The curious case of Liechtenstein: A country caught between a prince and democracy

LSE blogs.lse.ac.uk/europpblog/2017/01/30/the-curious-case-of-liechtenstein/

The Principality of Liechtenstein will hold elections on 5 February. Ahead of the elections, **Wouter Veenendaal** *assesses the country's political system, under which the Prince of Liechtenstein still retains a large degree of power over decision-making. He states that the system raises complex questions over whether a country can be classified as a democracy if its citizens voluntarily choose to assign important powers to an unelected ruler.*

Vaduz Castle, overlooking the capital, is home to the Prince of Liechtenstein. Credits: Michael Gredenberg (CC BY-SA 3.0)

On 5 February, voters in the Principality of Liechtenstein will head to the polls to elect a new parliament. As in other western democracies, populism has gained a foothold in this tiny Alpine country: the anti-establishment grouping *Die Unabhängigen* ('the Independents') hope to extend their current share of 4 out of 25 parliamentary seats, thereby further eroding the power of the two traditional parties that together have governed Liechtenstein since the Second World War.

But while the rise of populism in the microstate is in line with regional trends, beyond this there are few similarities with the politics of neighbouring countries. Mainly due to the country's extremely small size (37,000 inhabitants), politics in Liechtenstein is, in fact, quite different from that of larger European democracies. A lot of this has to do with the role of the unelected Prince of Liechtenstein, who is one of the most politically powerful monarchs on the European continent.

The political system of Liechtenstein can be described as dualistic, in the sense that power is constitutionally shared

between the Prince and the people. Citizens are represented by an elected parliament (the *Landtag*) and government, but there are also a wide variety of direct democracy instruments in place. As the ruling Prince, Hans-Adam II, proudly asserts in his book, the Principality is therefore the only country in the world that combines the three institutions of monarchy, representative democracy, and direct democracy.

Within this system, the Prince plays a much more powerful role than his counterparts in other (constitutional) monarchies in Europe: he can dismiss the government, dissolve parliament, veto the outcomes of popular votes, and has an important role in the appointment of judges. It is no wonder, therefore, that the role of powerful monarchical leadership in Liechtenstein has been criticised repeatedly by international organisations, most notably the Council of Europe.

Yet while outside observers recurrently express their disapproval of Liechtenstein's powerful monarchy, the outcome of various referendums and popular votes reveals that between two-thirds and three quarters of the Liechtenstein electorate support the constitutional position of the Prince. After conflicts between Hans-Adam II and elected politicians had sparked a constitutional crisis in the 1990s, close to 65 per cent of voters endorsed the Prince's reform proposals in a 2003 constitutional referendum, thereby extending the power of the monarchy.

The situation raises complex questions regarding the nature of Liechtenstein's regime: can a country be considered a democracy when a majority of voters voluntarily concede significant powers to an unelected ruler? Questions of this sort became acutely pertinent in 2011, when the Prince, in advance of a referendum on the liberalisation of abortion laws, declared that he would veto a 'yes'-outcome, thereby essentially nullifying the entire referendum. But in a subsequent 2012 vote organised by pro-democracy activists, over 75% of voters rejected a proposal to limit the veto powers of the Prince.

Reflecting broad popular support for the monarchy, Liechtenstein's main political parties are generally supportive of the role of the Prince, even if that curtails their own political authority. Since World War II, Liechtenstein has been ruled by coalitions between the Progressive Citizens' Party (FBP; 'the blacks') and the Fatherland Union (VU; 'the reds'), two conservative, economically liberal, and pro-monarchy parties that essentially have a similar political platform.

Reflecting the small size of Liechtenstein, support for these parties was traditionally determined by family linkages, and the two parties always supported their own constituents with jobs and other material benefits. In the 1990s, a new ecologist, pro-democracy, and social-democratic party – the Free List (FL; 'the whites') – emerged, but this party never gained more than 15% of the vote and was never part of the government. Given Liechtenstein's long-lasting political stability, the 2013 elections could be regarded as a shock, as the populist, anti-elitist, and occasionally xenophobic Independents obtained 15% of the votes.

Despite the remarkable performance of the Independents at the 2013 polls, the FBP and VU still garnered close to 75% of votes, and, as in previous decades, formed the government together. On the surface, politics in Liechtenstein thus appears to be characterised by remarkable stability and consensus. However, such a conclusion would overlook the fact that the Principality's population has been extremely divided over the role of the monarchy, which is an issue that plays a much greater role in society than in parliament.

Fierce and emotional debates on this issue have set families, friends, neighbours, and colleagues apart, and people who voice criticism of the Prince face social exclusion and are frequently discarded as outsiders. Similar to other small countries, Liechtenstein has a close-knit and highly cohesive society which is not always tolerant to individuals who express dissenting views and opinions. The monarchy is seen as a defining element of Liechtenstein's identity and criticism of it is usually strongly repudiated.

Hans-Adam II, who is widely known for his confrontational style, has skilfully exploited these sentiments by referring to his opponents as 'enemies'. Making use of populist rhetoric, the Prince calls elected politicians 'the oligarchy', and advocates the limitation of their powers so that he can rule together with the people. Playing on popular sentiments

about politicians, the Prince asserts that members of parliament and government only think in the short-term, always seek to extend their powers, and are inclined toward corruption. The Prince has repeatedly threatened to leave the country if his powers become limited, and since the Principality carries his name, this could have dramatic consequences for Liechtenstein's future as a sovereign state.

Nevertheless, most people in Liechtenstein still support the Prince, and the Free List is the only party that is currently voicing criticism of the monarchy and calling for a more democratic system. The rise of the Independents represents a degree of disenchantment with partisan elites, but certainly not with the Prince: in fact, opinion polling indicates that supporters of this new party are highly supportive of the monarchy. As a result, while the upcoming election could cause a shift in the support for different political parties, the largest issue in Liechtenstein's politics – the role of the Principality's monarchy – is unlikely to be affected.

Please read our comments policy before commenting.

Note: This article gives the views of the author, and not the position of EUROPP – European Politics and Policy, nor of the London School of Economics.

_____

About the author

Wouter Veenendaal – *Leiden University*
Wouter Veenendaal is an Assistant Professor of Political Science at Leiden University.

-