Party politics in the Principality of Liechtenstein

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1. Introduction

With a population of approximately 38,000 and a total land mass of 160 km^2, the Principality of Liechtenstein is among the three smallest countries of Europe, and among the five smallest countries in the world. Wedged between Austria to the east and Switzerland to the west, the Principality is located on the eastern shore of the Upper Rhine valley, at the foot of the Northern Limestone Alps. The country is governed as a Principality, headed by the *Landesfürst* (Hereditary Prince), who occupies a vital role in its administration. Indeed, together with the Principality of Monaco – another European microstate – Liechtenstein employs the most powerful hereditary monarchy on the continent (see Grinda 2009; and Guillot in this volume). The fact that the two most powerful European monarchies can be found in two of the smallest countries on the continent is no coincidence: various recent studies underscore that small states have a particular proclivity for monarchical rule (Corbett et al. 2016; Gerring et al. 2021; Veenendaal 2016). While both Liechtenstein and Monaco are consistently ranked as 'free' by Freedom House (2018), the democratic credentials of both Principalities have often been questioned (see Venice Commission 2002) and, according to Sebastian Wolf, Freedom House's classification of Liechtenstein is 'obviously wrong' (Wolf 2015).

This chapter will provide an overview of political parties and party politics in Liechtenstein. It will highlight that the development of political parties in the Principality, and their interaction in the 20th and early 21st centuries, cannot be studied in isolation from two contextual factors that strongly shape and influence the entire political system of Liechtenstein: the smallness of the country and the political role of its monarchy. The analysis is based on two weeks of field research in the Principality in January 2014, as part of which 14 semi-structured interviews were conducted with a variety of local political experts.[1] Interview respondents were selected to ensure variation in political views and institutional backgrounds. Among the interviewees were the ruling prince (Hans-Adam II), the prime minister, other government ministers, MPs from all four political parties currently represented in the *Landtag*, journalists, academics and representatives from civil society organizations. In the following sections of this chapter, I will occasionally quote from these interviews to explain or illustrate the broader narrative.

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However, due to the smallness and social intimacy of Liechtenstein, these quotes have been anonymized. In order to check for the accuracy of the interview data, they have been triangulated with secondary sources such as academic studies, official documents and reports, and newspaper articles.

2. Historical Overview of Political Development in Liechtenstein

The modern history of Liechtenstein starts in the early 18th century, when the two lordships of Schellenberg and Vaduz, which together make up the territory of contemporary Liechtenstein, were purchased by the Princes Von und Zu Liechtenstein, who at that time resided in Vienna (Beattie 2004; Raton 1970). In subsequent decades, the princes largely ruled their fiefdom from Vienna, and hardly ever visited their territory, which until 1806 remained part of the Holy Roman Empire. After the dissolution of this empire, Liechtenstein became one of the 34 constituent states of the German Confederation, which fragmented in 1866 as a result of the Austro-Prussian War. This year is commonly mentioned as the independence date of Liechtenstein, as the Principality gained its de jure autonomy, and declared its neutrality in European affairs. In practice, however, the country remained economically and politically strongly tied to the Austro-Hungarian Empire.

Defeat in the First World War and the subsequent collapse of the dual monarchy in 1918 sparked a political reorientation of Liechtenstein, which from the 1920s onwards deepened its economic and political ties with its other neighbour, Switzerland. Largely as a result of this international realignment, the Principality was able to avoid Nazi occupation in the 1930s, and, like Switzerland, remained neutral during the Second World War. At present, the two countries share a customs and postal union, and Switzerland largely handles Liechtenstein's diplomatic representation abroad. In addition, the Principality uses the Swiss franc as its currency.

While Liechtenstein was mostly ruled as an absolute monarchy during the 19th and early 20th centuries, the 1862 constitution already provided for the establishment of a parliament (the *Diet*), which was indirectly elected. The constitution of 1921 established the modern political system of the Principality, and introduced the system of 'dualism' between the prince and the people (Constitution of the Principality of Liechtenstein 1921: Art. II). According to this system, Liechtenstein is a jurisdiction that combines monarchy and democracy, and employs elements of both representative democracy and direct democracy. As the present prince of Liechtenstein underscores in his 2009 book, the political system of Liechtenstein is unique in the sense that the Principality is the only country in the world that combines the three elements of monarchy, representative democracy[2] and direct democracy (Liechtenstein 2009). While Liechtenstein employs a greater variety of direct democracy instruments than its larger neighbour Switzerland, the frequency with which these instruments are employed is much lower (Marxer 2007).

For much of the 20th century, the political system of Liechtenstein remained uncontested, which in no small part was due to the popularity of Prince Franz Josef II, who ruled the Principality from 1938 to 1989. Franz Josef II was the first prince to reside entirely in the Principality, and under his rule Liechtenstein transformed from an impoverished agricultural backwater into a highly industrialized country with one of the highest GDP per capita figures in the world (Beattie 2004). In 1984, the year in which Liechtenstein was the last country in Europe to introduce female suffrage, Franz Josef passed most of his powers to his son, Hans-Adam II, who was formally installed as *Landesfürst* in 1989.

In marked contrast to his father, Hans-Adam II is commonly regarded as playing a much more politically active and controversial role in the political system of Liechtenstein (Beattie 2004: 179–82). Soon after his ascension to the throne, the prince got into a major constitutional conflict with elected politicians, which lasted from 1992 to 2003. While this conflict was instigated by a disagreement over the timing of a referendum on Liechtenstein's accession to the European Economic Area (EEA), it culminated in a broader debate about the constitutional position of the prince in the political system of the country. During a 2003 referendum that included an initiative drafted by the prince, as well as an initiative drafted by politicians who aimed to circumscribe the powers of the monarchy, a large majority of Liechtenstein voters endorsed the constitutional proposals of the prince, thereby amplifying the power of the monarchy and bringing an end to the constitutional conflict (Beattie 2004: 193–4).

The constitutional reforms of 2003 introduced the people's right to abolish the monarchy by referendum and, according to the prince, thus provide for a democratic legitimation of the monarchy (Liechtenstein 2009: 73–4). In other respects, the 2003 reforms mostly enhanced the political position of the prince, and especially his authority to dismiss government, to rule by emergency decree, to veto laws and referendum outcomes, and increased his influence on the appointment of judges.

In 2004, Hans-Adam II passed on the day-to-day rule of Liechtenstein to his son, the Hereditary Prince Alois, who is widely seen as a more modest and consensus-oriented monarch. However, in 2011 a new political controversy unfolded when, ahead of a referendum on abortion law, Alois announced his intention to veto any liberalization of this law, thereby essentially making this referendum a meaningless vote. The proposal to legalize abortion was narrowly defeated, but the controversial interference of the prince sparked another constitutional referendum in 2012, containing a proposal to prevent the monarch from vetoing legislation approved in popular votes. This proposal was defeated by over 75 per cent of voters, demonstrating people's enduring support for the monarchy. As the 2003, 2011 and 2012 plebiscites demonstrate, political interference by the prince is bound to create political conflicts, as a result of which the role of the prince in the political system of Liechtenstein remains controversial. While the formal position of the Liechtenstein monarchy is not that different from other European (constitutional) monarchies like the UK, the difference is that the prince of Liechtenstein actually makes use of his political prerogatives (Beattie 2004: 224).

Due to the presence of a strong monarchy and the importance of direct democracy instruments, the institutions of representative democracy in Liechtenstein are comparably weak. This does not apply to the judiciary, which is independent and powerful, even though the 2003 reforms increased the influence of the monarchy on the appointment of judges (Venice Commission 2002). Liechtenstein has a unicameral parliament, the *Landtag*, which has 25 seats, elected every four years by proportional representation in multi-seat constituencies. Ten seats are reserved for MPs from the *Unterland* (lowland area; corresponding to the old lordship of Schellenberg), and 15 seats are reserved for MPs from the *Oberland* (upper land; corresponding to the old lordship of Vaduz). The government, or *Regierung*, of Liechtenstein consists of a prime minister (*Regierungschef*) and four other ministers. In line with the parliamentary system, the government of Liechtenstein is responsible to – and can be held accountable to – the parliament. In addition, however, as a function of Liechtenstein's powerful monarchy, the government is also accountable to the prince, the head of state.[3]

3. The Development and Evolution of the Party System

As the previous section demonstrated, the origins of Liechtenstein and its contemporary existence as a sovereign state are strongly linked to the monarchy, and the royal family in particular: the country even bears the dynasty's name. In similar fashion, the development of political parties in Liechtenstein must be studied in relation to the monarchy. The first two political parties – the Progressive Citizen's Party (FBP, *Fortschrittliche Bürgerpartei*) and the Christian-Social People's Party (CSVP, *Christlich-Soziale Volkspartei*) – emerged in 1918 and remained the only two parties until the early 1930s. After the 1932 parliamentary election, the CSVP merged with a minor party – Liechtenstein Homeland Service (LHD, *Liechtensteiner Heimatdienst*) – to form the Fatherland Union (VU, *Vaterländische Union*). Since that moment, FBP and VU have been the two major parties in Liechtenstein, and although other parties sometimes contested elections, no other party gained parliamentary seats until 1993. In that year, the Free List (FL, *Freie Liste*) obtained two parliamentary seats, and it has remained in parliament ever since. Only in the two most recent parliamentary elections did a fourth party – the Independents (DU, *Die Unabhängigen*) – gain parliamentary representation, so at present four political parties are represented in the *Landtag*. While each of these parties has an official name, they are also often colloquially referred to by their colours: 'the blacks' (FBP), 'the reds' (VU) and 'the whites' (FL). Table 2.1 shows election results among the parties since 1918.

Social Cleavages and Their Influence on Liechtenstein Politics

During the interwar period, elections in Liechtenstein were fought between the FBP and the CSVP. While the former can be regarded as a conservative, pro-monarchist party, the CSVP was – at least in name – a Christian socialist party that had emerged out of a trade union. However, Liechtenstein's population is

Table 2.1 Election results in Liechtenstein since 1918

	FBP		*CSVP/VU*		*FL*		*DU*		*Other*
Year	*Vote %*	*Seats*	*Vote %*	*Seats*	*Vote %*	*Seats*	*Vote %*	*Seats*	*Vote %*
1918	n/a	7	n/a	5					
1922	n/a	4	n/a	11					
1926a	n/a	6	n/a	9					
1926b	n/a	6	n/a	9					
1928	n/a	11	n/a	4					
1930	n/a	15	n/a	–					
1932	n/a	13	n/a	2					
1936	n/a	11	n/a	4					
1939	n/a	8	n/a	7					
1945	54.9	8	45.1	7					
1949	52.9	8	47.1	7					
1953a	50.5	8	42.6	7					6.9
1953b	50.4	8	49.6	7					
1957	52.3	8	47.6	7					
1958	54.5	9	45.5	6					
1962	47.2	8	42.7	7					10.1
1966	48.5	8	42.8	7					8.7
1970	48.8	7	49.6	8					1.6
1974	50.1	8	47.3	7					2.6
1978	50.8	7	49.2	8					
1982	46.5	7	53.5	8					
1986	42.8	7	50.2	8					7.0
1989	42.1	12	47.2	13					10.7
1993a	44.2	12	45.4	11	10.4	2			
1993b	41.3	11	50.1	13	8.5	1			
1997	39.2	10	49.2	13	11.6	2			
2001	49.9	13	41.3	11	8.8	1			
2005	48.7	12	38.2	10	13.0	3			
2009	43.5	11	47.6	13	8.9	1			
2013	40.0	10	33.5	8	11.1	3	15.3	4	
2017	35.2	9	33.7	8	12.6	3	18.4	5	

very homogenous, in terms of both religion and socio-economic factors, and after the merger with the LHD in 1932 and the establishment of the VU, this indication of a potential class cleavage also disappeared. The FBP and the VU, which have dominated Liechtenstein politics since the 1930s, are both conservative, economically liberal and pro-monarchist parties. As one local journalist whom I interviewed quipped, 'OK, this is an old joke, but it is still a very good one: the FBP is monarchistic, democratic, conservative, and the VU is conservative, monarchistic, democratic'.

In other words, no class or any other sort of cleavage separates the two main political parties of Liechtenstein (Beattie 2004: 189). Virtually all the public officials whom I interviewed as part of my field research agreed that the differences between the two parties are infinitesimal. When pressed further, some

interviewees pointed out that the VU is commonly seen as slightly more liberal and slightly more critical of the monarchy than the FBP, which in turn can be regarded as slightly more conservative than the VU.

While class is the most common and most profound cleavage separating political parties in most larger European democracies, in Liechtenstein this social cleavage is virtually absent. This is in large part a result of the socio-economic homogeneity of the population: while the entire country was economically underdeveloped before the 1950s, after that an impressive stretch of economic growth led to a staggering level of wealth across the board. The GDP per capita figure of Liechtenstein is US $90,000 – among the top three in the world,[4] and more than twice the average of Western Europe. The absence of income tax, as well as free healthcare and education not only contribute to this wealth, but also entail that socio-economic conflicts rarely enter the political domain. The only segment of the population that does not reap the fruits of economic development are foreign labour migrants, but they possess no political rights, and therefore have no influence on party politics. Just as socio-economic homogeneity has prevented the emergence of a class cleavage, religious homogeneity has hampered the development of religious cleavages. Over 90 per cent of Liechtenstein citizens are Roman Catholic, and religion plays a greater role in public life than in most West European countries.

While it remains a minor player in Liechtenstein politics, the emergence of the Free List in the early 1990s can perhaps be regarded as the result of an emerging post-material cleavage. Campaigning on environmental issues, human rights and democratic rights, the FL can indeed be classified as a typical post-materialist party. Moreover, in contrast to the FBP and the VU, the FL is also openly critical of the political role played by the prince; it is no coincidence that the party gained parliamentary representation during the constitutional debate of the 1990s (Beattie 2004: 190). Indeed, thanks largely to the FL the constitutional position of the prince has emerged as an issue of political contention, although not to an extent that it can really be called a cleavage. Finally, to a greater degree than the other two parties, the FL also addresses socio-economic equality and redistributive issues, but this remains a relatively minor element of the party's platform.

As can be seen in Tables 2.1 and 2.2, in the post-war period Liechtenstein politics has been extremely stable. In this context, the rise of DU in the two most recent parliamentary elections – obtaining 15 per cent of the vote and four seats in the *Landtag* in 2013, and over 18 per cent and five seats in 2017 – is the single biggest electoral shock in the past 70 years. DU is broadly seen as a protest party, and its emergence has mostly been attributed to the economic crisis of 2008 and the dissatisfaction with the subsequent austerity measures taken by the government to redress the effects of the crisis, and the mounting international pressure on Liechtenstein to reform its banking and tax systems. Since the DU constituency largely consists of former FBP and VU voters, it is not surprising that this party is also conservative and generally pro-monarchy. However, DU differs from the two traditional parties in two important respects. In the first place, it is a strong proponent of increasing the influence of direct democracy, and the frequency of

popular votes. Second, to a greater extent than the two large parties, it expresses nationalist and occasionally xenophobic sentiments. While some interviewees therefore identified DU as part of the populist right, which is on the rise across Western Europe, others cautioned that the party has only existed for a couple of years, and pointed to stark differences between the individual politicians of DU on this issue.

A final cleavage that is sometimes mentioned in the case of Liechtenstein is region. As outlined earlier, there is a fixed distribution of parliamentary seats across Liechtenstein's two regions; the *Oberland* and *Unterland* are the Principality's two electoral constituencies. Traditionally, the VU has been somewhat stronger in the *Oberland*, while the FBP has been somewhat stronger in the *Unterland*. However, elections results reveal that this regional cleavage – if it ever existed – no longer plays any substantial role in recent elections, with the FBP and VU performing equally well in both districts. A breakdown of election results per municipality reveals that both the DU and the FL performed slightly better in the *Unterland* than in the *Oberland* (Landtagswahlen Liechtenstein 2017).

The Influence of the Electoral System on Party Politics in Liechtenstein

Parliamentary elections in Liechtenstein are held under a proportional system in two multi-seat constituencies, which respectively elect 10 and 15 MPs. According to the law, voting is compulsory, but penalties for abstention are not enforced. Voter turnout has traditionally exceeded 80 per cent, but there has been a steady decline in electoral participation in recent decades, and the 2017 elections produced a record low turnout of 77.8 per cent.

In line with Duverger's Law (1954; cf. Riker 1982), the proportional electoral system of Liechtenstein produces a multiparty system. While the most recent parliamentary election indeed resulted in the election of four different parties to parliament, the six elections before that resulted in parliamentary seats for three parties, and all elections before 1993 returned only two parties to the *Landtag*. Whereas the pre-1993 era thus clearly reflects a two-party system, party competition in the 20-year period 1993–2013 can effectively be seen as indicative of a multiparty system. The fact that the political system in this period was dominated by two large parties and one smaller third party seems to be in line with the features of the two-and-a-half party system (Blondel 1968; Siaroff 2003).[5] However, the 2013 election represents a clear break from these earlier two patterns, as the outcome of this election reflected a genuine multiparty system with two larger and two smaller parties. The pattern was repeated in the 2017 elections, during which DU further increased its vote share at the expense of the FBP. As a result, it seems that Liechtenstein has now definitively moved towards a multiparty system.

As in Luxembourg and Switzerland, parliamentary elections in Liechtenstein are held under a system known as panachage, allowing voters to cast multiple preference votes for individual candidates. In Liechtenstein, voters can cast as

many votes as there are seats to be filled, meaning ten votes in the *Unterland* and 15 votes in the *Oberland*. Unlike in Luxembourg, where voters can vote twice for the same candidate, in Liechtenstein only one vote can be cast for each candidate. The system allows voters to cast ballots for candidates from different parties, which entails that political parties have little influence on which candidates are elected to parliament (Marxer 2012: 71). In a very small state like Liechtenstein, in which politics is more personal and there is a greater level of proximity between citizens and politicians, this electoral system further enhances people's inclination to vote for a candidate whom they know personally, regardless of the political party to which they belong. This also explains why a majority of voters do in fact engage in split-ticket voting, selecting candidates from multiple political parties (Marxer 2017). Combined with the facts that most MPs work only part-time, and that candidates' positions on the list are not fixed[6] and cannot be considered as a guarantee of election, political parties in Liechtenstein tend to have a hard time recruiting candidates for office (Marxer 2012: 70).

As indicated earlier, in addition to elections for the *Landtag*, Liechtenstein also employs a variety of direct democracy instruments. These include the popular initiative (initiated by the people or municipal councils), the popular referendum (initiated by the people), the administrative referendum (initiated by parliament) and the consultative administrative referendum (initiated by parliament; Marxer 2007: 3–5). Of these instruments, the popular initiative has been used most frequently, followed by the popular referendum. In addition to these, the constitution also provides for a number of instruments that so far have never been employed: the initiatives for the convocation and the dissolution of parliament, the motion of no-confidence in the prince, the procedure for abolishing the monarchy and the procedure for the nomination and appointment of judges.

While the constitution of Liechtenstein thus provides for a broad variety of direct democracy instruments, on average only one referendum per year is held in the Principality, while its larger neighbour Switzerland organizes approximately 10–15 a year (Marxer 2007: 10). In addition, while direct democracy is a key feature of the Swiss political system, in Liechtenstein direct democracy instruments have been added and integrated into a system that is essentially representative in nature. Finally, a key limitation on the use of direct democracy instruments in Liechtenstein is that the results of popular votes can be passed or rejected by the prince, whereas they are binding on parliament (Marxer 2007: 12).

As a result of the 2003 constitutional amendments, both the direct democracy elements and the position of the prince were strengthened, at the expense of the representative institutions. While these constitutional changes to a certain extent weakened the position of political parties, large majorities of FBP and VU voters had endorsed the princely initiative, meaning that these parties could do little to oppose the amendments. Political parties in Liechtenstein are very much aware of the fact that their decision-making powers are limited by the veto powers of the prince, as well as the possibility of a referendum or popular initiative. And, in fact, one of the key aims of DU is to further strengthen direct democracy, and more frequently organize popular initiatives and referendums.

Fragmentation, Polarization and Volatility

As the figures presented in Table 2.1 demonstrate, the party system of Liechtenstein has remained remarkably, even extremely, stable over the years. Meanwhile, Table 2.2 and Table A1 in the Appendix present some indicators to measure the characteristics and stability of the Liechtenstein party system and its political parties. These figures show that party stabilization is very high, while volatility is very low, and that the effective number of political parties remains highly stable over the years. The three 'major' shocks that occurred between 1918 and 2016 are (1) the transformation of CSVP into VU in the early 1930s, (2) the emergence of the FL in the early 1990s and (3) the rise of DU in the two most recent elections. While party politics in most Western European countries has become more fragmented in recent decades, and the volatility of elections results has strongly increased (Dalton and Wattenberg 2000), this development is much less apparent in Liechtenstein. The two largest parties are ideologically similar, and in this respect cater to the same group of voters. As will be explained later in this chapter, party support tends to be based on (1) family traditions, (2) personal relations with politicians and (3) the potential material benefits that may result from a patron–client exchange. The rise of the FL in the early 1990s can be regarded as an instance of fragmentation, in the sense that the number of parties represented in parliament increased from two to three. However, the FL also represents a group of voters whose interests had thus far not been represented by the two traditional parties, and, as discussed earlier, its rise arguably introduced a new (post-material) cleavage in Liechtenstein party politics.

The rise of DU from 2013 onwards is clearly a different case. Support for this party comes almost entirely from former FBP and VU supporters, and the party does not articulate significantly different interests from the two traditional parties. In this sense, the emergence of DU does not appear to open a new cleavage in Liechtenstein politics, but rather represents a case of partisan fragmentation within the right-wing political spectrum of the country. A majority of interviewees indicated that DU is a very populist party, and that its style of conducting politics is very different from the FBP and the VU. Many respondents argued that the DU should be seen as a populist party, which strongly identifies itself with the people

Table 2.2 Characteristics and indicators of the Liechtenstein political parties

Year	*Index of party stability*	*Average age of political parties*	*Number of new parties*
1993	100	46.7	N/A
1997	100	50.7	0
2001	100	54.7	0
2005	100	58.7	0
2009	100	62.7	0
2013	98.4	50	1
2017	92.7	54	0

Source: Casal Bértoa (2021).

and argues against the hierarchy of the two traditional parties. According to one government minister whom I interviewed:

> And *Die Unabhängigen* [DU], they are quite difficult to grasp. This is a new grouping, which has now been running for the first time, and with the people has managed to enter into parliament with their four seats. But it is from my point of view not a solidified party with a clear program. It is much more a group that tries to comment about some weak aspects, which politicizes very strongly at the *Stammtisch* [informal get-togethers], and for me it goes a bit in the direction of the SVP in Switzerland.

The three largest parties in the contemporary *Landtag* hence represent largely similar interests and, in terms of substantive issues, only the FL represents a real programmatic alternative. In this sense, the sharp ideological polarization that often characterizes politics in larger European countries cannot be observed in Liechtenstein. The most revealing illustration of this fact is that between 1938 and 1997, the FBP and VU always formed a government coalition, meaning that until the FL entered parliament in 1993 there was no formal opposition party in parliament. During this period, the FBP and VU won parliamentary majorities and so could have technically formed governments on their own, but instead they always chose to rule together. And while the VU governed on its own between 1997 and 2001, and the FBP between 2001 and 2005, from 2005 the two parties have again formed a grand coalition. Whereas the FL and DU now form a vocal opposition to the two ruling parties, the overall relationship between the political parties of Liechtenstein actually remains very consensual (Beattie 2004: 231).

The harmonious relationship between the political parties of Liechtenstein should not, however, be seen as an indication that there are no sharp political divisions in the Principality. In fact, both my own interviews and the secondary literature assert that there is one very sensitive political issue which, however, does not really manifest itself in the parliamentary arena: the constitutional position of the monarchy of Liechtenstein. This has been a particularly salient issue in

Table 2.3 Governments of Liechtenstein since 1993

Prime minister	*Begin*	*End*	*Composition*
Markus Büchel	26 May 1993	24 Oct. 1993	FBP–VU
Mario Frick	15 Dec. 1993	2 Feb. 1997	VU–FBP
Mario Frick	9 Apr. 1997	11 Feb. 2001	VU
Otmar Hasler	5 Apr. 2001	13 Mar. 2005	FBP
Otmar Hasler	21 Apr. 2005	8 Feb. 2009	FBP–VU
Klaus Tschütscher	25 Mar. 2009	3 Feb. 2013	VU–FBP
Adrian Hasler	27 Mar. 2013	5 Feb. 2017	FBP–VU
Adrian Hasler	30 Mar. 2017		FBP–VU

Source: Casal Bértoa (2021).

the constitutional debate that raged between 1992 and 2003, but, as Beattie (2004: 193) underscores, 'the division was not on party political lines, as the two main parties both maintained that they supported a strong and politically active monarchy as envisaged by the 1921 Constitution'. Instead, the conflict played out much more on the societal level, and interest groups appeared as the main proponents of both the pro-monarchy and the monarchy-critical factions (Marcinkowski and Marxer 2011). As a minister in the current Liechtenstein government describes it, this issue was very polarizing indeed:

> [T]he emotional fight that we had for the initial vote on the constitution [in 2003] was so troubled that there was a real fight in families, in marching bands, in chores; in all these social events where people gather, they were fighting so hard and people that got along with each other well suddenly really emotionally fought about the future of our state.

When the constitutional issue finally came to a referendum in 2003, both of the two larger parties were internally divided on the issue. However, in the end, the prince's proposals were supported by the FBP, half of the VU supported the maintenance of the 1921 constitution, and half of the VU and the FL supported the so-called Peace initiative, which would limit the constitutional powers of the prince. In the end, the prince's proposals were approved by 64.3 per cent of the voters, while only 16.6 per cent endorsed the Peace initiative.

Whereas the 2003 referendum laid the constitutional debate to rest, the political position and actions of the prince remain a very controversial topic in Liechtenstein's society. The issue flared up again in 2011, when the prince threatened to block a liberalization of the abortion law that was subjected to a popular vote. In response, Liechtenstein's Democracy Movement (*Demokratiebewegung*) launched a new campaign (*Damit deine Stimme zählt*, 'So that your voice counts') to limit the extensive veto powers of the prince, resulting in a new referendum in July 2012. Again, the prince's supporters, united in the group *Für Gott, Fürst, und Vaterland* 'For God, Prince, and Fatherland') won the referendum, this time with over 75 per cent of ballots cast. While both the FBP and a majority of VU politicians supported the 'no' vote, the FL was the only party in favour of the proposals of the democracy movement. As in 2003, the polarization about the constitutional position of the prince was therefore more societal than political in nature.

Party Organizations

Out of the four political parties currently represented in the parliament of Liechtenstein, two are very old, having been established in the 1910s (FBP) or 1930s (VU), whereas the other two are relatively young, having been founded in the 1980s (FL) or just a few years ago (DU). These profound differences in their lifespan are mirrored in the parties' organizational structures. The FBP and the VU are both organized according to the classic West European model, having a party board headed by a party president, as well as local party organizations in each

of the two electoral districts. In addition, both parties also have special divisions for women, seniors and youth, and organize regular meetings for party members.

While the smallness of Liechtenstein entails that in absolute figures parties do not have many members, and that the main functions within party organizations are held by the same, small group of people, the formal structures of the FBP and VU enable classic, democratic mechanisms of participation and involvement by these parties' members. However, as one of the DU MPs, who had previously been a member of the FBP, indicated, not all party members are satisfied with these parties' internal functioning, and there is an idea that both parties are run by a small and well-connected elite:

> Basically I was unhappy with the way the traditional parties are run; the party structures are such that the presidium; the president of the party and some other people around him – they have more influence than they in my view deserve, because they were not elected to any office.

Although the FL was established much later than the FBP and VU, the party's organizational structure is largely similar to that of the two traditional parties. A key difference is that the FL party leadership is democratically elected by its members for two-year terms, whereas the leadership of the FBP and VU largely consists of ex officio members, and a number of members that are appointed by these members.

The newest party in Liechtenstein, DU, has sought to eschew the label 'party', and instead presents itself as a group of individual politicians. Indeed, as interviews with politicians from both DU and the other parties confirm, the four DU MPs sometimes take markedly different positions on political issues, and often do not vote as a single bloc in parliament. According to one government minister,

> Their philosophy is that each of their members is independent. They are independent from anything else as a group, and from their own members. So they can have quite contradictory statements for the same matter in the parliament, without getting upset. Because every individual there speaks for himself.

While DU MPs are indeed largely independent of each other, the party does have a legal basis and organizational structure, which is also necessary to contest elections. As one DU MP explained,

> [Y]ou could say we have the same kind of broad political spectrum in our electorate as in the big parties, but we differ in the way we function as a party. So far, we do not admit openly that we are a party. I mean, legally speaking we are a party, we have to organize ourselves; you cannot participate if you are not organized. You have to have a certain group of people in support, so you have to be organized. So, legally speaking we are clearly organized as a party, but we don't want to be a party because we don't want to function in the same way as the others.

Indeed, the difference between DU and the other three parties is found not so much in their organizational structure as in the way the parties operate in parliament and in public debate. The internal incoherence of the DU faction in parliament has led to some confusion on the part of the other parties and the claim that it is unclear what DU ultimately stands for. Furthermore, various respondents indicated that political cooperation with DU is unlikely and difficult, because it is unclear if individual DU MPs will honour any agreements.

4. Other Factors Influencing Party Politics in Liechtenstein

Having outlined the main features of political parties and their interaction in the Liechtenstein party system, this section highlights the significance of two factors that are somewhat extraneous to the party system itself: the role of the monarchy and the influence of the smallness of Liechtenstein. As mentioned earlier, the relatively weak position of representative democratic institutions in Liechtenstein also has an influence on party politics, in the sense that the political parties in the Principality recognize that their political power is limited by both the monarchy and direct democracy.

The relationship between the prince and the political parties became particularly strained in the 1990s, when some elected politicians entered into open conflict with Prince Hans-Adam II. The outcome of popular votes in 2003 and 2012, however, clearly showed that a large majority of Liechtenstein citizens support the prince, and opinion polls show that people's trust in the monarch is much higher than in elected politicians (Marxer 2013). The popularity of the prince is related to the fact that the monarchy is a crucial component of Liechtenstein's national identity, and a strong awareness that, without the monarchy, Liechtenstein would not have existed as an independent state. In addition, people in Liechtenstein tend to appreciate the prince as a neutral arbiter who transcends party politics and can provide long-term stability to the country (Veenendaal 2016). Aware of this fact, the ruling parties are very reluctant to criticize or oppose the prince. As former prime minister Mario Frick, who governed the Principality during a large part of the constitutional debate (1993–2001), explained,

> So . . . the prime minister is sitting there [with the prince], and if he feels it's getting very, very nasty and very delicate, what will he do? How much pressure will he accept, especially knowing that at the very moment that the prince says 'you're out', you are out? In my time I had my discussions with the prince and sometimes there was pressure, but I knew if something happens there is a procedure, there is some time and some public debate. I have the opportunity to bring my reasons, to argue, to discuss, to find support. But in the end I knew that you can't fight against the prince; you will lose.

As discussions with journalists and politicians in Liechtenstein revealed, the current prince sometimes capitalizes on people's distrust of elected politicians,

and their greater levels of trust in the monarchy. In his book, Prince Hans-Adam explains his views of elected politicians, whom he refers to as the 'oligarchy':

> If one assumes, first, that the oligarchy is by far the strongest element of the three elements of monarchy, oligarchy, and democracy; second, that rule only by oligarchy sooner or later creates problems; and third, that the oligarchy is inclined to extend its power at the expense of monarchy and democracy, then the state in the third millennium should strengthen the two other elements, namely monarchy and democracy.
>
> (Liechtenstein 2009: 83)

In response to a question about people's faith in the monarchy, the prince asserted that they trust their prince and hope that he will act as 'somebody who is independent, and so on. As a neutral force in the country, and I think that certainly is something . . . the main view of the people here'.

The constitution of Liechtenstein highlights the 'dualism' between the prince and the people, and it is the view of the prince that he should rule with the people, and that elected representatives should not play too big a role in the administration of the Principality. According to one former politician:

> So it's always the situation that he says 'I the monarch and the people, and the rest we don't need'. Perhaps he believes that, and I think even many of the Liechtensteiners believe that. But if you really go through it, then it is him, the strong man, and a manipulated crowd.

The attitude of the prince towards elected politicians obviously creates a conundrum for political parties. While the FBP has always been very supportive of the prince, some politicians of the VU have been more critical, especially in the 1990s. Since the constituency of both parties is staunchly pro-monarchy, however, elected politicians have to accept their subordinate role and limited political power in order to ensure their electoral survival. The FL, which is supported by the segment of the Liechtenstein population that is more critical of the monarchy, is the obvious exception. Largely as a result of its deviant ideological position, this party has never been included in a governing coalition, and therefore has also never had to cope directly with the political influence of the prince.

Effects of the Smallness of Liechtenstein

While the unique political system and the strong position of the monarchy make Liechtenstein politics quite distinct from those of other countries, the Principality does experience some of the broader political effects of smallness that can be observed in small states around the globe. As in other small states (Corbett and Veenendaal 2018; Richards 1982; Sutton 2007; Veenendaal 2013), Liechtenstein politics is very personal in nature, and personal relations largely determine the course of politics. This is true not only for the relationship between voters and

politicians but also for relations within the political elite of the country. Both the academic literature and my own interviews confirm that political affiliations in Liechtenstein are traditionally based on the family in which people are born, and that the population was customarily divided into 'red' and 'black' families, supporting the VU and FBP respectively. According to the prince:

> I think between the two large parties and one of the small parties, there is hardly any difference. It is a question of personalities; what party you have been born into more or less. At least in the two large parties it was very traditional; you are born either into this party or into that party. And also in the programs I don't see any difference really.

As this quote suggests, the absence of ideological divisions between the two largest parties in Liechtenstein can be linked to the close connections and family-derived political affiliations in the country. And while the entrance of the FL and potentially DU into Liechtenstein politics signals a turn to more substantive issues, so far these parties remain minor players in the Principality's political arena. Despite achieving their worst electoral result since the start of Liechtenstein party politics, in the 2017 election the FBP and VU still captured almost 70 per cent of votes cast.

While the lack of substantive politics could be regarded as a negative element of party politics in Liechtenstein, most interviewees regarded the smallness of the country as a positive attribute. Pointing to an average turnout figure of above 80 per cent in elections over the past 25 years, respondents asserted in particular that the lack of distance between citizens and politicians results in a greater involvement of citizens in politics. According to one VU politician:

> I think it is positive because every citizen, including myself . . . has and can have the feeling that he can change things. And he can change people's mind, he can form a group of people, he can change the mind of people by arguing things. And that is in big countries much, much more difficult I understand. And due to this situation, the interest of the population in politics is much, much bigger than anywhere else, if I may compare.

This direct contact means that politicians can be considered to be more aware of the political preferences and demands of their constituents, offering opportunities for enhanced political representation. The instruments of direct democracy provide additional incentives for citizens to make their voices heard, thereby further increasing politicians' awareness of the political attitudes of their voters.

Although many respondents pointed to these positive effects of smallness, some also highlighted negative aspects. They pointed out that the social intimacy and cohesiveness of the Liechtenstein community can sometimes stifle vigorous public debate – which became very clear during the constitutional discussions of the 1990s and early 2000s. As various scholars have noted (Baldacchino 2012; Dahl and Tufte 1973), small societies are often plagued by the strong dominance

of political majorities, hampering the development of a robust political opposition. Baldacchino highlights that small societies frequently have dominant cultural codes to which all members in society are expected to adhere: criticism of or opposition to this dominant code is likely to result in ostracism or rejection. In Liechtenstein, critics of the constitutional position of the monarchy confirm that they often face very negative reactions, both in their private life and in public discourse. Some of them reported having been branded as not 'real' Liechtensteiners, or even as enemies of the state. By referring to his opponents as 'enemies' and 'so-called democrats', Prince Hans-Adam II sometimes appears to contribute to these sentiments.

One particular institution where the absence of a free public debate can be identified is the media landscape of Liechtenstein. The Principality has two newspapers, the *Volksblatt* and the *Vaterland*, which are traditionally aligned to the FBP and VU respectively. The fact that both newspapers have links with the two political parties, as a result of which no formally independent newspaper can be found in the Principality, can already be deemed problematic from a democratic perspective. Moreover, interviews with journalists working at these newspapers indicate that the pro-monarchy political attitude of Liechtenstein citizens also limits their opportunities for critical reporting. According to one journalist at the *Volksblatt*:

> As a journalist you tend not to advertise that you are critical of the prince, because on the one hand we are associated with the black party, which is very uncritical of the prince, and the other thing is of course that most of our subscribers are, I'd say, older than fifty. And so the very, very large majority is pro-prince and is very sensitive towards criticism. And we don't really have a culture of people . . . reading a newspaper and expecting to have new thoughts in them, and something that makes them think or something that contradicts their views. On the contrary, they always want to be confirmed in their views, and that makes it difficult for all of us, especially the people who are critical of certain stuff, because I mean our boss obviously does not want to lose subscribers.

While both FBP and VU have 'friendly' news outlets, FL politicians sometimes complain that their views are not sufficiently represented by the news media of Liechtenstein.

A final negative, scale-related political pattern in the Principality is the manifestation of patron–client linkages. While the extent of such particularistic relationships is hard to measure, various interviewees indicated that the two dominant parties traditionally rewarded their political supporters with various material and intangible benefits. Respondents were, however, divided about the degree to which such exchanges still play a role in Liechtenstein today: while members of the opposition parties, journalists and NGO officials tended to emphasize that clientelism still is a major element of Liechtenstein politics, this was denied by politicians affiliated with the two ruling parties. Resistance to the alleged patron–client relations of the two ruling parties has been an important component of the

DU electoral program in recent elections. Some interviewees pointed out that the crisis of 2008 and the following austerity measures resulted in a sharp drop in particularistic exchanges, enticing disgruntled FBP and VU members to establish DU. According to one journalist: 'every Liechtensteiner is really ambivalent; on the one hand they want to benefit from nepotism, and on the other hand if they don't benefit they are against nepotism in general'.

5. Conclusion

This chapter has provided an overview of the development and current dynamics of party politics in the Principality of Liechtenstein. While the political system of the Principality was long dominated by two broadly conservative parties with nearly indistinguishable platforms, from the early 1990s the dynamics of party politics began to change. In their classic work (1967), Seymour Martin Lipset and Stein Rokkan show that cleavages and party systems in Western Europe remained 'frozen' from the 1920s until the 1960s, when the rise of post-material values and parties changed the political alignments of voters, and resulted in the emergence of new political parties. As the discussion in this chapter has demonstrated, the party system of Liechtenstein remained 'frozen' for a much longer period of time, and only in the 1990s did a post-materialist party (the FL) first gain representation in the *Landtag*. The 2013 elections, during which the combined support for the two traditional parties fell below 75 per cent for the first time, and a new right-wing protest party at once obtained over 15 per cent of votes and four parliamentary seats, can be regarded as a major shock to the extremely stable party system of the Principality. The rise of DU can mostly be attributed to the 2008 financial crisis, but in the 2017 elections the party was able to consolidate and expand its base, as a result of which the combined support for the two traditional parties eroded further to below 70 per cent. It can therefore now safely be stated that Liechtenstein has a genuine multiparty system, with DU and FL together taking more than 30 per cent of the vote.

As this chapter has highlighted, the dynamics of party politics in Liechtenstein is influenced by a number of factors, some of which are idiosyncratic to the country, while others fit into broader comparative patterns. The political system of the Principality – combining a powerful monarchy with both representative and direct democracy – can be considered unique, and has a profound impact on partisan interactions. In particular, the powerful role played by the country's prince, and the widespread support he continues to enjoy among Liechtenstein's citizens, strongly affects and limits the influence of parties on the national scene. On the other hand, as in other European and non-European microstates, the smallness of Liechtenstein creates a political system defined by personalistic politics, the lack of ideology, particularistic exchanges between voters and their representatives and the presence of a dominant cultural code that stymies the development of an opposition (Corbett and Veenendaal 2018). Together, these factors create a party system that has long been extremely stable but now seems to be transforming in response to changing circumstances.

Notes

1 See Veenendaal 2014b, for a comprehensive overview of this field of research.
2 The prince refers to the institutions of representative democracy as 'oligarchy': (Liechtenstein 2009).
3 This is a significant difference from other (constitutional) monarchies (like the Netherlands or the Scandinavian countries), in which the monarch is *part* of the executive power branch, but in this capacity merely exercises a ceremonial role.
4 Only Monaco and Qatar have a comparable level of GDP per capita.
5 In contrast to the German two-and-a-half party system, in Liechtenstein the small ('half') party was usually excluded from government, as the two large parties (FBP and VU) commonly formed a grand coalition. One reason for this is that they are ideologically very close to each other, but the other reason is that the parties traditionally represent different families, which all wanted to be represented in government. The FL therefore never held the position of 'kingmaker' that the FDP had in German politics for many decades.
6 On each party's ballot, all candidates are simply ranked in alphabetical order.