“Ohne Fürst Sind Wir Nichts”

Smallness, Monarchy, and Political Legitimacy in the Principality of Liechtenstein

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Introduction

The two smallest monarchies of Europe are, curiously, also the continent’s most politically powerful ones. In contrast to larger European constitutional monarchies like Belgium, Denmark, the Netherlands, Sweden, and the United Kingdom, the Principalities of Liechtenstein and Monaco have a political system that assigns a considerable amount of political power to an unelected, hereditary head of state. As a result of this fact, but in recent years also due to the growing international pressure to end their slack tax regulations, the two microstates have repeatedly been the subject of criticism from international institutions like the Council of Europe, the IMF, and the OSCE. Whereas Freedom House continues to classify both Principalities as complete democracies, and assigns them with the most optimal scores for both political rights and civil liberties (Freedom House 2014), the international criticism on the political powers and competences of these countries’ monarchs calls this categorization into question (cf. Venice Commission 2002).

The fact that two of the smallest states in Europe1 are according to various international institutions also among the continent’s least democratic ones challenges the commonly held view that when it comes to population size, ‘small is democratic’ (Ott 2000; cf. Diamond and Tsalik 1999; Srebrnik 2004; Anckar 2010). As Freedom House-statistics continue to demonstrate a negative correlation between population size and democracy, and the virtual absence of authoritarian regimes among the group of smallest states in the world, scholars have hypothesized that there must be a causal link between smallness and democracy that can explain this pattern. At the same time, more qualitative and comparative analyses of politics and democracy in small states sometimes question the level and quality of democracy in smaller settings, which seem to be plagued by personalistic politics, various forms of particularism, excessive dominance of the political executive, weak media, and the circumvention of formal political structures (Sutton 2007; Baldacchino 2012; Veenendaal 2013a, 2013c, 2013d). Although this does not render the investigated small states undemocratic, in several ways these findings do contradict the conventional wisdom that smallness causes or stimulates democratic development.

As the cases of Liechtenstein and Monaco seem to suggest, in some situations smallness can perhaps be imagined to foster an environment that stimulates the development

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1 In terms of population size, only the Vatican (which also does not possess a very democratic political system) and San Marino are smaller. Whereas the size of countries can be measured on the basis of various indicators (e.g. population, territory, economy, military), this article will specifically look at population size. In the following theoretical discussion, a ‘small state’ is commonly understood to be a country with less than 1 million inhabitants, even though the microstates of Liechtenstein and Monaco are of course much smaller than that.
and maintenance of powerful, non-elected, traditional leadership. On the basis of a case study of the Principality of Liechtenstein, this article aims to examine if and how the smallness of this country has contributed to the maintenance of this kind of leadership in the form of the country’s Landesfürst or Prince. Since two referendums in 2003 and 2012 clearly demonstrated that a wide majority of the Liechtensteiner population supports the constitutional position of the Prince in the political system, a key question that is also addressed in this article is how, in relation to the country’s small size, the political system and the monarchy legitimize their political position vis-à-vis the population. The article is based on field research that was conducted in Liechtenstein between 5 and 20 January 2014, as a part of which 14 semi-structured interviews were held with Liechtensteiner respondents from various political and societal backgrounds. Among the interviewees were Liechtenstein’s reigning Prince, three government members among which the Prime Minister, journalists, academics, representatives from the private sector, judicial officials, political activists, and representatives from the four parties that are currently seated in the Landtag, Liechtenstein’s unicameral parliament.

Theory: Smallness and Authoritarianism

As Dahl and Tufte highlight in their seminal work, the advantages of a small political system can primarily be found in the opportunities for direct communication between citizens and politicians, the greater political awareness, efficacy, and participation of citizens, and the increased homogeneity of attitudes and greater likelihood of consensual politics (Dahl and Tufte 1973; cf. Lijphart 1977: 65-70; Katzenstein 1985: 87-94; Anckar 1999; Alesina and Spolaore 2005: 217-221). In arguing that smallness creates a more politically active and democratically minded citizenry, scholars often refer to the classical writings of Enlightenment philosophers like Rousseau and Montesquieu, but also Thomas Jefferson. Since not only Freedom House-data, but also voter turnout statistics and other indicators of political participation suggest that citizens of smaller polities are more eager and likely to participate (Blais and Dobrzynska 1998: 242-243; Mair and van Biezen 2001: 10; Franklin 2002: 158-159; Remmer 2010), these assumptions seem to be corroborated by the available quantitative evidence. In combination, the positive scores and rankings of small states have

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2 In the following sections of this article, I will occasionally present interview excerpts in order to illustrate or buttress my arguments. Due to the close interpersonal relations and lack of political anonymity in small jurisdictions, and due to the sensitivity that surrounds the debate about the constitutional position of the monarchy in Liechtenstein, in a majority of cases I have decided not to disclose the names of the respondents to whom the interview quotes belong.
also led to both academic and political calls for more political decentralization and subsidiarity in larger states (Diamond and Tsalik 1999; Weldon 2006).

Although the number of publications that highlight the downsides of small jurisdictions is much more limited, several academics have pointed to mechanisms and effects by means of which smallness can undermine the quality of democracy, or even stimulate authoritarian leadership. In the first place, a number of scholars have argued that greater attitudinal homogeneity in smaller settings does not automatically imply a more consensual or accommodative political environment, since ideological forms of political competition might be substituted for more person-oriented political struggles, which may actually be a lot more explosive and antagonistic than programmatic ones (Richards 1982; Farrugia 1993; Veenendaal 2013d). Secondly, several publications highlight that small jurisdictions are likely to be characterized by excessively dominant political executives, which – often being the only professionally managed organizations in small states - are to a large extent able to control institutions like parliament, the media, the judiciary, and the civil service (Benedict 1967: 53-54; Sutton 2007: 203). Finally, due to the lack of political anonymity and the greater importance of kinship and personal relations in small polities, scholars have argued that there is also a greater tendency to various forms of particularism, among which clientelism, patronage, and nepotism (Parsons 1951: 508; Farrugia 1993: 222-224).

According to some academics, the combination of personalistic politics and governmental pervasiveness entails that in small settings, individual politicians can acquire extremely powerful positions. This danger is especially prevalent in Caribbean islands, where the Westminster winner-takes-all system further aggravates this problem, which might increase the chances of authoritarian leadership (Ryan 1999; Sutton and Payne 1993: 587). As Sutton and Payne also highlight, “small states tend to be conservative. In many instances they have retained traditional forms of political representation (monarchy and chieftainship) either in their own right or alongside modern representative institutions” (Sutton and Payne 1993: 586). Not only Liechtenstein and Monaco, but also other small monarchies like Bhutan, Brunei, Swaziland, Tonga, and the Gulf States are characterized by politically active and powerful monarchs, which indeed seems to suggest that smallness in some way fosters this particular form of non-elected, hereditary and traditional leadership.

One downside of small political entities which Dahl and Tufte noted, is that political opposition can be harder here because there is a greater pressure on people to concur with the dominant views in society (Dahl and Tufte 1973: 108). This observation corresponds to Madison’s argument that the presence of a plurality of interests increases the chance of
democracy in larger settings (2008: X: 54). Due to the homogeneity of interests and political attitudes in small units, the opposition has only limited opportunities to develop its own ideas, policies, and political agenda, and the relatively weak position of the legislature in relation to the government intensifies this predicament. The strong pressures on citizens to conform with dominant societal views in small states could and have been described as representing a strive for political consensus and harmony. However, in a recent paper Godfrey Baldacchino shows how these pressures can also lead to the rejection or even victimization of people who voice dissent or oppose the majority views (Baldacchino 2012). As Baldacchino highlights, in small jurisdictions “[f]ormal democratic institutions may and often do exist, and a semblance of pluralism may be manifest, but these are likely to be overshadowed by a set of unitarist and homogenous values and practices to which many significant social players, in politics and society, subscribe” (2012: 103). In line with this argument, Paul Sutton explicitly refers to concerted political harmony (emphasis added) as a trait of small state-politics (2007: 204), indicating that consensual politics should primarily be regarded as a deliberative and instrumental strategy to conduct politics in societies where virtually all citizens know each other and constantly encounter each other in various societal settings and roles.

In short, despite the fact that a majority of the literature emphasizes the democracy-stimulating consequences of smallness, quite a large number of reasons can be imagined by means of which smallness undermines democracy or even nurtures the development of authoritarianism. In the remainder of this article, the case of Liechtenstein is analyzed in order to discover to which extent the above-mentioned literature and theories apply here, and to which degree they can explain the maintenance of powerful non-elected leadership in the form of the Prince in this microstate. In the following section, the political system of Liechtenstein is briefly described, with special emphasis on the position of the monarchy and its relation to the representative political institutions and the Liechtensteiner population. Subsequently, the various ways in which the country’s smallness influences the general conduct of politics and the position of the monarchy are examined. In the final section, attention is paid to the legitimation of the political system both domestically and externally, and the strategies and rhetoric that have been employed in that regard. The article ends with a conclusion in which the main findings are summarized, and their relevance for the broader academic debate about the political effects of state size are assessed.
The Monarchy in Liechtenstein

Located between Austria and Switzerland and enclosed by the Alps in the east and the Rhine valley in the west, the Principality of Liechtenstein is with a territory of 160 km$^2$ and a total population size of around 37,000 one of the smallest countries in Europe and in the world. The historical roots of the country are strongly related to its Princely Family, since the Princes of Liechtenstein purchased the two lordships$^3$ that now constitute the country in 1699 and 1712, respectively. Until 1938 the Princely Family mostly resided in Vienna, even though the dissolution of the Holy Roman Empire in 1806 and the end of the German Confederation in 1866 essentially resulted in full sovereignty for the Principality (Raton 1970: 24-35; Beattie 2004: 17-19; 29-30). Whereas the Principality had always maintained strong political and economic ties with the Austro-Hungarian Empire, the dissolution of this monarchy following the end of World War I resulted in a political realignment of the Principality towards its other neighbor, Switzerland. The postal union, customs union, and adoption of the Swiss franc that were arranged in the 1920s survive up to the present day, and to a large extent Switzerland also undertakes Liechtenstein’s consular and diplomatic representation in foreign affairs.

Domestically, growing demands for democratic rights and criticism of the absolute powers of the Prince resulted in the 1921 Constitution, which can largely be seen as a compromise between the Prince and the people (Marxer 2007: 1-2; 2008: 1-2). The constitution formally transformed Liechtenstein into a constitutional hereditary monarchy on a democratic and parliamentary basis, and also introduced a number of direct democracy instruments among which the popular initiative and the referendum. The distribution of power that this constitution established is described in terms of ‘dualism’ between the Prince and the people (Constitution of the Principality of Liechtenstein 2009: Art. 2), which implies a comparatively strong and active monarchy combined with an essentially representative democratic framework that to a decidedly more limited degree than Switzerland also incorporates elements of direct democracy (Beattie 2004: 174-176; Marxer 2007: 13).$^4$ As Prince Hans-Adam II highlights in his book, the political configuration of Liechtenstein can be deemed unique because it is the only system that combines monarchy, representative democracy, and direct democracy (2009: 69). Since all of these branches can be considered

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$^3$ These lordships were called Schellenberg and Vaduz, and correspond to the contemporary two electoral districts of Oberland (Vaduz) and Unterland (Schellenberg).

$^4$ As Marxer highlights, although a greater variety of direct democracy instruments exist in Liechtenstein, such mechanisms are applied much less often than in Switzerland. In this sense, when compared to Switzerland Liechtenstein is much more like a representative democracy, as “direct democracy is not the dominant aspect of the political system” (Marxer 2007: 13).
veto-players, the system is often interpreted as a stimulating force for consensual politics (Beattie 2004: 176; Marxer 2007: 13).

The 1921 Constitution survived for over 80 years, but in the early 1990s growing tensions between the Prince and politicians in government and parliament sparked a constitutional debate that lasted for over 10 years. Criticism of the powerful monarchy had grown over the decades, and the 1989-installed Prince Hans-Adam II, who was broadly seen to have a more confrontational and polarizing style of leadership than his predecessor, ran into conflict with a number of politicians and other officials. In 1992 a conflict between the Prince and the government emerged about the timing of a referendum on accession of Liechtenstein to the European Economic Area, which sparked a debate on the constitution (Beattie 2004: 198). In 2003 this discussion finally resulted in a referendum during which the Prince asked the people to support his proposals for constitutional reform, whereas the opposition either supported the maintenance of the 1921 Constitution or endorsed an intermediate alternative. The two main political parties were internally divided over the issue, but in the end one chose to endorse the proposals of the Prince whereas the other supported the preservation of the old constitution (Beattie 2004: 193). In the end, the referendum resulted in a resounding victory for the Prince’s proposals, which received the validation of almost 65% of ballots cast.

According to the Prince (2009: 73-74), the constitutional amendments of 2003 provide for a democratic legitimation of the monarchy, because one of the revisions stipulates that the people now have the right to abolish the monarchy if they desire to do so. Other revisions in the constitution are broadly deemed to have consolidated or even expanded the powers and duties of the Prince, such as the role of Prince in the appointment of judges, the Prince’s right to dismiss the entire government, the Prince’s right to rule by emergency decree, but especially the confirmation of the Prince’s right to veto laws and in this sense overrule decisions of parliament and outcomes of referendums and popular initiatives (Constitution of the Principality of Liechtenstein 2009: Art. 9). As Beattie stipulates (2004: 224), formally these prerogatives do not diverge that much from the powers of other constitutional monarchs like the British sovereign for example, but the difference is that the Princes of Liechtenstein

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5 The tension between the Prince and the government increased further when the biggest governing party (the FBP) attempted to dismiss its own Prime Minister, which the Prince only accepted under the condition that parliament would be dissolved as well.

6 Since 2003, according to the Constitution Liechtensteiner judges are selected by a committee of which half of the members are nominated by parliament and the other half by the Prince. This committee is chaired by the Prince, who also has the casting vote. The committee may only recommend candidates to parliament with the consent of the Prince, and ultimately all judges have to be appointed by the Prince (Constitution of the Principality of Liechtenstein 2009: Art. 96).
actually use their prerogatives, and therefore play a much more active role in the political system.

In evaluating the political system of Liechtenstein in terms of its democratic credentials, a key theoretical question is therefore whether a system can be deemed democratic if a large majority of its citizens support the preservation of powerful non-elected and traditional leadership, and therefore in a sense voluntarily relinquish some of their democratic rights. In this sense, a major element is that direct democratic instruments can lose their significance if the Prince can veto their outcomes, a scenario that became particularly germane in 2012 when the hereditary Prince already in advance to a referendum on an abortion law indicated that he would under no circumstances sanction such a law, thus rendering the vote rather meaningless. Whereas the formal political structures of the Principality appear to completely safeguard democratic rights, and when it comes to civil liberties and the rule of law no criticism can be justified, in practice the dominant role of the monarchy at least gives way to a debate, and perhaps even casts doubts on the democratic nature of the Liechtensteiner political system.

Now that the position of the monarchy in the Liechtensteiner system has been described, the next sections will discuss the influence of smallness on Liechtensteiner politics and the continuing support for the position and role of the monarchy.

**Political Consequences of the Smallness of Liechtenstein**

As the literature on democracy in small states underscores, according to the respondents the proximity between citizens and politicians is the primary political characteristic that makes Liechtenstein different from larger states. A wide majority of interviewees considered this closeness to be positive, primarily because people have greater access to politicians. As the Prime Minister of Liechtenstein asserts:

It’s regularly so that at certain events – it could also be concerts, or in the weekends if I am out somewhere skiing for example, or if you’re having dinner or drinking something in a bar, that you then naturally encounter people, and then automatically certain political issues are being discussed.\(^7\)

Although this situation sometimes limits the individual privacy of politicians, many respondents indicated that it enhances the opportunities for political representation and

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\(^7\) Translated from original German; „Also es ist regelmäßig so dass bei gewisse Veranstaltungen - es können auch Konzerte sein, oder beim Wochenende wenn ich irgendwo draußen bin, beim Schifahren zum Beispiel, wenn man beim Essen ist oder irgendwo in einer Bar geht und etwas trinkt, dass man dann natürlich mit Leute zusammenkommt, und dann auch automatisch gewisse politische Themen diskutiert werden.“

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responsiveness, because citizens can more easily express their political ideas, demands, worries, and grievances, which the Prime Minister also underlines:

It’s certainly an advantage that there are very short connections; that in principle when you have an issue, you can very quickly get in touch with the decision-makers, and that you can also get involved accordingly.  

In addition to the greater opportunities for the political involvement of citizens, many respondents also asserted that the closeness entails that politicians are more in touch with the everyday reality of citizens, as another minister in the government explains:

It means that the politicians are quite close to the people. We are not a political elite; a political group of people who are far away from reality, but we are involved in daily live, involved in relations with the citizens.

Although several respondents also alluded to more negative effects of closeness, such as the fact that it can sometimes be difficult to make political decisions that have a direct impact on people you know personally, most respondents were clearly positive about the smallness of Liechtenstein in this regard.

When it comes to political parties in Liechtenstein, as the literature suggests (Richards 1982; Veenendaal 2013d) smallness results in a much more limited role for ideological and program-based forms of competition, and all interviewees reported that ideological differences between the two largest parties are negligible. Politics in Liechtenstein has traditionally been dominated by the Fortschrittliche Bürgerpartei (FBP; commonly referred to as ‘the blacks’) and the Vaterländische Union (VU; commonly known as ‘the reds’), which are both center-right conservative parties that traditionally support the dualistic constitution, and have with very few exceptions always formed a coalition government since the late 1930s. As one journalist I interviewed stated:

Ideologically there are no differences between the parties. I mean you always have single topics where they oppose each other. But in general they are.. what can you say.. center-right parties, like in Germany maybe CDU for example.

This opinion was shared by Prince Hans-Adam II of Liechtenstein, who, when asked about the differences between the parties responded:

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

*Translated from original German: „Das ist sicher ein Vorteil dass man sehr viele kurze Wegen hat; dass man in Prinzip wann man ein Thema hat sehr schnell mit den Entscheidungsträgern ins Gespräch kommen kann, dass man sich entsprechend auch einbringen kann.“*
As another journalist indicated, the absence of differences between the parties is also the source of local puns:

Ok this is a very old joke but it is still a very good one. The FBP is monarchistic, democratic, conservative, and the VU is conservative, monarchistic, democratic.

In recent decades two smaller parties have also managed to gain representation in parliament, one of which is the Freie Liste (FL; commonly referred to as ‘the whites’) which is more social-democratic, ecological, feminist, and critical of the monarchy, but has never managed to gain more than 3 out of 25 seats in the Diet. In the most recent (2013) elections, a new formation called Die Unabhängigen (DU) has gained 4 parliamentary seats, but respondents indicated that this party has no clear ideological orientation and primarily originated out of a sense of dissatisfaction with the two large parties.

In the absence of substantive differences between the parties, political allegiance in Liechtenstein is traditionally determined by the family in which someone is born, and in this sense there are traditional ‘black’ and ‘red’ families. However, in recent decades these bonds have weakened to some extent, and interviewees indicated that personalities and personal connections have also become important determinants of voting behavior, as one politician indicates:

I think decades ago it was set; it was a matter of fact that family-wise or clan-wise, the people used to vote for red or for black. This way of voting has changed; in the last 20 to 30 years people tend more to vote for persons, for individuals.

Due to the historical fact that party membership is more or less family-inherited in Liechtenstein, several respondents from the FBP and VU indicated that within their parties and among their party members, remarkably dissimilar viewpoints may exist. One FBP-member of the government for example told me that:

If you look at the big parties, you cannot say that one party is left-wing and one party is right-wing. So you have all kinds of people as believers in one party, and if I meet the people of my party I can have a whole spectrum of people – from very liberal to almost socialist.

The traditional party system of Liechtenstein also had a large influence on the development of the media landscape. In addition to a public television and radio station, the major news outlets of the country are its two daily newspapers, the Volksblatt and the Vaterland. Although certainly the Volksblatt has become more independent in recent years, these newspapers are linked to the FBP and VU respectively, and are therefore to a greater or
lesser extent biased in their political reporting. As the chief editor of the *Vaterland* for example mentioned:

This is then the fine line that I have to deal with every day as chief editor, that we have to consider the interests of the VU particularly. So in the comments we are partisan.\(^9\)

Due to the fact that not only the parties, but also the overwhelming majority of readers fully supports the constitutional position of the monarchy, the newspapers have some difficulties in reporting critically about the Prince, as one journalist from the *Volksblatt* indicates:

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 the very, very large majority of our subscribers is pro-Prince and is very sensitive towards criticism.

The respondents I interviewed were very much divided about the existence and availability of free and neutral media in Liechtenstein. Whereas most (former) politicians and journalists asserted that the media are with very few exceptions independent and free in their reporting, most of the interviewees who are more critical of the monarchy disputed this claim. As one such respondent declared:

The problem is that they are not free papers. One is basically owned by the party – the *Vaterländische Union*, and the other is leaning towards the other party, or related. So you always have to read between the lines, and you also have to ask around; “have you heard; do you know anything about..?” So it always happens on a gossip level instead of a factual level where the newspaper writes “this is what happened, and this is what the people are saying.”

As mentioned in the theoretical section of this article, one of the key democracy-obstructing consequences of smallness that the literature identifies is the tendency to clientelism, patronage, and nepotism. In regard of the family-deduced party allegiances and the overall lack of political anonymity, it is no wonder that particularistic exchanges historically also played a large role in Liechtenstein, as one journalist states:

These big parties mainly served their own community or clan. If the red ones were in power, and you had a construction company (...) your chance of being considered for building a new road, for delivering new furniture for a school building, whatever, where slightly higher. And vice versa, if the blacks were in power, you would have a lot to complain but not to deliver.

A majority of respondents however indicated that such practices have lessened considerably in recent decades, although the accusation of clientelism plays a large role in local gossip and rumors, and a recent GRECO\(^{10}\) Report indicated that procedures for employment in the public

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\(^9\) Translated from original German: *Aber das ist dann wieder die Gratwanderung, die ich täglich als Chefredakteur zu bewältigen habe, dass wir die Interessen der VU besonders zu berücksichtigen haben. Also in der Kommentierung, da sind wir parteipolitisch ausgerichtet.*  
\(^{10}\) *Groupe d’États Contre la Corruption* (Group of States Against Corruption).  

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sector should be more strongly regulated in order to avoid patronage (2011: 38-40). As one member of parliament described the situation:

It bothers Liechtensteiners maybe more than people in other countries, because it’s so obvious you know? Sometimes some guy from a prominent family in the VU gets a job, and you just know: aha. And this is maybe also a result of the smallness.

Although closeness between citizens and politicians was from a democratic perspective mainly deemed to play a positive role in Liechtenstein, on a more social or societal level many respondents indicated that it undermines the possibility to have a public debate on politics, because it can sometimes be difficult to speak openly about sensitive issues. As one politician for example says:

Some issues are difficult for Liechtensteiners to have a public debate on. And that is again the result of the small size of the country, I mean it’s more difficult to publicly discuss some issues because of a lack of anonymity.

In the first place, this lack of anonymity creates a problem because actions of individuals can have consequences for relatives and friends, as one of the journalists I interviewed mentioned:

Because everything is so closely knit, you have always some brothers, sisters, cousins, uncles, aunts, who are influenced by anything you might do. And maybe you feel any obligations to your family not to do something which you personally would like to do.

In the second place, and perhaps more importantly, there is also an awareness that speaking out can also create problems for yourself, if the opinion you voice is not broadly appreciated:

I think there are more taboos in a small country than in bigger countries. I mean sometimes everybody knows something, but we don’t want to speak about it, because we don’t know how it comes out if we speak too much, and which part of the system will react against me.

As many of the respondents who are critical of the role of the Prince in Liechtensteiner politics indicated, speaking out against the monarchy is one of the things that people in Liechtenstein are very careful with, as the following quote illustrates:

Many people are afraid, and I know colleagues of mine who say “oh well, I agree with you, but I would never speak openly.” I mean if you are having a shop or a grocery or anything, you would never speak openly because if you speak openly and say “this is a democratic shop; the Prince is welcome, but not overwhelmingly welcome”, you would lose half of your customers.

As this last citation demonstrates, the discussion about the monarchy in Liechtenstein is highly emotional and sensitive. In the following section, a number of reasons for the continuing public support of the monarchy are discussed in relation to the smallness of the country.
Reasons for the Continuing Public Support of the Monarchy

According to the respondents, the continuing support for the monarchy in Liechtenstein can primarily be understood on the basis of the identification with the monarchy. This is strongly related to the smallness of the country, because several respondents indicate that the simple existence of the country is strongly related to its monarchy. As Prince Hans-Adam II explains:

I think the people realize to a certain degree that probably the country survived to a large extent only because of the monarchy. That’s certainly the case in Liechtenstein. Without the monarchy (...) Liechtenstein would either have become a part of Vorarlberg or of the canton of Graubünden or St. Gallen. It would not even have existed as a canton or Bundesland in Austria, let alone to speak of an independent country.

One of the journalists I interviewed also explained how this identification with the Prince can explain his powerful position in the Liechtensteiner system:

We have absolutely nothing, except that we are a monarchy; we have this castle with a real Prince. So this is our sole source of identification, and this gives him very much emotional power over the people, because nobody can imagine what we would be without the Prince.

Because of the fact that people strongly identify with the Princely House, the debate about the constitutional position and powers of the Prince is very emotional. And since the national identity is so closely tied to the monarchy, people who criticize the position the monarchy are sometimes cast as outsiders, as this interview excerpt illustrates:

I mean for many people it is at the heart of our identity. Liechtenstein is a monarchy and as a Liechtensteiner you identify with the Prince, and if you don’t you’re not really a Liechtensteiner. It’s as easy as that.

The identification with the Princely House does not only play a role on the citizen-level, but also becomes part of the political debate. One interest group-representative indicated that:

This fear to lose the identity (...) is very, very deep, and not only in ordinary people. In 2003, before the vote on the revision of the Constitution, the then president of the parliament, Mr. Klaus Wanger from the FBP, he said in the open: “without Prince we are nothing”. 11

Of course there are additional reasons for the popularity of the Princely House, and the most prominent ones that were raised by respondents are the stability and the more long-term visions that the monarchy provides, the wealth that the monarchy supposedly has contributed, the role of the monarchy in avoiding annexation by Nazi-Germany in the 1930s, and the capability of the monarchy to act as an independent arbiter, in contrast to continuously quarreling politicians. Especially this latter reason seems to be strongly related to the

11 Mr. Wanger said “Ohne Fürst sind wir nichts”, which is also the title of this article.
smallness of Liechtenstein and the fact that the two parties traditionally represent the interests of their own families and clans. As one government minister meaningfully explains:

> Just imagine if we had as a President someone from the big families here. We have important clans on both sides of the traditional parties (...) and we have big enterprises, so just imagine one of the big parties – one clan would be in the presidency of the country. 50% of the people would be against it! Because they think it’s not fair, it’s maybe not well-balanced, they are giving advantages to their own supporters. I would not like that idea, and so far this system of monarchy and democracy both together is the best system such a small country can have.

In this sense, several respondents indicated that a monarchy can alleviate the negative consequences of the closeness between citizens and politicians that smallness results in. According to a representative from the private sector I interviewed, this is also strongly liked to political stability:

> Of course a stable political system is an advantage, especially for a small country. And many politicians know each other, and in part people are related to each other. And of course an independent Princely House which stands on its own feet brings stability. (...) Because an elected politician must always look after his own voters, and the voters mostly do not look ahead.12

Although respondents asserted that particularism had declined in recent decades, they also indicated that clientelism and patronage have decreased people’s trust in politicians, in comparison to which people’s trust in the monarch is much higher. One journalist mentioned that:

> The trust in politicians has not vanished but it went down in recent years. And people tend to trust the Prince more than politicians. And one reason for that is the whole nepotism and patronage thing going on. And they say he doesn’t have an interest, he doesn’t have people he wants to help, so he is more objective than politicians.

Whereas levels of trust in politicians are low in most democracies, the smallness of Liechtenstein and the resulting social intimacy and interconnectedness surely seem to explain at least partially why the Liechtensteiner monarchy is more powerful than that of larger countries. A former politician explained why people are willing to bestow the Prince with so much political power:

> People have the feeling “they always did everything right, why don’t you want to give them additional powers because – and now it’s getting very, very naive – they will never use that. They will never use that; the Prince always wants to have the last word and perhaps it’s not so bad because the politicians are always arguing, discussing, fighting; it’s better to give it to a wise person.”

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12 Translated from original German: Natürlich ist auch ein stabiles politisches System ein Vorteil, speziell für ein kleines Land. Und viele Politiker kennen sich natürlich, sind auch teilweise Leute verwandt. Und da hat natürlich ein unabhängiges Fürstenhaus, das auf eigenen Beinen steht, das bringt Stabilität. (...) Weil ein gewählter Politiker eher auf seine Wähler schauen muss, und die Wähler schauen ja im Regelfall nicht voraus.
As the following paragraph will demonstrate, the Princely Family of Liechtenstein sometimes also capitalizes on people’s identification with the monarchy and the greater levels of trust that people have, and either deliberately or unconsciously also appeals to these factors in legitimizing its position.

The Political Legitimation of the Liechtensteiner Monarchy

According to the reigning Prince, the constitutional revision that allows for the possibility to abolish the monarchy by means of a plebiscite provides for democratic legitimation of the monarchy. In his book, Prince Hans-Adam II states that “[i]n order to exercise its political functions, the monarchy in Liechtenstein (…) always needs the confidence of a majority of voters and thus democratic legitimation” (2009: 74). Whereas the Council of Europe by means of the Venice Commission has criticized the powers of the Prince, in an interview Prince Hans-Adam II indicated how he evaluated this criticism:

I have heard from people in the Council of Europe that it’s really a dangerous model, and so they are not too happy about it. But I think they have to respect the decision of the people. If they are for democracy, then they have to accept it; if they are against democracy, then what is their legitimation?

Although the possibility to abolish the monarchy indeed provides for some form of democratic control, the more critical people I interviewed asserted that it essentially only provides a choice between two extremes:

It’s really just an extreme solution. For example if we have different opinions, like with the abortion law, if we think the majority of the people have the right to make the law they want, they have to send the Prince away, and we have to cease to be a monarchy! It’s not only that we send him away, we then also have to become a republic; we don’t have the choice anymore.

Sending the Prince away would clearly be deemed undesirable by a large majority of Liechtensteiners, and many respondents indicated that the Prince repeatedly exploited this feeling by threatening to retreat to Vienna, for example during the vote on the Constitution in 2003. As one party president I interviewed mentioned:

The Prince is of course also clever; he is intelligent but also cunning, and he knew exactly how to play the people. And then there was the threat to leave, and this the people really did not want.13

According to many of the monarchy-critical people I interviewed, the fear that the Prince might leave actually played a large role in the popular support for the monarchy during the

13 Translated from original German: Der Fürst ist natürlich auch schlau; er ist intelligent aber auch schlau, und er hat genau gewusst wie er die Leute nehmen muss. Und dann gab es die Wegzugsdrohung, und das möchten die Leute wirklich nicht.”

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votes in 2003 and 2012, because both economically and politically many people thought that Liechtenstein would suffer from the retreat of the Prince. In the 2012 referendum on the abolition of the veto-rights of the Prince, many businesses also explicitly promoted the ‘no’-vote, mostly also by using the argument of economic stability. According to one person in the democracy movement:

The Prince said even beforehand “if this is approved by the people and they vote for it, then I will retreat”. Nobody knows what it means, but it was enough: the people were too scared. And during this time there were also the big enterprises; they were really promoting the no.

In addition to his threat to leave, the Prince also suggested that he might take the name of the country with him, as the same informant stipulates:

Before the vote on the revision in 2003 the Prince also said that he would remove the name of the country. He cannot do it; all over said that there is no chance. But he just had to say it and the people - they believed it.

In line with the literature (Dahl and Tufte 1973: 92-93), the Liechtensteiner constitutional debate between 1992 and 2003 indeed shows how polarizing and intense group conflicts in small societies can become. One high-ranking politician recalled that:

The emotional fight that we had for the vote on the constitution 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. And there was no party, there was no funeral, and no wedding, and no Christmas party, no birthday party where people did not get into fights.

As especially Baldacchino’s article highlights, the ‘concerted’ social harmony and consensus in small states often entails that dissidents are treated as outsiders and are socially isolated. Since the identity of many Liechtensteiners is so closely linked to the monarchy, people who criticize the position of the Prince indeed run the risk of social ostracism. One respondent who is critical of the monarchy indicated that:

Whoever dares to say something against the Constitution as it is now since 2003 is treated as an enemy of the monarchy or even an enemy of the state.

In addition to the negative social reactions, many people also believe that criticism of the monarchy might result in economic disadvantages, which is also related to the lack of political anonymity. One of the people who in 2012 campaigned for the abolition of the veto-powers of the Prince noted that:

There were persons with whom I talked and said “hey listen, in 2012 we have this amendment of the constitution”, and especially people who had studied law and young people said “yes (…) you are right, but perhaps I want to have a job around the government, and perhaps I even want to go
According to another interviewee, the fear of negative social and economic consequences sometimes also results in self-censorship:

People are of course afraid and they think “maybe my son won’t get this apprenticeship at the LGT because everybody knows who I am.” They Prince maybe says “I don’t care”, but the head of human resources may think “I should be on the safe side, not hiring him because if the Prince would get to know, this wouldn’t be good for my career.”

All respondents claimed (and complained) that the constitutional discussion was primarily based on emotional instead of rational arguments, and this conclusion is also attained by a recently published book on this issue, which also attributes this observation to the small dimensions of Liechtenstein (Marcinkowski and Marxer 2011). Respondents indicated that especially the pro-Prince camp had appealed to people’s emotions in advance to the vote, and one politician suggested that the Princely House itself also contributed to these emotions:

There were for example the people who were very loyal to the Prince, who placed an advertisement in which the castle was photo-shopped away. And people really worked with emotions there. This I have to charge the Princely House with, that they have worked with emotions.¹⁴

The most remarkable way in which the position of the monarchy is legitimized, is by denouncing the political role of elected politicians. As mentioned above, the smallness of Liechtenstein in some ways limits the trust of citizens in their political representatives, and the Prince contributes to this by openly arguing that the influence of politicians should remain limited, because power should essentially be shared by the Princely House and the people. As Prince Hans-Adam II, who refers to elected politicians as ‘the oligarchy’ explains in his book “[i]f 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” (2009: 83). The Prince elaborated his view a bit more during the interview:

I think the problem is that whether this oligarchy is elected or not, they always have to come to a certain compromise; there are different power groups in there. And those compromises are like “I give you this advantage and I get that advantages”; they want to keep the power within this group,

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¹⁴ Translated from original German: Da gab es zum Beispiel die ganz Fürstentreuen, die haben ein Inserat geschaltet und da war der Felsen vom Schloss wegzuschichten. Und da wird dann wirklich mit Emotionen gearbeitet. Das muss ich dem Fürstenhaus zu Last legen, dass sie mit Emotionen gearbeitet haben.
because any new group will make it more difficult to reach a compromise. And I think this often leads to corruption.

The constitution of Liechtenstein is based on the principle of dualism between the Prince and the people, which could be interpreted as a sign that the representative political institutions of government and parliament also formally seem to play a less important role in the country’s political framework. The following government minister confirmed this view during an interview:

Our constitution says that the power lies in the head of state and in the people; not one word about the government. The government is just the executive part of the country, and that is how it is understood here.

According to many respondents, the Prince’s aspiration to limit the power of politicians and in this sense circumvent or undercut the representative political institutions can also be explained by the fact that citizens and more easily be manipulated, as the following former politician says:

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 than it is him, the strong man, and a manipulated crowd.

One member of parliament I interviewed also indicated that the Prince sometimes directly appeals to people’s mistrust in elected politicians:

He refers to politicians in a sort of slight offense; people that are just running for office and are thinking in 4-year periods and hardly ever think beyond 4 years. And of course his family, they think in generations. (...) In a way he plays to the stereotypes that people have about politicians anyway. Politicians are not very popular, and people talk negatively about politicians, and sometimes they get a nice quote from the Prince that they can use.

Because a wide majority of citizens supports the Prince, and also because the confidence of people in the Prince is higher than in politicians (Marxer 2013), about half of the respondents indicated that politicians mostly refrain from (openly) opposing the Prince. As one person who was highly critical of the Prince indicated:

I would call the relationship between the Prince and government troubled in a way that the government doesn’t dare to speak up anymore. Because they know they are in the hands of the Prince, because the Prince has managed to create this idea that the Prince and the people are in love with each other and “we have to speak together against those oligarchs”. And the sad thing is that the people really believe in this, and say “yes well the politicians are always doing the politics that favors themselves most.” (...) He uses the love of the people.

Since the Prince can constitutionally dismiss the government and the parliament, according to most respondents politicians usually try to avoid conflicts with the Prince.
Although there are several direct democratic instruments that the people have to check the power of the Prince, a number of respondents questioned the extent to which these instruments can really be seen as equally influential. As one party leader I interviewed stated:

“The Prince as the sole Sovereign is of course very fast, he can make decisions very fast. And I have always wondered “who are the people?” The people are the representatives in parliament. And the people need to be organized, and therefore I find that the parliament.. that sovereignty should not be eroded there.”

One representative from the Liechtensteiner legal sector shared this view, and also indicated how the Prince can use direct democracy to push through his policy agenda:

If the Prince as a very strong person or a very strong communicator (…) he has the power. He is one person, and he has the means and tools to do so. If he decides let’s say to have a referendum, he is always in the lead and people are quite dispersed. He has the money, they have to organize, they don’t know who is against the Prince, and if they can compete with him or not. So in fact if you really analyze it without being naïve, than you must say it’s clear. Then he is the boss, and he is manipulating the crowd.

As Wilfried Marxer underlines, direct democracy in Liechtenstein is limited by the power of the Prince, who can always veto the results of popular plebiscites (2007: 7, 12). According to Marxer, the confirmation of the power of the monarchy and the extension of direct democratic rights in 2003 have also slightly degraded the power of the representative bodies (2007: 13).

Conclusion

As the foregoing sections indicate, in a number of ways the smallness of Liechtenstein has contributed to the preservation of powerful non-elected leadership. In the first place, the strong link between the monarchy and Liechtenstein’s very existence as an independent country contributes to a deep sense of identification with the monarchy, and the absence of alternative sources of identification further add to this sensation. In the second place, the family-inherited party allegiances, the absence of political anonymity, and the obvious danger of clientelism and patronage that are common to small settings create a situation in which many people consider neutral, impartial, and stable traditional leadership desirable. As the last section highlighted, the Prince of Liechtenstein occasionally contributes to this feeling by expressing a need to curb the powers of the executive and by making direct appeals to the people and in this sense circumvent representative institutions. Finally, the article has

15 Translated from original German: Der Fürst als alleiniger Souverän ist natürlich sehr schnell, der kann sich sehr schnell entscheiden. Und ich hab mir immer gefragt „wer ist das Volk?” Das Volk sind die Vertreter im Parlament. Und das Volk muss ja organisiert sein, und darum finde ich schon das das Parlament.. dass die Souveränität da nicht ausbügeln muss.
illustrated that despite the consensus-oriented political institutions of Liechtenstein, smallness also results in a dominant “single cultural code” (Dahl and Tufte 1973: 92; Baldacchino 2012: 109) as a result of which an open debate about certain political issues is often smothered. The deeply emotional discussion and conflict over the position of the monarchy shows that Liechtensteiner politics is perhaps not always as consensual as it may seem, and the monarchy-critical respondents all acknowledged the existence of a general fear of negative social and economic consequences when openly criticizing the political role of the monarchy.

The question whether the political position and actions of the Liechtensteiner Prince somehow render the country less democratic cannot be answered with a simple yes or no, and it is not the aim of this article to provide a definitive answer to that question. Instead, the article has explored if and how the smallness of Liechtenstein contributes to the maintenance of powerful non-elected leadership in the country, whether or not this is (sufficiently) democratically legitimized. Although the article provides an analysis of only a single case, the relatively frequent incidence of traditional forms of leadership in small states around the globe suggests that the findings might indeed apply to other small states as well. In this sense an obvious parallel can be drawn with the Principality of Monaco, but also in Pacific countries that are characterized by personalistic politics and various forms of particularism, people strongly identify with traditional forms of leadership, and the trust in traditional leaders seems to be much higher than in elected politicians (Veenendaal 2013b: 7-8; White and Lindstrom 1997). In this sense, the notion that smallness stimulates the development of democratic politics can be questioned, since a limited population can seemingly also result in the enhancement of the power and influence of non-elected traditional leaders.

References:


