Microstates and the EU: Identity, Policymaking and the Quest for an Independent Future

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CURTIS LARGE, MAY 21 2023

Nestled among the borders of the European Union (EU) exist four non-member microstates: Andorra, Liechtenstein, Monaco, and San Marino. These countries are far too small in population and territory to adopt the full*acquis communautaire*, even if the bloc was designed to proportionally accommodate them, which it is not (Dózsa 2007, 102; Maresceau 2008, 305–306). They are therefore *de jure* outsiders while inescapably bound to much larger neighbouring states amid an ever-integrating continent. This poses the question of how they are able to demonstrate their political independence while under the enormous shadow of the EU. I argue this to be best considered by investigating the place of the microstates' national identities within the bloc's informal policymaking processes.

Here, I rely on two propositions. The first is that the European microstates are more nationalist than cosmopolitan, with historic vulnerability fostering group solidarities geared towards political survival (Duursma 1996, 23). Secondly, since the 1986 Single European Act, the EU has welcomed a growing number of unofficial policy actors to participate in its governance (Kleine 2013, 3). Prominent among these are senior delegates of non-member countries, who are able to work with, and often diverge from, institutional channels to leave their nation's distinct footprint on the European stage (Andersen & Eliassen 2001, 45). Four senior representatives, one from each side of Liechtenstein's and San Marino's diplomacy with the EU, were interviewed between May and June 2021 as the basis for this study.

Liechtenstein is an essential case insofar as it is unique among microstates as a member of the European Economic Area (EEA). The country joined after a 1995 referendum despite its Swiss neighbours, and traditional guardians, rejecting the same prospect in a near-simultaneous vote. (Duursma 1996, 187–88). Although representing natives who find 'German-speaking Swiss to be kindred souls', Liechtenstein's insistence to be exempted from free movement was accepted by the EEA and EU so that the microstate could 'maintain its own national identity' (Stiles 2018, 253; Pelkmans & Böhler 2013, 34–35).

This preserved its exclusive socio-economic reputation through the ability to handpick residents, including from bordering Austria (which had entered the EU, also in 1995). Liechtenstein was part of the Austro-Hungarian Empire until 1918, but a post-war pivot towards partnership with its other neighbour, non-EU Switzerland, has officially precluded Austrian influence on its European affairs (Duursma 1996, 169–70).

While the countries' paths towards integration have been formally separate, they have reunited in the informal domain. As a diplomat of the Mission of Liechtenstein to the EU conveyed:

Relations with Austria are important for historic reasons. Today we have very good relations with the Austrian delegation, which know us well and are interested in Liechtenstein. They also help us with EU provisions such as migration implements.

Migration is a controversial topic in Liechtenstein. *Überfremdung*, or 'over-foreignisation', is a common charge, while pro-EU actors are frustrated by the perception that integration abandons the national interest (Veenendaal 2020, 161; Veenendaal & Corbett 2018, 140). Correspondingly, according to an official of the EU Delegation to Liechtenstein, their microstate counterparts deliberately criticise supranational policy using the language of

'independence' – on everything from European banking law to the manufacture of cat food.

This strategy was equally embraced by Liechtenstein's monarch, Prince Hans-Adam II. In 2003, a referendum was held to enhance his constitutional authority. When the Council of Europe criticised the prince for wanting to exercise 'personal discretionary power', he denounced the organisation as trying to make Liechtenstein its 'protectorate' (Stiles 2018, 91). According to my source in Brussels, the prince is similarly influential regarding informal EU interactions, with the bloc's ambassador holding a quarterly one-to-one with the regent.

It was around 2004 that the prince was identified by the Liechtenstein government as one of six national characteristics most important to citizens. Another was 'political dialogue' (Hass 2004, 23). To highlight just one example, my EU contact relayed that:

What Liechtenstein wants is for its concerns and interests not be taken upstream. That is why their observers to EU committees regarding the *acquis* have a strong interest in, when law is in the making, talking to [fellow EEA states] to gauge views and see if they have agreement going into negotiations.

Interviewees provided much more evidence of this activity, revealing backroom discussions with the European External Action Service and European Commission, which, in 2021, focused on topics including climate change, the Schengen Agreement, and strengthening Brussels' partnerships across Eastern Europe and Central Asia. Thus, to Liechtenstein, informal policymaking in the EU serves as both an expression and affirmation of its national identity.

The remaining three microstates' interactions with the EU are typified by agreements upholding respective currency, customs, and Single Market provisions (Maresceau 2008, 271). San Marino, covered by a bespoke 1991 Customs and Cooperation Agreement, is the preferable case owing to an advanced discourse surrounding its place in the bloc. This culminated in a 2013 referendum in which 50.3% endorsed full accession (although the 32% quorum was missed) (Stiles 2018, 116–18).

The best-known aspect of its national identity is a supposedly ancient attachment to 'liberty', and the country's founding myth assumes special significance as an explanation for its independence (Klieger 2012, 130). Though versions differ, stories centre on a Christian stonecutter, Saint Marinus, who fled Roman persecution and settled the Republic's territory (Duursma 1996, 208).

In reality, Italy surrounds the microstate, the Sammarinese dialect is endangered, and most citizens feel ethnically Italian (Montanari 2018, 58; Catudal Jr. 1975, 192). Nonetheless, historical romanticism continues to aid San Marino's policymakers in securing favour from the EU. The microstate's Permanent Representative to the bloc, Antonella Benedettini, stressed the significance of this pursuit: 'We have a strong national identity but we are a pragmatic people and we know that if we remain isolated, we lose. It is impossible only to look at the national level.'

In 1992, rapporteurs of the European Communities' committees on External Economic Relations and Foreign Affairs and Security even erroneously declared to the European Parliament that the microstate had 'been independent since the XIth century' (Duursma 1996, 248–49). Such deference from Brussels explains why San Marino remains unchallenged in its austere migration policies. One 1999 law insisted that female domestic staff be over the age of 50, so as not to tempt patriarchs into marrying and granting them citizenship (Eccardt 2005, 65). Conversely, the Sammarinese are free to enter and exit the EU as they please (Maresceau 2008, 302).

Benedettini characterised the essence of this lopsided dynamic:

The EU has never questioned our independence … When we discuss with the EU, we are at the same level, *da pari a pari* – peer-to-peer. This is despite the power of the EU vis-à-vis San Marino bearing no comparison.

In practice, she commented that favourable acknowledgement of the microstate's independence is evidenced by the European Commission discreetly helping Sammarinese citizens navigate imports into the EU. From a paint factory seeking to transport to Italy, to producers of cured hams doing business in France, regulatory assistance via an

ambassadorial phone call to Brussels helps the country to prosper in its peculiar sovereignty. But Italian influence lingers backstage. Alexandra Valkenburg, Head of the EU Delegation to San Marino, revealed that officials in Rome are helping Sammarinese diplomats 'in special moments' during negotiations over an upcoming EU Association Agreement. Meanwhile, Italy's ambassador to San Marino is an informal point of contact whenever the bloc has input.

The presence of Italy confirms the shallowness of the microstate's claims to nationhood solely through political autonomy rather than organic ties of language and ethnicity. Paradoxically, in order to emphasise independence in Europe, the nation must bypass its formal integration model to obtain assistance from a more influential partner.

The European microstates host populations which are ethnically indistinct from neighbouring countries; Liechtensteiners feel little different to Swiss Germans, while the Sammarinese do not dispute their kinship with Italy. Consequently, their national identities must depend entirely on the survival of the state which includes them. Diplomatic representation of the microstate, including in the EU, is henceforth a living illustration of its national identity, and undeniably its sincerest. Because the microstates are on the periphery of Brussels' institutional mechanisms, policymaking opportunities are limited. However, through the goodwill entailed in the bloc's unofficial processes, they are afforded ready participation in essential dialogue, including by exploiting links with historical allies.

Still, the spirit of this participation is not uniform. Liechtenstein mobilises to demonstrate enthusiastic involvement concerning Brussels and its policy agenda, while San Marino prefers to use its perch to receive routine recognition of its sovereignty. Put simply, the microstates differ in their proactivity towards informal diplomacy with the EU. Lastly, given the state-centrism of microstate national identity, delegates' ardour for 'independence' and 'liberty' is unsurprising. The most tangible impact of this vernacular has been tolerance by the EU of hostility towards its migration provisions. After all, to these countries, free movement threatens to subsume the residential exclusivity which distinguishes the polity and ultimately promises it an independent future.

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