Clingendael', January 2002), 36; P. Selwyn (ed), *Development Policy in Small Countries* (London, UK: Croom Helm, 1975); and G. Reid, *The Impact of Very Small Size on the International Behaviour of Microstates* (Beverly Hills, CA: Sage Professional Papers, 1974).

18) See Maurice East, 'Size and foreign policy behaviour', 556-576.

19) Kishan S. Rana, 'The Diplomacy of Small States'.

20) See Barry Bartman, 'The Microstate Experience: Very Small States in the International System'.

21) See Barry Bartmann. 'The Microstate Experience'; and Iver B. Neumann and Sieglinde Gstöhl. *Lilliputians in Gulliver's World?*, 6.

smallest European microstates to fully engage diplomatically in multilateral forums for the first time.

On the bilateral front, traditionally the small and especially very small European States had to be content with maintaining only a minimum of diplomatic missions. This approach aligns with the arguments by East and Plischke that the external relations of microstates are characterized primarily by their high selectivity in establishing diplomatic missions abroad.²² While very small states, even such wealthy states as Luxembourg, have been confronted with limitations on their capacity for bilateral representation, most were able to maintain some presence in the most important capitals.²³ For bilateral relations, these states tended to focus on a more powerful or capable neighbor. In the case of older countries like Andorra, Liechtenstein and Monaco these missions were accredited to neighboring countries only: France and Spain for Andorra, Austria and Switzerland for Liechtenstein, France for Monaco. One of these neighbors was then entrusted with representing the diplomatic and consular interests of the small State in the rest of the world.²⁴ These 'outsourcing' arrangements met national diplomatic requirements well into the 1990s, until increasing globalization and advances in technology allowed small states to build and exercise soft power on their own by taking advantage of niche-building economic strategies in a virtually borderless world market connected by electronic, air and shipping links.²⁵

The notion of soft power, defined by Joseph Nye as 'getting others to want the outcomes you want' or to shape what others want not by means of coercion, but by attraction, became especially relevant for the European very small state quartet in the economic arena.²⁶ In contrast to military power, this soft type of power derives often from cultural, economic, or trade sources. Andorra established itself as a tax-free goods platform nestled in the European Union; Monaco further developed its shipping and offshore banking; and Liechtenstein became a leader in high-end export manufacturing and wealth management. Specifically, Liechtenstein encouraged a very liberal and attractive climate for investment which resulted in a remarkably vibrant and

22) M. East, 'Size and foreign policy behaviour', 47.

23) See Barry Bartmann, 'Very Small States at the Millennium'.

24) See Dietrich Kappeler, 'The Role of Diplomats from Small States,' Paper, International Conference, Diplomacy of Small States, Malta, January 2007.

25) Alan Chong, 'The Foreign Policy Potential of 'Small State Soft Power' Information Strategies,' Working Paper, National University of Singapore, August 2007.

26) See Joseph S. Nye, *Soft Power: The Means to Success in World Politics* (New York, NY: Public Affairs, 2004), 5-7.

high-tech manufacturing sector in a once pastoral country. For San Marino, the International Monetary Fund (IMF) lauded the republic's success in fostering an enviably diverse economy, with success in manufacturing and financial services supplementing a booming tourist industry.²⁷ Such activities created the need for greater involvement in international relations, and the need to evaluate cost-effective diplomatic representation options that allowed a concentration of limited resources in the most critical areas.

Representation Options²⁸

Diplomacy can be a costly undertaking for a very small state—just staffing embassies in almost two hundred countries could make a serious dent in a population, not to mention the costs.²⁹ At the global level, the national constraints on most microstates have been so severe that many are unable to represent their own interests directly at all. This has led to some imaginative techniques to extend the reach of their very limited overseas representation. A major characteristic of microstate diplomacy is the heavy use of mechanisms to minimize the costs of maintaining missions abroad while maximizing the returns. A case in point is a multilateral mission used to conduct bilateral diplomacy.³⁰ The following sections elaborate on the different menu alternatives available to very small states for diplomatic representation.

The logical goal would be to find an economic method to extend diplomatic capabilities to the bilateral realm. A variety of options are relevant here. The resident mission is the first and foremost customary channel for conducting relations between states. Although this may be true to a large extent in

27) See Benedict Clements and Nikola Spatafora, *San Marino: Recent Economic Developments*, IMF Staff Country Report No. 99/29 (Washington, DC: IMF, 1999), and Barry Bartmann, 'Very Small States at the Millennium'.

28) Kishan S. Rana, 'The Diplomacy of Small States'.

29) See Thomas Eccardt, *Secrets of the Seven Smallest States of Europe: Andorra, Liechtenstein, Luxembourg, Malta, Monaco, San Marino, and Vatican City* (New York, NY: Hippocrene Books, Inc., 2005), 27.

30) See Richard Herr and Robin Nair, 'Diplomatic Exchanges in the Pacific Island: Mapping the Networks,' *Fijian Studies: A Journal of Contemporary Fiji*, Vol.5, No.1, 2007, 138-153; G.R. Berridge, 'Old Diplomacy in New York,' in G.R. Berridge and A. Jennings (eds), *Diplomacy at the UN* (London, UK: Macmillan, 1985), 175-190, specifically 177; and A. Watson, *Diplomacy: the dialogue between states* (London, UK: Eyre Methuen, 1982), 174.

relations between the larger countries, it is not when diplomatic relations involve microstates. While resident embassies are irreplaceable in their core functions and while a limited, but selective placement of resident missions remains invaluable to very small states too,³¹ microstates may have to look for alternatives given their constrained resources. A variant of this representation is unilateral presence. It occurs when one country maintains a resident mission in another, but the latter does not reciprocate in kind. Beyond this traditional bilateral representation, microstates must consider more alternative and innovative channels to extend and conduct their dialogue with other countries.³² One method is simultaneous multiple representation. This is also called concurrent or cross-accreditation. When a government employs this technique, it accredits a single embassy or ambassador to two or more countries.³³ It is a common technique for maintaining a number of bilateral relationships without opening separate embassies for each relationship.³⁴ This option has three variants. First, an ambassador is simultaneously accredited in two or more countries in which the sending state maintains physical diplomatic missions. Second, both the ambassador and the embassy in a country are simultaneously accredited to two or more countries, where the sending state does not maintain a mission. Third, an ambassador, but not an embassy, is accredited to two or more countries. In such cases, the ambassador might head an embassy in a third country or might be in the foreign ministry of the home country.³⁵ In this case, ambassadors live in one country, and travel to the others as required. This allows a country to have full diplomatic relations with a country without maintaining a resident ambassador. Though relatively economical, this method of simultaneous multiple representation is not frequently employed by microstates.³⁶

Another possibility, similar to the aforementioned, is the non-resident ambassador who handles the relationships with the assigned country from the home capital. This technique can be amended to create a minuscule embassy headed by a *charge d'affaires*, with the ambassador living in the home capital, and traveling to the assigned country a few times per year. Closely related to

31) This is the gist of Ali Naser Mohamed's paper, 'The Diplomacy of Micro-States', 14-15, 20.

32) Plischke, 1977, 46-55.

33) Articles 5 and 6 of the VCDR 1961, Vol 55, 95.

34) Richard Herr and Robin Nair, 'Diplomatic Exchanges in the Pacific Island', 142-143.

35) Mohamed does an excellent job of providing an overview of the different representational possibilities for microstates. See 21-24.

36) G.R. Berridge, 'Old Diplomacy in New York', 175-190, specifically 187.

this is the 'roving ambassador' or special envoy concept. Here the mission head is resident in the home country but accredited to a number of states abroad. This tactic was used episodically by Fiji, Vanuatu and the Solomon Islands, and special envoys were proposed by the Liechtenstein government as one option for the future - an alternative not yet acted upon.³⁷ Another possibility is joint representation. This requires strong commonality in interests and cultures, and has not been used outside of the Caribbean microstate community.³⁸

One innovative approach proposed by some scholars is the creation of virtual embassies and consulates for the bilateral relations of very small states. Interestingly, even a superpower like the United States has implemented virtual presence posts, albeit with mixed results.³⁹ Some countries substitute small trade and tourism offices instead of official diplomatic presence at locations of economic interest, while others outsource their diplomatic and consular requirements to other states. The insourcers are often larger neighbors or former colonial powers. Finally, a number consider consuls, specifically honorary ones, as an innovative solution to their representation challenge.⁴⁰ The use of honorary consuls is an outgrowth of the limitations faced by small states in international relations and foreign policy.⁴¹

37) Richard Herr and Robin Nair, 'Diplomatic Exchanges in the Pacific Island', 143. For Liechtenstein see also *Ziele und Prioritäten der liechtensteinischen Aussenpolitik, Schriftenreihe der Regierung 2007* (Vaduz, Liechtenstein: Regierung des Fürstentums Liechtenstein, 2008), 164.

38) See Mohamed 23-24, and R. Sanders, 'The Relevance and Function of Diplomacy in International Politics for Small Caribbean States,' *The Round Table*, No. 312, 1989, 421.

39) See Dietrich Kappeler, 'The Role of Diplomats from Small States,' Paper, International Conference, Diplomacy of Small States, Malta, January 2007; Thomas Niblock, Director, Office of eDiplomacy, U.S. Department of States, 'The Virtual Presence Post: Transforming our Diplomatic Toolkit,' PowerPoint presentation, July 26, 2006; and for details to the U.S. experience with Virtual Presence Posts (VPP) as part of Secretary of State Rice's Transformational Diplomacy initiative, see Shawn Dorman, 'Global Repositioning in Perspective,' *Foreign Service Journal*, January 2009, 18-30. Noteworthy is the fact that the VPP did not meet expectations. The VPP was often described as 'a joke.' 'A Web site, nothing more.' (see Dorman, 28.)

40) See Kevin D. Stringer, 'Honorary Consuls: A Diplomatic Instrument of Choice in an Era of Globalization'.

41) For a good discussion on the attributes and limitations of small powers see Christos Kassimeris, 'The foreign policy of small powers,' *International Politics* vol. 46, 1, 2009, 84-101.

This latter approach is one of the most efficient ways in which microstates can extend their international engagement. The distinction of functions between diplomatic and consular representatives is subject to some degree of overlap and the variable of practice.⁴² It is often difficult to separate the purely commercial interests of a state from political or even strategic considerations. The consul's responsibility for promoting friendly relations between the peoples of the two states through various cultural activities thus also bears certain political implications since the consul is acting as spokesman and interpreter for his state's point of view. These political and diplomatic dimensions of consular representation can be all the more important if there is no resident diplomatic mission and the consul is the lone state representative. In some cases, this larger responsibility has been recognized and consuls with the rank of consul-general are allowed to be established in the capital itself and accepted as ministers for purposes of precedence.⁴³ As Smith Simpson wrote:

Consular posts are in reality political, economic and cultural outposts, adding to a government's observation, listening, intelligence-gathering, crisis-alerting, trade promotion, cultural and public relations opportunities. They are often in touch with whole regions of a country with which embassies in capitals are not.⁴⁴

The manning of these posts is determined by the sending state. These units could be staffed by either career or honorary consuls, and designated at either the consul or consul-general rank.

In fact, Pacific microstates appear to use disproportionately consular missions to cover relations that would normally be reserved for an embassy. Significantly, a very large percentage of these consular missions are honorary being staffed by citizens of the receiving country.⁴⁵ The following section explores the generic institution of the honorary consul in preparation for a

42) B. Sen, *A Diplomat's Handbook of International Law and Practice* (The Hague: Martinus Nijhoff, 1965), 202-203; Luke T. Lee, *Consular Law and Practice* (London: Institute of World Affairs, Stevens and Sons, Ltd., 1961), 59-62; and *The Yearbook of the International Law Commission* (New York: United Nations, 1959, I), 170-178.

43) See Barry Bartmann, 'The Microstate Experience'.

44) Smith Simpson, 'Political Functions of Consuls and Consulates: The Consular Contribution to Diplomacy,' in Martin F. Herz (ed.), *The Consular Dimension of Diplomacy* (Washington DC: University Press of America, 1983), 14.

45) Richard Herr and Robin Nair, 'Diplomatic Exchanges in the Pacific Island', 143.

closer examination of Liechtenstein's choice of this instrument for extended representation.

The Honorary Consul

Honorary consuls are recognized under international law by the *Vienna Convention on Consular Relations*, which provides the judicial basis and general framework for consular relations between states and the delivery of consular services.⁴⁶ Article 1, paragraph 2 of the Vienna Convention states that consular officers are of two categories; namely, career and honorary. Chapter III of the Convention then goes on to define the rules that govern consular posts that are headed by honorary consular officers.⁴⁷ The text of the *Vienna Convention on Consular Relations* recognized that honorary consuls, who had been extensively utilized in the past, constituted an efficient instrument in the maintenance of international relations. The Convention gives a facultative character to the honorary consular institution. The honorary consul is not a beneficiary of the full diplomatic immunities and prerogatives from which the career diplomat profits, but essentially can fulfill the same functions.

Due to the fact that the honorary consul is, in most cases, a citizen, native or permanent resident of the receiving country, his immunities and privileges are far fewer than those of career consuls and especially diplomats, and they apply only in cases strictly connected to his consular activities. For example, honorary consuls are entitled to immunity from jurisdiction - in civil and administrative procedures - and from testimony, in a limited scope, only in tasks undertaken on commission of the sending country. They may refuse to testify about facts related to his official duties. They must take part in criminal proceedings. If he/she is a citizen of the sending country or of a third country, the title of honorary consul exempts him from registering as a foreigner and from the requirements related to permanent residency in the receiving

46) See Maaïke Heijmans and Jan Melissen, 'Foreign Ministries and the Rising Challenge of Consular Affairs: Cinderella in the Limelight,' *Clingendael Diplomatic Studies Programme Paper* (The Hague: Netherlands Institute of International Relations 'Clingendael', June 2006), 8.

47) See *Vienna Convention on Consular Relations*, United Nations Treaty Series nos. 8638–8640, vol. 596, 262–512, 24 April 1963, available online at http://untreaty.un.org/ilc/texts/instruments/english/conventions/9_2_1963.pdf. Honorary consuls are covered in Articles 58–68 of the Convention.

country. Chapter III, Articles 58-67, of the *Vienna Convention on Consular Relations* provides the details of the scope and limits of honorary consul immunities and protections.⁴⁸

The Vienna Convention states in article 68 that ‘every State will be able to freely decide if it should name or receive honorary consular officials’, and while parties to the Convention are free to decide whether to appoint or receive honorary consuls, once an affirmative decision is made, they are obliged to comply with the Convention’s provisions on honorary consuls.⁴⁹ The Convention does not define the honorary consul. It is assumed that the character of an honorary consul should be interpreted according to tradition, and that being under the service of a diplomatic mission or general consulate, their action is of limited character, because their functions are delegated by diplomatic officials or career consuls. Such functions can be expanded or reduced according to the needs of service. Honorary consuls are not public officials, nor are they typically paid for their consular services. Honorary consuls can therefore work in any profession or be dedicated to any industrial, commercial or financial activity in the country in which they reside.⁵⁰ Very little research or literature has concerned itself with this unique consular institution and its capabilities beyond the classical consular functions of visa issuance and citizen services.

Though on occasions consuls are viewed as having the same broad representational responsibilities as an ambassador, their functions are traditionally confined to the protection of the sending state’s commercial interests and that of their citizens living in the receiving state.⁵¹ These functions can be expanded though, especially under the broad parameters of Article 5 of the *Vienna Convention on Consular Relations*. The Vienna Convention gives all consuls -career and non-career- equal authority, but each national government assigns to its own consulates widely different responsibilities. Typically, consular officers have two primary tasks. The first is to develop economic, commercial, scientific and cultural relations between the country that they represent and the area in which they serve. Increasingly this means promoting commerce -trade, technology transfer and investment- in both directions. The second task entails safeguarding of the interests of the

48) See *Vienna Convention on Consular Relations*, Articles 58-67.

49) See Luke T. Lee and John Quigley, *Consular Law and Practice*, 3rd Edition (Oxford: Oxford University Press, 2008), 517.

50) See *Vienna Convention on Consular Relations*, article 5; and ‘History and Etymology’.

51) G.R. Berridge, *Talking to the Enemy: How States without ‘Diplomatic Relations’ Communicate* (London, UK: Macmillan, 1994), 44.

sending country and its citizens who are traveling, or resident in, their consular district.⁵²

While honorary consuls traditionally perform activities such as citizen services, the utilization of this function for economic benefit, public diplomacy and cultural promotion seems to be a growing trend. Although the numbers fluctuate, there may be around 20,000 honorary consuls in the world today performing social, cultural and economic tasks.⁵³ Both as nationals and residents of their domicile country empowered to represent another state, honorary consuls can count on the goodwill of both governments. In order to extend diplomatic presence into outlying regions and provinces, a number of countries prefer establishing new consulates to opening embassies. Honorary consuls provide all sovereign states with an efficient diplomatic instrument to ensure coverage of these cities and regions, thereby enabling a direct link between the sending nation and a specific business or trading hub.

While embassies and consulates obviously have an important role to play, honorary consuls, if managed and assisted professionally, may prove to be more cost-effective than embassies.⁵⁴ For most honorary consul appointees with an already established business, maintaining a consulate remains relatively uncomplicated. Generally honorary consuls serve for free, and are only offered reimbursement for some of their expenses. Thus, with little or no capital expenditure, the honorary consul system is an economical means of achieving representation on a scale otherwise unlikely. Honorary consuls also bring invaluable familiarity with local conditions and personalities to the service of the microstate.⁵⁵ These characteristics are some of the reasons why Liechtenstein selected the honorary consul as an instrument of choice for extending its diplomatic network.

52) See *Vienna Convention on Consular Relations*, article 5; and 'What Consulates Do', The National Association of Foreign Consuls in the United States (undated), available online at http://www.consular-corps-college.org/CCC_Docs/What%20Consuls%20Do%20text.pdf.

53) See 'You are Appointed', *Hindustan Times*, 31 October 2005, and Kevin D. Stringer, 'Think Global, Act Local,' 5.

54) See Heijmans and Melissen, 'Foreign Ministries and the Rising Challenge of Consular Affairs', 11.

55) See Barry Bartmann, 'The Microstate Experience'.

The Liechtenstein Case

Foreign Policy Strategy, Goals, and Bilateral Diplomacy

The Principality of Liechtenstein is the sole remaining political entity of the Holy Roman Empire, having been created out of the counties of Vaduz and Schellenberg on January 25, 1719 as a sovereign fief for the wealthy Austrian House of Liechtenstein, and the 343rd state of the Holy Roman Empire. Its political and diplomatic history as a member of the international community commenced with this act.⁵⁶ This legacy derived from 1396, when medieval Vaduz was raised to the status of 'imperial immediacy', which meant that it was directly subordinate to the Holy Roman Emperor alone, and no longer subject to an intermediate overlord. Owing to its geographical position between Switzerland and the Austrian Empire, it was not swallowed up during the massive reorganization of Germany following the French Revolution, and maintained its sovereignty in the new German Confederation that emerged in the aftermath of the Congress of Vienna. It avoided incorporation into the German Empire later in the 19th century, and maintained its sovereignty through both World Wars into the 21st century. The Principality of Liechtenstein is a constitutional hereditary monarchy based on a democratic and parliamentary system. It forms a common economic and currency area with Switzerland, and has the Swiss franc as its official national currency.⁵⁷

Liechtenstein clearly defines its foreign policy goals and diplomatic approach in its *2007 Report concerning the Goals and Priorities of Liechtenstein Foreign Policy*. By means of the *Report*, the Government aims to inform Parliament and the interested public about the current status of Liechtenstein foreign policy in a relatively extensive manner. This comprehensive report updated and modified the previous one that was submitted to Parliament in

56) See Joseph H. Rogatnick, 'Little States in A World of Powers: A study of the conduct of foreign affairs by Andorra, Liechtenstein, Monaco, and San Marino', unpublished doctoral dissertation, University of Pennsylvania, May 1976, 75.

57) See David Beattie, *Liechtenstein: A Modern History* (London, UK: I.B. Tauris & Co Ltd, 2004), 3-4, 16; and Thomas Eccardt. *Secrets of the Seven Smallest States of Europe: Andorra, Liechtenstein, Luxembourg, Malta, Monaco, San Marino, and Vatican City*, 176-179.

1996.⁵⁸ The primary goal of Liechtenstein's foreign policy is safeguarding the independence and welfare of Liechtenstein (sovereignty policy). The subordinate foreign policy goals are: engagement on behalf of peaceful coexistence of peoples (peace policy); alleviation of suffering and poverty in the world (solidarity policy); respect for human rights and advancement of democracy (human rights policy); safeguarding of Liechtenstein's economic interests (foreign economic policy); and protection of the natural environment (foreign environmental policy).⁵⁹

The parameters within which Liechtenstein operates -its size, its economic potential, and its overall public infrastructure- constrain its possibilities and delimit its foreign policy activities to achieve the aforementioned goals. Determining the most important partners and the intensity of relations is therefore necessary and essential.⁶⁰ Since Liechtenstein lacks the political and military means to enforce its interests, it is much more dependent than other States on the existence and application of international law protect these interests. Liechtenstein is therefore embedded in multilateral and bilateral cooperation.⁶¹ While Liechtenstein is primarily engaged in the UN and the WTO at the global level, the focus at the European level is on Liechtenstein's membership in the European Free Trade Association (EFTA), the European Economic Area (EEA), the Council of Europe, and the Organization for Security and Cooperation in Europe (OSCE), as well as on relations with the European Union (EU). In the area of bilateral affairs, Liechtenstein concentrates on its traditionally close relations with the neighboring countries of Switzerland and Austria, which continue to play the most important roles, as well as relations with Germany and the United States, which are gaining importance.⁶²

Accordingly, the following concentric circles of activities of Liechtenstein's foreign policy can be drawn:

- a) Close bilateral relations in Europe with the neighboring States of Switzerland and Austria and with Germany;

58) See *Ziele und Prioritäten der liechtensteinischen Aussenpolitik, Schriftenreihe der Regierung 2007* (Vaduz, Liechtenstein: Regierung des Fürstentums Liechtenstein, 2008), 8.

59) Idem, 9.

60) Idem, 11.

61) Idem, 11.

62) Idem, 8-9.

- b) European policy with a focus on integration and participation in European institutions (Council of Europe, OSCE, EFTA, EEA), supplemented by the cultivation of bilateral relations, in accordance with existing capacities and interests);
- c) Global presence, especially through multilateral cooperation (UN, WTO, etc.) and, to a limited extent, bilaterally with the United States.⁶³

A survey on and evaluation of the priorities of Liechtenstein's foreign policy conducted by the Ministry of Foreign Affairs in 2002/2003 showed that the spectrum of activities of the Ministry of Foreign Affairs and its subordinate Government Offices is very broad. In reaching its foreign policy goals, and in terms of workload, the Ministry first and foremost focuses on promoting economic relations, including the Liechtenstein financial center which takes up approximately one third of all activities. The second greatest focus is on public diplomacy defined in broad terms as it also includes traditional diplomatic and consular relations next to public outreach and cultural cooperation, and which takes up approximately one quarter of all activities.⁶⁴

Yet, the nature of Liechtenstein's size creates a contradiction. As a very small state, Liechtenstein needs to rely upon international law and effective diplomacy to protect and further its interests, but its economic and human resource base limits its ability to support a large diplomatic network for this. Therefore, efficient and innovative means have to be considered to balance this incongruity. With a population of 35,002,⁶⁵ Liechtenstein, like other microstates with limited human and financial resources for foreign policy, concentrates a large part of its diplomacy on multilateral forums where it gains leverage and efficiency from its mission presence. Liechtenstein's current diplomatic network of missions and embassies reflects this selective representation to maximize coverage and leverage in specific locations given multilateral and bilateral opportunities. The Principality of Liechtenstein focuses its diplomatic missions on the neighboring countries of Switzerland, Austria, and Germany, as well as international organizations such as the UN, the OSCE, the EU, the WTO, and the Council of Europe. Since

63) Idem, 9-10.

64) Idem, 10.

65) Estimate July 2010. CIA-The World Factbook, at <https://www.cia.gov/library/publications/the-world-factbook/geos/ls.html>, accessed August 17, 2010.

Liechtenstein's Foreign Ministry, including its representation abroad, only has 27 personnel⁶⁶, this approach is both rational and cost effective.

Within this overall foreign policy framework, the maintenance of bilateral relations remains a priority. Aligned with this task is the enhancement of the image of Liechtenstein abroad. The improvement of Liechtenstein's image must be advanced by the diplomatic missions through provision of personnel and creation of a positive administrative and financial climate. Closely linked to these efforts, is a strong emphasis on public diplomacy -promoting the reputation and international credibility of Liechtenstein, with Germany and the U.S.A as the initial priorities.⁶⁷ Liechtenstein's relationship with Germany is extremely important, given the cultural, linguistic, political, and economic ties between the two states, and notwithstanding different policy positions in questions concerning private banking financial centers. Liechtenstein strengthened its diplomatic relationship with Germany by building an embassy, appointing a non-resident ambassador, and then upgrading this to a resident ambassador. The creation of Liechtenstein honorary consulates was designed to extend this network and further strengthen the bilateral relationship.⁶⁸

Similarly, the relationship of Liechtenstein with the U.S.A, in comparison to earlier years, has intensified. With the September 11, 2001 attacks, and the subsequent fight against terrorism, this relationship has taken on a high degree of importance, particularly for the Liechtenstein financial center. In order to better manage this geopolitical development, Liechtenstein converted its diplomatic mission from a non-resident to a resident ambassador in October 2002. Furthermore, in order to heighten Liechtenstein's reputation as a location for industry, and more actively engage the U.S. public, the first two Liechtenstein honorary consulates were established to cover the American South and Southeast, as well as California and the Southwest.⁶⁹ The overall Liechtenstein foreign policy framework for bilateral relations, with its focus on selected countries and specific functions, thus drove the decision to implement the honorary consulate model.⁷⁰

66) Status as of October 1, 2010.

67) *Idem*, 86.

68) *Idem*, 138, 157.

69) *Idem*, 39-140, 158.

70) *Idem*, 24.

Diplomatic and Consular Networks

Currently, the Principality has eight diplomatic missions. The following paragraphs give an overview of their positioning and responsibilities. The Liechtenstein embassy in Berne, Switzerland represents Liechtenstein's many-sided interests with the Swiss Federal government, and is responsible for the day-to-day diplomatic contacts with most of the bilateral missions accredited to Liechtenstein. Some 85 foreign ambassadors are currently accredited to Vaduz, but all reside in Berne. The mission in Brussels handles the full range of European Economic Area (EEA) and European Union matters, while serving as the embassy to the Kingdom of Belgium and as the non-resident embassy to the Holy See. The latter relationship is important since about 80 percent of Liechtenstein is Catholic and the Church has played a strong cultural and religious role in Liechtenstein's history.⁷¹

The mission in Strasbourg, France handles traditional Council of Europe business, and is a useful point of contact with the Central and Eastern European countries. The Mission in Vienna is accredited to the Republic of Austria, and covers the Organization for Security and Cooperation in Europe (OSCE). The Geneva mission looks after business with EFTA, the WTO, and the UN institutions there. The mission in New York takes advantage of the UN as clearing house for world-wide diplomatic business. These six missions are multifunctional, managing both multilateral and bilateral relationships. While bilateral relations are an important part of Liechtenstein foreign policy, actual direct diplomatic presence is selective based upon country importance. Besides the aforementioned missions that cover multiple states and organizations, Liechtenstein maintains at this moment resident embassies for bilateral relationships only in Germany and the United States.

From a consular perspective, the picture is more complex. For consular matters, Liechtenstein has followed an outsourcing approach with Switzerland. Switzerland is Liechtenstein's most important bilateral relationship, dating from the conclusion of the 1924 Customs Treaty and Union between the two countries.⁷² The move to a strong, bilateral interstate cooperation between the two nations already began five years earlier though.

71) See David Beattie, *Liechtenstein: A Modern History* (London, UK: I.B. Tauris & Co Ltd, 2004), 25-270; and Thomas Eccardt, *Secrets of the Seven Smallest States of Europe*, 112, 121-123.

72) See *Vertrag vom 29 März 1923 zwischen der Schweiz und Liechtenstein über den Anschluss des Fürstentums Liechtenstein an das schweizerische Zollgebiet*, Liechtensteinisches

On October 21, 1919, Emil Beck, Liechtenstein's envoy to Bern, on instructions from Vaduz, formally asked the Swiss Federal Council to undertake Liechtenstein's diplomatic and consular representation abroad. After sounding out Britain, France, Italy, and Germany on the issue, the Swiss Federal Council conveyed its agreement to Emil Beck. The guiding principle is that the representation should be without prejudice to the sovereign rights of the Principality or to the right of the sovereign Prince to establish his own diplomatic representatives where he might see fit. The main emphasis was to be on the protection of Liechtenstein's economic interests, and consular services for Liechtenstein citizens.⁷³ These arrangements were set out in diplomatic notes and were not made subject of a formal treaty between the two countries.⁷⁴ This does not imply an abandonment of Liechtenstein's right of legation or treaty power. It is, as the Swiss have insisted, an arrangement of convenience for Liechtenstein with Switzerland acting in response to instructions from the government in Vaduz.⁷⁵

In all countries in which Liechtenstein has no consular representation, Liechtenstein citizens can contact the Swiss representative office with regard to consular matters. Furthermore, Switzerland has also concluded the 'Swiss-Austrian Agreement on Cooperation in Consular Affairs' on 3 September 1979, which entered into force on 1 January 1980.⁷⁶ On the basis of the accord between Liechtenstein and Switzerland of 1919 on the representation of interests by Switzerland, Liechtenstein also profits from this later agreement. Accordingly, a Liechtenstein citizen may also turn to an Austrian representation abroad if needed, if Switzerland does not maintain a representation in the country in question.⁷⁷

There are, however, exceptions to this arrangement with Switzerland. The Liechtenstein Embassy in Bern is concurrently the consular

Landesgesetzblatt, Jahrgang 1923, Nr. 24, 28. Dez. 1923, and *Ziele und Prioritäten der liechtensteinischen Aussenpolitik, Schriftenreihe der Regierung 2007* (Vaduz, Liechtenstein: Regierung des Fürstentums Liechtenstein, 2008), 134.

73) See David Beattie, *Liechtenstein: A Modern History*, 52-53.

74) See Liechtenstein Diplomatic Note dated October 21, 1919 and Swiss Diplomatic Note dated October 24, 1919. Reference Swiss Department of Foreign Affairs, 10-00550_OP_Notenwechsel Schweiz-FL v. 21.10.1919.

75) See Barry Bartmann, 'The Microstate Experience.'

76) See SR 0.191.111.631, *Schweizerisch-Österreichisches Abkommen über die Zusammenarbeit auf konsularischem Gebiet*. Abgeschlossen am 3. September 1979, In Kraft getreten am 1. January 1980.

77) See *Ziele und Prioritäten der liechtensteinischen Aussenpolitik*, 141.

representation in Switzerland. With the establishment of the Liechtenstein bilateral embassy in Brussels, Switzerland requested that Liechtenstein take over its consular responsibilities in Belgium. In 1998, with the conversion of the Vienna Embassy into a resident ambassador, this representation also took on consular requirements in Austria. Interestingly though, with the opening of resident embassies in both Berlin and Washington, the consular relationships with the receiving country remained with Switzerland, who will continue to represent the classical consular interests of citizen services and visa issuance for Liechtenstein in both countries.⁷⁸ Although the Liechtenstein consular caseload for services and visas is small, this decision allows its honorary consuls to focus on public diplomacy tasks. According to Liechtenstein Ambassador to the United State Claudia Fritsche:

This cooperation will continue in the future, as Liechtenstein honorary consuls do not take over the 'classical' consular functions [...] This service by Switzerland has not impeded the self-control and direction of Liechtenstein foreign policy in the past, as Switzerland would take over diplomatic representation of Liechtenstein only in cases where the Liechtenstein Government would ask Switzerland to act on behalf of Liechtenstein. The honorary consuls in the U.S. and in Germany are an additional tool to support the Liechtenstein Embassies' public diplomacy and public relations' work.⁷⁹

In July 2007, Liechtenstein's Foreign Minister Rita Kieber-Beck appointed Dr. Bruce Allen of Macon, Georgia and Mr. Leodis Matthews of Los Angeles California as Liechtenstein's first honorary consuls in the United States. The appointment of the consuls was part of an effort to increase diplomatic, economic, and cultural relations between Liechtenstein and the United States with a focus on promoting academic and cultural exchanges as well as increased economic ties between the U.S. and Liechtenstein.⁸⁰ The United States is currently Liechtenstein's largest bilateral trading partner, with

78) See *Interpellationsbeantwortung der Regierung an den Landtag des Fürstentums Liechtenstein betreffend Die Errichtung von Honorarkonsulaten*, Nr. 26/2006 (Vaduz, Liechtenstein: Regierung des Fürstentums Liechtenstein, 2006), 12, and *Ziele und Prioritäten der liechtensteinischen Aussenpolitik, Schriftenreihe der Regierung 2007* (Vaduz, Liechtenstein: Regierung des Fürstentums Liechtenstein, 2008), 159.

79) Ambassador Claudia Fritsche, Interview, October 19, 2010.

80) 'Liechtenstein's Foreign Minister Inaugurates Honorary Consulates in Georgia and California,' *Embassy Newsletter* (Washington DC: Embassy of the Principality of Liechtenstein, Summer 2007).

Liechtenstein's companies employing approximately 4,500 people in the United States. Foreign Minister Kieber-Beck effectively summed up the diplomatic rationale: 'Establishing an honorary consulate gives us the opportunity to develop business.'⁸¹ Ambassador Claudia Fritsche provided the following rationale for appointing the honorary consuls:

A small country has limited possibilities to reach out beyond its Embassy in Washington to other parts of the U.S. Liechtenstein presently has a special need to establish a positive image, to correct misperceptions and to increase its awareness level in the United States. Honorary Consuls serve as outposts to inform about Liechtenstein, to get input on how Liechtenstein is perceived and to increase our outreach on various levels -political, cultural, business, academic.⁸²

Liechtenstein's first honorary consul, Dr. Bruce Allen is a case in point for the broader role of the honorary consul. Assigned with a district encompassing the entire U.S. South and South-east, his mandate is to put 'Liechtenstein on the map' through promoting the country, its brand and image. Dr. Allen interacts regularly with state officials, civic groups, universities and others to promote Liechtenstein culturally and economically.⁸³

These two U.S. appointments were followed in 2008 by the designation of honorary consuls in Germany. On September 3, 2008, Mr. Christian Ratjen, former managing partner at Delbrück & Co., one of Europe's oldest private banks, was named Liechtenstein's honorary consul for the German province of Hessen, with a seat in Frankfurt. A few weeks later, Mr. Christian Waigel, a prominent lawyer with a concentration in banking and capital markets became Liechtenstein's honorary consul to Bavaria, with offices in Munich. Both consuls were placed to strengthen and develop relations in regions with a high degree of Liechtenstein's economic and business activity.⁸⁴

Finally, on March 24, 2010, Liechtenstein Foreign Minister Aurelia Frick, accompanied by Liechtenstein's Ambassador to the United States,

81) Idem.

82) Ambassador Claudia Fritsche, Interview, October 19, 2010.

83) Dr Bruce S. Allen, Honorary Consul of the Principality of Liechtenstein to the Southern and South-Eastern United States of America, Interview, December 3, 2008.

84) See 'Erster Honorarkonsul Liechtensteins in Deutschland ernannt,' *Press + Informations Amt Liechtenstein*, September 3, 2008, and 'Zweiter liechtensteinischer Honorarkonsul in Deutschland ernannt,' *Press + Informations Amt Liechtenstein*, September 29, 2008.

Claudia Fritsche, installed Ms. Mary Jean Thompson as Liechtenstein's newest Honorary Consul in Portland, Oregon, responsible for the American Pacific Northwest. She will support Liechtenstein in widening its outreach to the Pacific Northwest as well as play a central role in increasing awareness of the Principality. Like the others, her mandate includes the promotion of academic and cultural exchanges as well as increased economic ties between the U.S. and Liechtenstein.⁸⁵

In both its diplomatic and consular affairs, Liechtenstein demonstrates a pragmatic, innovative, and selective approach to make the most out of its arrangements to meet foreign policy goals. Given the continued responsibility of Switzerland for Liechtenstein's consular affairs in the U.S.A and Germany, the next section delves deeper into the roles of Liechtenstein's honorary consuls in these two important countries.

Establishing Honorary Consulates

Already in June 2001, the Liechtenstein government presented a report to the Foreign Affairs Commission of the Parliament where the creation of a consular representational network was proposed to extend Liechtenstein presence.⁸⁶ In June 2004, the Liechtenstein government took the fundamental decision to establish honorary consulates, and to authorize the possibility of multiple accreditations of Liechtenstein diplomatic representatives and the appointment of special ambassadors and traveling ambassadors.⁸⁷ The first practical steps began immediately. The guiding principle was that honorary consulates should be established where Liechtenstein already had a diplomatic mission; currently Germany and the U.S.A. The previous model of the consular representation of Liechtenstein by Switzerland should remain undisturbed in these states.⁸⁸ On November 12, 2004, U.S. Secretary of State Colin Powell received Liechtenstein Government Minister Dr. Ernst Walch. Next to the themes of combating terrorist finance and UN reform, Dr. Walch informed his host of the decision of the Liechtenstein government to appoint

85) 'Liechtenstein Opens Honorary Consulate in Portland, Oregon,' *Embassy Newsletter* (Washington DC: Embassy of the Principality of Liechtenstein, Spring 2010).

86) See *Interpellationsbeantwortung der Regierung an den Landtag des Fürstentums Liechtenstein betreffend Die Errichtung von Honorarkonsulaten*, Nr. 26/2006 (Vaduz, Liechtenstein: Regierung des Fürstentums Liechtenstein, 2006), 8.

87) See *Ziele und Prioritäten der liechtensteinischen Aussenpolitik*, 64.

88) See *Rechenschaftsbericht der Regierung 2004* (Vaduz, Liechtenstein: Regierung des Fürstentums Liechtenstein, 2004), 67.

honorary consuls in the United States.⁸⁹ Similar information was passed to the German government. To highlight this shift in foreign policy and diplomatic representation, Foreign Minister Rita Kieber-Beck noted in a 2006 speech:

May I add that, for a long time, Liechtenstein was only represented by six embassies and missions. Berne and Vienna were our main bilateral embassies and Brussels, Strasbourg, New York and Geneva our multilateral missions. In late 2002 and early 2003, we opened further bilateral missions in Berlin and Washington. This gives us more possibilities to make Liechtenstein better known in the U.S. and Germany and to forge even stronger ties in the economic, cultural, and educational field....May I note with thanks that, however -since 1919- Switzerland has handled our consular affairs in those countries in which Liechtenstein is not represented. We are in the process of establishing honorary consulates for Liechtenstein in the United States of America and Germany, which we believe will lend additional support to our information and communication efforts.⁹⁰

The appointment of these consuls was part of an overall effort to increase diplomatic, economic and cultural relations between Liechtenstein and its key partners. Foreign Minister Rita Kieber-Beck emphasized before Parliament that honorary consulates could constitute 'important listening posts in the sense of an early-warning system abroad.' The necessity of such listening posts became clear in 2000, when Liechtenstein was confronted with international attacks on its financial center concerning suspected money laundering. Accordingly, Germany and the United States were to be the two countries in which Liechtenstein would mark its presence more strongly for political and economic reasons. Based on the experience gathered, the Liechtenstein government did not specify whether such consulates would be established in other countries as well.⁹¹

89) Idem, 83.

90) Foreign Minister Rita Kieber-Beck, Liechtenstein-200 Years of Sovereignty: a European Story of Success, Speech, Diplomatic Academy, Vienna, Austria, 13 October 2006.

91) Government Topic of the Week, 'In the service of the economy, culture, and science: Liechtenstein establishes honorary consulates in Germany and the United States,' *Portal of the Principality of Liechtenstein, Stabstelle für Kommunikation und Öffentlichkeitsarbeit (SKOE)*, 25.04.2006, at <http://www.liechtenstein.li/en/fl-portal-aktuell?newsid=13784>, accessed August 8, 2010.

Interestingly, the government decision to establish honorary consulates came with a certain level of parliamentary criticism and doubt. Liechtenstein's parliamentarians expressed considerable skepticism to the creation of the honorary consulates. They believed that they would not lead to an improvement in consular service for Liechtenstein citizens; that the Liechtenstein business community could represent its commercial interests well enough without honorary consuls; and that the polishing of Liechtenstein's image abroad is not a core task of the government.⁹² Not only the Parliament, but also the various Liechtenstein industrial and professional associations had mixed views to the establishment of honorary consulates. For example, the Liechtenstein Banker's Association and the Investment Fund Association were positively disposed to honorary consuls. In contrast the Liechtenstein Chamber of Industry and Trade saw no advantage to the establishment of honorary consulates since its already multinational members could build their own business networks. The Associations of Asset Managers, Lawyers, and Trusts had different degrees of skepticism to the question if the honorary consul was the right instrument for enhanced foreign representation.⁹³ Foreign Minister Kieber-Beck addressed these concerns and other issues on honorary consuls in a personal appearance before Parliament on April 19, 2006.⁹⁴

Honorary Consuls: Roles, Functions, and Stakeholder Development⁹⁵

With two honorary consulates in Germany, in Frankfurt and Munich, and three honorary consulates in the U.S.A, in Macon, Georgia, in Los Angeles, California and in Portland, Oregon, Liechtenstein now has five outposts to extend its bilateral representation, and achieve some of the earlier mentioned

92) See *Interpellationsbeantwortung der Regierung an den Landtag des Fürstentums Liechtenstein betreffend Die Errichtung von Honorarkonsulaten*, Nr. 26/2006 (Vaduz, Liechtenstein: Regierung des Fürstentums Liechtenstein, 2006), 5-6.

93) *Idem*, 18-20.

94) For details to the debate, arguments, and government response see the Minutes from the *Liechtenstein öffentliche Landtagssitzung vom 19/20 April 2006*.

95) Derived from interviews with two of the three Liechtenstein consuls to the United States. Dr. Bruce Allen, Honorary Consul of the Principality of Liechtenstein to the Southern and Southeastern United States of America, Interview, September 5, 2010, and September 20, 2010, and Mary Jean Thompson, Honorary Consul of the Principality of Liechtenstein to the Northwest United States of America, Interview, September 20, 2010. All three have very similar tasks, approaches, and profiles.

foreign policy goals. This section examines in greater detail the actual tasks and activities of the honorary consuls and their relationships with the country ambassador and key foreign stakeholders. One limitation to this applied research is the relatively early developmental stages of this overall network. With the first Liechtenstein honorary consulates only established in 2007 in the United States, and newer ones designated successively through 2010, the roles, functions, and relationships of these consuls with their respective country ambassadors and key stakeholders are still evolving. Furthermore, the Liechtenstein honorary consular network in the United States receives greater attention in this section as it was established first and provides the greatest longevity and continuity for analyzing roles and functions.

In the United States, the honorary consul function revolves around four main activities. The consuls spend an average of approximately 900-1000 hours per year related to Liechtenstein diplomatic activities and travel. These responsibilities are:

- *Availability and Communication to the Public:* Being reachable on a daily basis, for several hours per day, to deal with Liechtenstein related matters. Activities include sending and answering e-mails, returning calls, writing and reading letters and other documents, and mailing educational materials.
- *Education on Liechtenstein:* Giving talks and presentations at schools, civic organizations, cultural events and cultural centers, as well as visiting universities within the assigned region to broaden the overall knowledge and understanding of Liechtenstein.
- *Representation:* Attending Consular Corps meetings, events and internal activities; governmental events at all levels -national, state, and local; and both governmental and non-governmental receptions. A major block of consular time is spent on travel to and from and participation in invitation-received events, which can occur about 2-3 times per week with an overnight stay about once or twice a month. The state level Consular Corps is an important conduit for activity.⁹⁶

96) For example, the US State of Georgia has a very large Consular Corps (65 countries at this writing) and unlike some other consular corps, the Georgia Consular Corps admits both Career and Honorary members to the same organization. Because of this joint structure and resultant friendships, Georgia-based consuls work hard to support

This infrastructure is a launching pad for proactive networking. When considering the many bi-national chambers of commerce and specialty groups for the various larger countries, this diversity alone means that a U.S.-based Liechtenstein consul receives far more invitations to events than can possibly be attended. Priority is therefore accorded to attending those events that are held by consular colleagues from the major European countries; by countries that have especially close relations with Liechtenstein; and by countries with large trading potential for Liechtenstein.

- *Active Networking:* Attending as many events as possible in order to be introduced to as many of the ever-changing leaders as possible in state and local government, business, education, and NGO's. This network supports making introductions or arranging events for the Ambassador or Foreign Minister. The priority stakeholders are state and local governmental leaders, heads of educational institutions, large Chambers of Commerce, colleagues in the regional consular corps, Germanic cultural groups and institutions, and art and music organizations. If there is any multilateral event, occasion, or organizational operation where the Consuls General of the largest countries such as Germany, France, Britain, Japan, or Switzerland are present, then the Liechtenstein consuls do everything possible to make sure that Liechtenstein is also well-represented.

An example of the outreach effect of Liechtenstein's honorary consuls occurred in Georgia on February 26, 2009. The Senate of the State of Georgia presented two separate resolutions, the first commending the Principality of Liechtenstein for its work in consular relations and another commending Dr. Bruce S. Allen, Honorary Consul of the Principality of Liechtenstein to the Southern and Southeastern U.S.A for his appointment and his lifetime achievements. Consul Allen then addressed the Georgia Senate by discussing the many achievements of Liechtenstein as a country, and the fact that Georgia was honored to be the first location for the first appointed Honorary Consul in Liechtenstein history. This speech was a warm-up for further outreach at a sub-national level, when on March 17, 2009, Liechtenstein Ambassador Claudia Fritsche addressed the Georgia

each other at times of Ambassadorial visits, or special events. Similarly, Oregon has a smaller, but active Consular Corps of 25 consuls, almost all honorary.

House of Representatives as part of Liechtenstein's growing efforts to expand awareness of Liechtenstein across the U.S., as well as to increase an understanding of and partnership with the American people in various regions.⁹⁷

Similarly, in the Pacific Northwest, newly appointed consul Mary Jean Thompson builds a Liechtenstein image and brand on a green field since so few people are aware of Liechtenstein in the region. Her public diplomacy approach, with a focus on culture, education, and art promotion will create contacts and access to high level officials and senior business executives throughout the region. For the West Coast, Consul Leodis Matthews has laid a foundation for establishing a Liechtenstein presence and image through active networking and representation to foster closer ties with the State of California. For example, he organized a speech given by Liechtenstein Ambassador Claudia Fritsche at the University of Southern California's Center on Public Diplomacy on October 20, 2009.⁹⁸ Discussions with the Liechtenstein Ambassador to the United States confirmed that geographical considerations were at the outset of the Government's choice of location. Since Liechtenstein could only appoint a limited number of honorary consuls, the Principality started with some of the major U.S. economic and regional hubs. As Ambassador Fritsche stated, 'Our Consuls are also responsible for their surrounding regions. But it is at least equally important to find the right person who is a) well connected to the business, political, cultural and academic communities b) has an affinity for Liechtenstein c) is financially independent and d) is willing and able to devote time to the task.'⁹⁹ In order to further expand its coverage, the Liechtenstein Government has defined Chicago, Illinois as the next location for an honorary consulate. Clearly, these choices are driven by both strategic placement motivations as well as finding a suitable person. If both do not match, compromise might be needed. This

97) 'Ambassador Fritsche Visits Birmingham and Atlanta,' *Embassy Newsletter* (Washington DC: Embassy of the Principality of Liechtenstein, Summer 2009), and 'Georgia State Government Commends Liechtenstein and Consular Outreach in Southern U.S.', *Embassy Newsletter* (Washington DC: Embassy of the Principality of Liechtenstein, Spring 2009).

98) Ambassador Claudia Fritsche, 'Trust and Transparency in a Changing Global Financial Order: The Role of Liechtenstein', Presentation, University of Southern California Center on Public Diplomacy, Los Angeles, California, October 20, 2009.

99) Ambassador Claudia Fritsche, Interview, October 19, 2010.

could explain for example why the honorary consul for the U.S. Northwest is based in Portland, Oregon rather than the larger hub of Seattle, Washington.

From the perspective of the Ambassador, the U.S. based honorary consuls have a key role to play in the Liechtenstein diplomatic country strategy. In particular, there is a special necessity to present Liechtenstein as a diversified economic and business center. Contrary to popular perception, the manufacturing industry is the largest contributor to Liechtenstein's economy, followed by financial services and general services. This requires the honorary consuls to work together with the supervising diplomatic mission in (1) obtaining commercial information for the benefit of Liechtenstein enterprises; (2) referring to the business opportunities provided via the diplomatic mission; (3) conveying commercial information such as addresses of Liechtenstein companies to interested parties in the State of residence; (4) and, participating in the dissemination of Liechtenstein publicity information, concerning the economy, culture, and tourism in general and the financial center in particular.¹⁰⁰

Regarding the financial center, the honorary consuls are required to inform the public about recent reforms to the Liechtenstein financial services sector including multilateral agreements to combat financial crimes. To do this, the honorary consuls in the U.S. concentrate on image promotion in every possible way, i.e. by giving lectures and presentations; by answering requests for information material; and by being active members of the local consular corps.

In the United States, the honorary consuls submit a detailed activity report each year, to demonstrate their activities on behalf of the Principality of Liechtenstein. They also have regular interaction with the Embassy once to twice a week. The Ambassador and honorary consuls discuss public relations, public diplomacy, image building, culture, tourism, foreign direct investment development as well as current or planned activities and updates regarding developments in Liechtenstein.¹⁰¹ The Ambassador measures their success by: the degree to which Liechtenstein is known in the respective consular district; the number of events the honorary consuls have been able to attend; the expansion of the Liechtenstein network in terms of contacts, speaking opportunities, requests for information; and the reflection of all of the above in the local media.¹⁰² Naturally, these metrics are often very qualitative in nature, but since they are observable, they should enable Liechtenstein to

100) Idem.

101) Idem.

102) Idem.

evaluate the effectiveness of its U.S. honorary consuls over a longer period of time.

In Germany, the Liechtenstein honorary consuls are a more recent phenomenon and, while also having a strong public diplomacy and promotion role like their U.S. counterparts, their task is slightly different. This difference largely results from the need to conduct crisis communication in order to settle a tax dispute between the two governments.¹⁰³ As Honorary Consul Dr. Christian Waigel noted: 'My task is to broaden awareness of Liechtenstein beyond the tax dispute.' Together with his Frankfurt-based colleague Christian Ratjen, they contribute to this goal by influencing the inner German debate to questions of high taxes vs. a citizen's right to privacy and discretion through the use of foreign financial centers rather than finger pointing at smaller neighbors. They have also tried to emphasize Liechtenstein's position as a charming neighbor with trade, tourism, and investment opportunities. As Waigel commented, 'We want to show the people of Bavaria that a trip to the Principality is worthwhile and that every southern German should go there at least once in his lifetime.'¹⁰⁴ Similarly, Frankfurt-based Consul Ratjen uses his 40 years of domicile in Hessen, and his extensive business networks in metropolitan Frankfurt, to promote and enhance the image of Liechtenstein; a country where he grew up in.¹⁰⁵

Public Diplomacy, branding, and corporate thinking

With its use of honorary consuls, Liechtenstein seems to have an almost corporate-like approach in international relations.¹⁰⁶ This 'corporate'

103) In 2008, Germany's intelligence agency bribed a disgruntled employee for confidential client information on German citizens banking in Liechtenstein. The German secret police paid 5 million (U.S.\$7.9 million) for the stolen data. The data, containing about 1,400 'client relationships,' 600 of them Germans, was a major haul for German tax collectors. Germany apparently sold or gave the information to the governments of Britain, France, Italy, Spain, Norway, Ireland, Netherlands, Sweden, Canada, the USA, Australia and New Zealand. This event resulted in a major diplomatic row.

104) Dr. Christian Waigel, Honorary Consul of the Principality of Liechtenstein to Bavaria, Germany, email and interview, 'Es kehrt wider Normalität ein', *banken magazine*, October 2010, 24-25.

105) Christian Ratjen, Honorary Consul of the Principality of Liechtenstein to Hessen, Germany, Interview, November 4, 2010.

106) See Kevin D. Stringer, *An Economic Diagnosis of Palau Through the Liechtenstein Lens: Moving Up the Value Chain—International Political Economy Strategies for Microstates*,

approach entails: innovation by expanding the parameters of a classical consular institution beyond visa issuance and citizen services; focusing on branding and public diplomacy to create an image and presence for Liechtenstein; penetrating strategic regions by moving out of the national capital; and defining diplomatic core competencies vs. non-core competencies, and outsourcing where appropriate.

Often, what small states lack in structural clout they can make up through creative agency.¹⁰⁷ Liechtenstein's use of honorary consuls demonstrates such an innovative approach, and the inherent flexibility of this institution.¹⁰⁸ The extension of the diplomatic network with honorary consuls serves several purposes. This method efficiently expands the diplomatic network, broadens public diplomacy opportunities, increases presence at a low cost and with low risk, while providing depth and reach into sub-regions within two, key bilateral partner countries. The Liechtenstein government view was that Article 5 of the *Vienna Convention on Consular Relations* does not present a final and complete functional description of consular duties, and this allows states to include further consular tasks beyond the classical ones of visa issuance and citizen services. These extensions are to be governed in bilateral consular agreements between states.¹⁰⁹ This philosophy follows a line of thinking that when economic, legal, and political patterns change, consular institutions should change with them.¹¹⁰ The result of this more liberal interpretation of Article V of the *Vienna Convention on Consular Relations* is that honorary consuls focus on more strategic issues in the public diplomacy and diplomatic domains. As confirmed by statements at all levels of the Liechtenstein diplomatic apparatus for Germany and the United States, the classical consular work for Liechtenstein remains with its long-serving Swiss partner.

East-West Center Working Papers, Pacific Island Development Series, No. 17 (Honolulu, HI: East-West Center, Feb. 2006).

107) Andrew F. Cooper and Timothy M. Shaw, 'The Diplomacies of Small States at the Start of the Twenty-first Century: How Vulnerable? How Resilient?' in *The Diplomacies of Small States*, 1-18, specifically 2.

108) On the flexibility of consular institutions see Jan Melissen, 'The Consular Dimension of Diplomacy: An Introduction,' in Jan Melissen and Ana-Mar Fernández (eds), *Consular Affairs and Diplomacy*.

109) See *Interpellationsbeantwortung der Regierung an den Landtag des Fürstentums Liechtenstein betreffend Die Errichtung von Honorarkonsulaten*, Nr. 26/2006 (Vaduz, Liechtenstein: Regierung des Fürstentums Liechtenstein, 2006), 10.

110) See Halvard Leira and Iver B. Neumann, *Consular representation in an emerging state*, 24.

The Liechtenstein honorary consul model also represents an important mechanism within an overall public diplomacy and branding strategy. Starting in 2002, Liechtenstein began reworking its national image with an integrated public relations, diplomacy, and branding campaign. Besides revamping the government internet site to an attractive source on everything from finance to tourism, reaching out to journalists and opinion leaders, and hiring a consultancy to create a Liechtenstein brand, the principality integrated classical diplomacy in its efforts. The Lilliputian Foreign Service, historically restricted to embassies in Bern and Vienna, was expanded to the eight mentioned foreign missions, including international centers such as Brussels, Berlin, New York, and Washington.¹¹¹

According to Jan Melissen, nation-branding and public diplomacy differ in scope. Branding has particularly attracted countries with a weak international image. It is looked upon favorably in a number of transition countries and also among the very small and 'invisible' nations. It is perhaps no wonder that the likes of Liechtenstein and Estonia were attracted to the lure of branding.¹¹² The establishment of honorary consulates seems to be the next logical phase in Liechtenstein's overall image and branding campaign. But Liechtenstein goes beyond pure brand-building by using its honorary consuls for its conduct of public diplomacy. While there is no succinct definition of public diplomacy, it involves activities in the fields of information, education, and culture with the aim of influencing a foreign government.¹¹³ A succinct definition of public diplomacy is given by Paul Sharp, who describes it as 'the process by which direct relations with people in a country are pursued to advance the interest and extend the values of those being represented.'¹¹⁴ This public diplomacy is aimed at foreign publics, and the focus on it can be seen as a symptom of the rise of soft power in

111) See Haig Simonian, 'Liechtenstein buys a new look,' *Financial Times*, August 26, 2004, 8.

112) See Jan Melissen, 'Wielding Soft Power: The New Public Diplomacy,' *Clingendael Diplomacy Paper*, No. 2, (The Hague: Netherlands Institute of International Relations 'Clingendael', 2005), 23.

113) Peter van Ham, 'Power, Public Diplomacy and the Pax American,' in Jan Melissen (ed.), *The New Public Diplomacy: Soft Power in International Relations* (Basingstoke: Palgrave Macmillan, 2005), 47-66, specifically 57.

114) See Paul Sharp, 'Revolutionary States, Outlaw Regimes and the Techniques of Public Diplomacy,' in Jan Melissen (ed.), *The New Public Diplomacy*, 106-123, specifically 106.

international relations. Both small and large countries have in recent years displayed a great interest in public diplomacy.¹¹⁵

In reflecting on the honorary consul activities described in the United States and Germany, the Liechtenstein consuls are clearly focused on this domain through their use of information, education and culture. Their activities are coordinated by the Foreign Ministry as part of an overall Liechtenstein strategy for public diplomacy. Three good examples stand out as confirmation. First, in the United States, for one consular district, Germanic cultural centers provide an important public diplomacy platform for Liechtenstein. The responsible honorary consul has introduced Liechtenstein to a diverse public by discussing Gustav Klimt and his paintings at lectures sponsored by the German Cultural Center. The reigning Prince of Liechtenstein, Johann II, was highly supportive of the various arts during Klimt's life, and many of the famous works currently in the Princely Collection were acquired during this Belle Epoch. The second is in another U.S. consular district, where the honorary consul developed strong relationships with the University of Southern California Center on Public Diplomacy to enable the Liechtenstein Ambassador to deliver her aforementioned speech to a distinguished audience. The third example is found in Germany. Honorary consul Christian Ratjen, in personal talks and public discussions in his consular district of Hessen, tries to correct the often one-sided negative image of the Liechtenstein financial center by providing facts and education.¹¹⁶ This latter example illustrates the large difference in public diplomacy 'environments' facing the Germany and U.S. based honorary consuls. In Germany they have to constantly deal with the old and now inappropriate stereotype of Liechtenstein as a tax haven. In the United States, fewer people are knowledgeable to that label, so the U.S. based honorary consuls have the opportunity to promote the more accurate and modern image of the Principality as a highly educated, 'green', successful, participatory democracy, which is blessed by a fiscally conservative government, resulting in a high standard of living. They can show Liechtenstein as a nation where most of the GDP comes from industry and high tech exports, rather than tax haven type arrangements.

Liechtenstein's model of placing honorary consuls in locations like Frankfurt, Munich, Macon, Portland, and Los Angeles, allows for greater penetration into regions of economic and public diplomacy importance such

115) See Jan Melissen, 'Wielding Soft Power: The New Public Diplomacy,' 9, 15.

116) Christian Ratjen, Honorary Consul of the Principality of Liechtenstein to Hessen, Germany, Interview, November 4, 2010.

as Hessen, Bavaria, Georgia, Oregon, and California, respectively. In many countries, different loci of power exist beside the capital city, and the emergence of economic regions and zones and the rising local nationalism of ethnic minorities heighten this diffusion of power. Countries as diverse as the Democratic Republic of Congo (DRC, former Zaire), France, and the United Kingdom are prime examples of states with non-capital based centers of power. Honorary consuls are one way to establish a footprint in remote regions. In France, the development of economic trade zones that lie outside of the Parisian environs creates business and export opportunities for foreign firms. Areas like the French side of the Basel Triangle, the Bordeaux region, and the Strasbourg corridor are attracting large numbers of multinational enterprises.¹¹⁷ Consular outposts in these areas can facilitate international business interests in the region. In the United Kingdom, the economic value of Scotland with its North Sea oil makes a consular presence important for commercial and political national interest reasons. Many European countries are expanding their consular presence in Edinburgh due to trade opportunities. Clearly by creating smaller, but more numerous consulates, any country can decentralize representation, while strengthening its presence and influence in important localities throughout the world by creating a direct honorary consular link into indigenous districts.¹¹⁸

Based upon their public diplomacy roles, in essence, Liechtenstein's honorary consuls are regionally focused, sub-national 'ambassadors'. Besides being innovative, this model creates a potential tangent line with the study of paradiplomacy, since sub-state regions could also consider an honorary consul equivalent for their own representations with states or other regions. While out of scope for this paper, a comparison of public diplomacy activities and representation networks between regions such as Quebec, Flanders, and Catalonia with very small states like Liechtenstein could bring new and relevant insights and best practices for enhancing international recognition and evaluating differences in approach between autonomous regions and very small sovereign states.

Liechtenstein also exemplifies classical corporate thinking by focusing its honorary consuls only on core diplomatic competencies while outsourcing 'non-core' consular tasks. This is evidenced by the continued outsourcing of

117) See Kevin D. Stringer, 'Brave New Consular World,' *Foreign Service Journal*, June 1998, 13-15.

118) See Kevin D. Stringer, 'Think Global, Act Local: Honorary Consuls in a Transforming Diplomatic World,' 13-15.

industrial consular services like visas and citizen services to Switzerland in both the U.S. and Germany. This sort of outsourcing to another country may seem ill-conceived given the increased attention consular affairs gains at the top levels of government based upon high profile incidents like the tsunami disaster, other natural catastrophes, and general risks to citizens.¹¹⁹ Yet on closer inspection, Liechtenstein has only a minuscule number of citizens traveling abroad and a limited number of visas to issue. Hence this longstanding approach makes sense. Furthermore and in hindsight, the decision to outsource classical consular activities seems to have been visionary in view of the recent worldwide movement to: biometric passports, which require increased security capabilities; citizen service databases for crisis situations; tamper proof visas; greater travel regulation; and the need for global citizen service infrastructures and capabilities. All these are costly investments. For this reason, many other countries consolidate their passport services and visa services in centralized facilities, and look to the private sector for assistance in providing global consular coverage.¹²⁰ Liechtenstein's use of consular outsourcing to Switzerland is very forward thinking in this regard.

119) See Maaïke Okano-Heijmans, 'Changes in Consular Assistance and the Emergence of Consular Diplomacy,' *Clingendael Diplomacy Papers*, No. 26 (The Hague: Netherlands Institute of International Relations 'Clingendael', February 2010), and John Dickie, *The British Consul: Heir to a Great Tradition* (NY: Columbia University Press, 2008), 181-249.

120) The United States has taken a leading role in consolidating its passport and visa production facilities. For citizen service coverage, a number of nations outsource parts of this function to private sector companies. This trend may increase in the future.

Conclusion

Perhaps Robert Keohane makes the argument best when he wrote that ‘If Lilliputians can tie up Gulliver, or make him do their fighting for them, they must be studied as carefully as the giant.’¹²¹ The Liechtenstein case demonstrates this adage through the Principality’s use of the honorary consul as a versatile and cost effective diplomatic institution for a host of diplomatic activities beyond the classical consular functions of visas and citizen services.

This model has both strengths and weaknesses. On the positive side, it expands coverage with minimal resources, offers greater penetration of regions within large and critical bilateral diplomatic relationships, and leverages local and regional networks with the right personnel selection. For weaknesses, it is not scalable, since with only 27 total foreign affairs personnel, Liechtenstein possesses limited management capacity for overseeing large numbers of honorary consuls. Personnel selection is critical, and a key risk. Finally, the measurement of success in the public diplomacy field is also hard to determine. An interesting finding on the potential limits of the Liechtenstein’s coverage model becomes clear in researching the honorary consuls in the United States. All three consuls cover multiple states on paper, but in reality, their focus tends to be on activities in their home state. This comes from a perception among the civic and corporate leaders in non-resident states that when it comes to issues such as economic development opportunities, honorary consuls tend to have allegiance primarily to their resident city or at most to their resident state. Thus, the inclusion of non-resident honorary consul’s for out-of-state events and guest lists is far less than in their resident state. Moreover, for many honorary consular officers, the considerable expense of long-distance travel in a very large country like the United States tends to encourage focusing on the home state. This would imply that for coverage within large countries, the placement of honorary consuls becomes a highly strategic decision, since multiple-state coverage seems to be impractical.

From the viewpoint of innovation, the Liechtenstein government established the honorary consuls and embedded them within an overall public diplomacy and branding strategy. They have the focused mission of placing

121) Robert O. Keohane, ‘Lilliputians’ Dilemmas: Small States in International Politics,’ *International Organization*, 23(2), 1969, 291-310, specifically 310.

the Principality on the physical and mental ‘maps’ of receiving state populations. This differs from other countries who use honorary consuls as generalists, often performing a variety of ad-hoc representational and consular tasks without a clear focus.¹²² Liechtenstein also takes an expansive interpretation of the *Vienna Convention on Consular Relations* by having their honorary consuls *not* provide classical consular services. In fact, given the large regions they cover and their task lists, they appear functionally as sub-national ‘ambassadors’.

This case further demonstrates the trend to the greater importance and emphasis attached to consular representation and activities for all states. It also follows the movement towards a diffusion of diplomatic activities to the local level in order to reach out to sub-national decision-makers and opinion leaders. One major future challenge will be to demonstrate that the honorary consuls really contribute to enhancing Liechtenstein's image, presence, and stature in both the U.S. and Germany. This outcome can only be assessed over a longer time period of say 5-10 years.

Certainly for very small to small countries, the Liechtenstein model deserves study for its cost effectiveness and its targeted use of this venerable consular instrument within a broader diplomatic strategy. Larger countries, especially those with honorary consuls, may employ this case to review their honorary consul network within a broader and more visionary global foreign policy and diplomatic strategy.

122) Personal discussions with a number of honorary consuls representing a variety of countries in the Netherlands. Seminar for Honorary Consuls, Clingendael Institute, The Hague, Netherlands, May 9, 2008.

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- 1 Jan Melissen (ed.), *The New Public Diplomacy: Soft Power in International Relations*, (Basingstoke: Palgrave-Macmillan, 2005) pp. 16-25.
 - 2 Melissen (2005), p. 24.
 - 3 Ingrid d'Hooghe, 'Public Diplomacy in the People's Republic of China', in Jan Melissen (ed), *The New Public Diplomacy: Soft Power in International Relations*, (Basingstoke: Palgrave-Macmillan, 2005) pp. 88-103.
 - 4 D'Hooghe (2005), p. 90.
 - 5 Ellen Huijgh, 'The Public Diplomacy of Federated Entities: Examining the Quebec Model', *The Hague Journal of Diplomacy*, Vol. 5, No. 1 (2010), pp. 125-150
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