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**Political Sociology – The Crisis-Solving Potential of Referendums**

**The Multi-faceted Use of Direct Democratic Instruments in a Very Small State Framework: The Case of Liechtenstein**

Wilfried Marxer

Dr. Wilfried Marxer, Liechtenstein Institute, Bendern (Liechtenstein)

[wilfried.marxer@liechtenstein-institut.li](mailto:wilfried.marxer@liechtenstein-institut.li)

[www.liechtenstein-institut.li](http://www.liechtenstein-institut.li)

## **Abstract**

The political system of Liechtenstein combines elements of representative democracy and monarchy as well as features of direct democracy. Popular votes take place quite often. As a result, Liechtenstein is known as one of the countries worldwide with a comparatively high level of use of direct democratic instruments – though well behind Switzerland, of course. The microcosm of the Liechtenstein case shows a variety of motives and consequences in respect of the use of the various instruments. There are examples of popular votes resolving a crisis or breaking a stalemate as well as others which, on the contrary, let things rather escalate or create additional hurdles in the process of decision-shaping and decision-making. Moreover, initiatives and referendums can be, and are, used as strategic instruments, not least of all in the hands of political parties, also as an agenda-setting instrument or as a communication tool – and their existence may even be applied tactically in international or bilateral negotiations as a threat. The panel contribution identifies relevant cases out of the direct democratic tradition and its practice in Liechtenstein. The main questions in the context of the panel target are: who does what and why – and does it help to solve a problem, or make things worse. The methodological approach is a case study, describing and analysing ballot votes from 1919 to 2015. The key finding in the Liechtenstein context is that direct democratic mechanisms rather tend to solve problems and to de-escalate crises instead of increasing them.

## **Keywords**

Direct Democracy – Referendum – Initiative – Ballot – Popular Vote - Liechtenstein – Small State

## **Introduction**

There are sometimes wrong expectations concerning effects of direct democratic rights. On the one hand one refers to positive effects in crisis management if, in a popular vote, an obliging decision is taken which is accepted by everybody. Such a decision enjoys high legitimacy (Bauer and Fatke 2014; Bühlmann 2007; Holtkamp 2006). This is the positive view.

However, the effect depends very much on whether the whole procedure stands on a democratic foundation and follows the rule of law and perhaps also international obligations. Obviously, this is not always the case if one looks, for example, at the plebiscite in eastern Ukraine which was triggered from above and even by not legitimized authorities. Sometimes autocratic regimes use a plebiscite just to strengthen their own power. If, in addition, freedom of press and freedom of speech is violated, democracy does not exist and therefore direct democracy cannot exist either. On the other hand, scholars and politicians warn that ballot decisions might be manipulated since the opinion of the voters can be subject to demagoguery and be highly influenced by aspects which are not really part of the issue in question (Christmann 2012; Haider-Markel et al. 2011). If the democratic attitude of citizens is not sufficiently developed, there is a risk of emotional decisions being made in a ballot, or of a misuse of direct democracy by political parties, so that a popular vote may initiate or stimulate a conflict instead of contributing to its solution.

This article examines the effects of direct democratic mechanisms on the development of conflicts in a small states framework, i.e. the case of Liechtenstein. First, some clarifications on the terminology with respect to the title of the conference are presented. Then the direct democratic instruments which are in place in Liechtenstein are introduced and explained. The theoretical potential of these instruments to deal with crises and conflicts is estimated. Finally the use of direct democratic mechanisms in Liechtenstein in the context of conflict situations will be shown and interpreted.

### **Crisis-solving potential of direct democracy – some definitions**

Before one starts to reflect on the crisis-solving potential of direct democratic mechanisms it is necessary to clarify the meaning of different terms (c.f. Altman 2015). This is not so simple because what crisis and what crisis-solving mean must first be defined. Furthermore, one has to define what will be subsumed under the term 'direct democracy'. This is necessary before one can say anything about the crisis-solving potential of direct democracy. Direct democratic mechanisms are designed in quite different ways in different countries, and also conflicts to be potentially resolved by direct democratic decisions can have quite different characteristics. Another problem for scholars in this field is that the number of cases in a single country is usually very small and statistical evidence therefore limited.

What is a referendum? In academic literature as well as in public debates referendums often mean popular votes on specific issues. Depending on who triggers a referendum and which issue is concerned, the picture acquires different colourings. On the one hand it is relevant whether the ballot is triggered by authorities – government, parliament etc. – or by the people – including interest groups, committees, parties etc. Secondly, there is a difference between a ballot vote on a draft law which has already been approved by the authorities and one where something new is being promoted by a direct democratic mechanism. In the case of opposition to a parliamentary decision, both Swiss and Liechtenstein law use the term 'referendum'. If a new law or an amendment is being promoted, the term 'popular initiative' is used. In this contribution, both the referendum and the popular initiative are taken into consideration as well as those ballots triggered by the authorities which we call administrative referendums.

What is direct democracy? It is quite obvious that it means at the minimum that the people who are entitled to vote can cast their vote on a specific issue. But according to the definition by the Initiative & Referendum Institute Europe (IRI), not all popular votes can be counted as direct democracy (IRI 2005, 10ff.; 263). From their point of view it is a precondition that a popular vote is initiated by the people, not by authorities. Thus, plebiscites which are frequently used in autocratic regimes cannot claim to be direct democratic. Scholars like Gross (2007) in addition emphasize that the design of direct democracy is also crucial. Aspects like the number of necessary signatures, participation quorums, or the question of whether ballot votes are binding or not, significantly influence the value and effect of direct democratic mechanisms.

What is a crisis? Not all decisions which are taken in direct democratic procedures are dealing with some sort of crisis. In most cases they deal with issues which are publicly debated, where proponents and opponents fight to win, where perhaps passionate and emotional debates take place and political parties confront each other – nevertheless it must not necessarily be some sort of crisis. There is no exact definition of what a crisis is, but at least one can say that it must be some kind of severe problem which leads to substantial political and social conflicts, maybe riots, separatist movements or even wars. Such crisis is not limited to the national level. Bilateral or international conflicts can also lead to a crisis. Triggers can be territorial disputes, the situation of minorities, domestic controversies over competences and constitutional questions – in particular the competences of state bodies –, disputes over contentious laws or financial decisions, membership of international organizations or supranational communities or exiting such communities – Keyword: Brexit.

What is a solution? First, it should be noted that direct democratic methods can solve crisis situations. But it is not possible all the time to solve or at least change a crisis with the use of direct democratic instruments. They can sometimes make a crisis situation even worse or in the worst case scenario even trigger a crisis on their own. The judgement as to when a crisis is considered to have been solved is also open to question. When a direct democratic decision has been made, it can be assumed that the majority camp, unlike the minority camp, is happy with the result. Whether a referendum sets the concluding mark on a crisis, depends largely on how great the acceptance level of the concerned referendum is. This essentially depends on the political culture of a society as well as on the structure of the society itself. In Switzerland, which has a vital tradition of direct democracy, there is a wide acceptance of such decisions, especially since the winners and losers of such direct democratic votes vary. Not always the same social, political, religious or regional groups win or lose. In countries with notoriously disadvantaged minorities, the situation can be quite different though.

What is the potential? Direct democratic processes do not only exert an influence when they reach application. The mere existence of effective direct democratic instruments can already lead the responsible bodies – parliaments, governments, international communities, etc. – to take this factor into account within the period of the political decision-making process. On the one hand, in political systems with strong direct democratic rights the risk of a referendum – whether politically debated explicitly or not – can already promote a priori consensus solutions. On the other hand, this also indicates that direct democratic processes or the indirect effect can also stand in the way of the policy-making process.

### **Direct Democracy in Liechtenstein**

Liechtenstein is one of the countries with a very vivid direct democracy. The political system is complex, though, because it combines elements of monarchy and elements of democracy – the

representative, parliamentary democracy, as well as direct democracy (Wille 2015; Marxer 2014). Not only in theory and in the wording of the constitution is the position of the Prince in the political system very strong, but also in political practice.

In addition to the participation of the Prince in the formation of the government as well as in the appointment of judges, he also has the right in particular to sanction laws, financial decisions and treaty decisions of the parliament (Landtag). This means that he has the right to veto such decisions. On the other hand, the people have the right to elect the parliament, which in turn suggests the government to the Prince. There is also a number of direct democratic rights in place. Relevant in practice are popular initiatives to amend the constitution or laws on the one hand, as well as the possibility of taking up a referendum against parliamentary decisions on the other. Furthermore, the parliament has the right to submit its decisions to a popular vote (administrative referendum). Referendum decisions are legally binding – unless he Prince decides not to sign the bill.

Between 1919 and 2015, 105 popular votes were held (Marxer, forthcoming). Nearly half of these relate to the period from 1985 to 2015, which is the period after the introduction of women's suffrage. By trend, the frequency of popular votes has increased over the past nearly one hundred years. The use of direct democratic instruments has shifted over time. Administrative referendums were the most common from 1919-1944 and from 1945-1984. In the period since 1985, use of the popular initiative launched by popular signature collection has increased greatly. In the past 30 years 43 per cent of the popular votes were due to popular initiatives, 35 percent due to referendums and only 22 percent due to administrative referendums.

*Table 1: Type of submission to popular votes from 1919-2015 by time period (in percentage)*

Type of submission	1919-1944		1945-1984		1985-2015		Total	
	N	%	N	%	N	%	N	%
Administrative Referendum	11	52.4	20	57.1	11	22.4	42	40.0
Popular Initiative	5	23.8	10	28.6	21	42.9	36	34.3
Facultative Referendum	5	23.8	5	14.3	17	34.7	27	25.7
Total	21	100%	35	100%	49	100%	105	100%

Since the revision of the constitution in 2003 a number of additional direct democratic instruments exist, though they have not so far been used. These are: a popular vote on the appointment of new judges, if the competent authorities cannot reach agreement; a no-confidence vote against the prince; the abolition of monarchy by popular vote; and the secession of a municipality by popular vote. These rights do not always meet the strict definition of direct democratic rights, but they are – in the light of the conference theme – explained briefly, since the motive for implementing these rights was the solution of conflicts and/or the provision of procedural rules of law in order to deal with conflictual situations.

A popular vote on the appointment of new judges should be carried out if the committee<sup>1</sup> responsible for proposing new judges, and the parliament, which has to decide on the proposal, do

<sup>1</sup> The committee is composed of the Prince, one representative of each parliamentary party, the justice minister and a number of other representatives of parliament, appointed by the Prince.

not agree. In this case, the committee's proposal and a parliamentary counterproposal are submitted to the popular vote. Hence, the population will make the final decision. By means of a popular initiative the population could also make another proposal of their own.

A no-confidence vote against the Prince can be launched by popular initiative. If the majority of the population supports the no-confidence vote, the result is conveyed to the royal house. The popular vote would be implemented according to the rules of procedure in the family statutes – the royal house decrees. It is possible for the Prince to be admonished or even dismissed. But equally, if the royal house expresses its confidence in the prince, the whole voting process ends with no effect.

The process to abolish the monarchy is more binding. Once again, a popular initiative decides whether a procedure should be initiated. If the popular vote receives a majority, the parliament has to draw up a republican constitution within the next two years. This republican constitution is then submitted to a popular vote. The Prince has the right to draft his own proposal. If the population decides in favour of the republican constitution, there is no need for the decision to be accepted by the Prince.

The constitutional revision of 2003 gives the eleven municipalities of Liechtenstein the right to secede from the state federation. The details of how the process of such a secession would be concluded are not regulated, due to the circumstance that the interests of the other communities must be taken into account. However, the municipalities have the general right to secession by means of a successful popular vote.

These new instruments have not so far been used since their introduction in 2003 and no-one expects that they will be applied in the foreseeable future. Nevertheless, they are examples of legally standardized direct democratic instruments which can be used to react to conflictual situations. If the population wants to abolish the monarchy, instead of carrying out a revolutionary overthrow of the monarchy, the route of a direct democratic procedure can be taken. If a municipality wants to become independent or part of another state, it can decide in a democratic voting process by itself, instead of enforcing independence or amalgamation with another state by force of arms. Similarly, if the responsible authorities cannot agree with the choice of new judges, the people acts as a referee.

The question as to whether this is a model not only for Liechtenstein, but also for other countries and regions, cannot be answered at this point. The factual proof of whether or not these instruments work in the case of conflict in Liechtenstein is not yet present. The instruments were newly created, but nevertheless they present interesting examples of how direct democratic processes can be conceived as conflict solving approaches. Due to the lack of their use in practice, these instruments will not be further discussed in this paper. At the center of attention are the other direct democratic mechanisms: the popular initiative, the facultative referendum, and the administrative referendum.

### **The potential of direct democratic instruments**

First, let us consider the theoretical potential of the instruments which were applied in practice with regard to the resolution of conflicts – or the opposite.

#### ***Popular initiative***

A popular initiative may lead to a decision on a simmering conflict and thus contribute to conflict resolution or ending a conflict. This is particularly the case if other routes of conflict resolution are blocked. In the parliamentary system in Liechtenstein such a blockage can occur if the two strongest

parties cannot agree on a common solution. The qualified majority which is needed for constitutional amendments cannot be reached in such a situation. For a qualified majority two-thirds of the parliament members' votes are necessary. It is also possible that a substantive issue is perceived as very controversial and sensitive within the electorate. Hence there might be a lack of courage to work out a solution within the parliament. The instrument of the popular initiative and the subsequent popular vote can thus relieve the parliamentary system as well as the parties.

On the other hand, a popular initiative can put a conflict which the political class would prefer not to debate onto the political agenda or, alternatively, lead to an aggravation of the dispute. A long political negotiation process can be interrupted abruptly in this way. The results of the popular votes can sometimes make little contribution to conflict resolution, or even intensify conflicts, since there could be a large number of losers of the popular vote.

### ***Facultative referendum***

The facultative referendum necessarily requires a parliamentary decision beforehand. The negotiations in the drafting of a document, usually by the parliament, and the parliamentary debates therefore precede the decision for a facultative referendum. If such a parliamentary decision contributes to the resolution of the conflict or even resolves the conflict completely, there is a risk that a referendum and a rejection of the parliament's decision will be blocked. On the other hand, it is also possible that a parliamentary decision only reflects the majority opinion at the expense of the minority of affected stakeholders, which can then fuel or trigger a conflict. In this case, a successful referendum may prevent a conflict from escalating and the responsible authorities are requested to present a better solution.

### ***Administrative referendum***

The administrative referendum in Liechtenstein firstly requires a majority parliamentary vote on the bill (constitution, law, finance, state treaty). Secondly, the administrative referendum needs a majority decision of the parliament on holding a popular vote. The administrative referendum occasionally precedes a referendum. The capacity for conflict resolution is similar to that of the facultative referendum. If the parliament and the majority of citizens push through a decision at the expense of others, a conflict may be exacerbated or even created. On the other hand, either approval or rejection of a bill can settle a conflict and establish a broad acceptance of the decision.

### **Direct democratic procedures for conflicts with crisis potential**

In Liechtenstein 105 popular votes were carried out at state level in the years 1919 to 2015. 17 of these direct democratic processes can be identified as campaigns with a high potential for conflict: ten popular initiatives, six administrative referendums and one facultative referendum. However, the selection of these cases does not follow a distinct definition, but is based on a subjective assessment by the author. The criteria were the topical significance of the direct democratic process, the intensity and emotion of the conflict, and consequently a large media response as well as a relatively high turnout.

History cannot be repeated. In distinction to experiments, it is impossible to say how these issues would have been handled if the conditions had been different. Thus the question as to how these conflicts would have developed if there had been no direct democratic processes cannot be answered. When looking at the 17 conflictual situations, we must therefore limit ourselves to stating

whether a conflict has tended to be dissolved or, on the contrary, has been even more exacerbated by these, or pursuant to these, direct democratic procedures.

*Table: Direct democratic procedures with high conflict potential, 1919-2015*

Year	Issue	Instrument	Yes %	Turnout %	Crisis-solving
1928	Dismissal of parliament	Popular Initiative	-	-	↓
1930	Election system	Popular Initiative	39.4	90.5	↔
1930	Press law	Facultative Referendum	49.9	89.1	↓
1935	Election system	Popular Initiative	47.3	95.6	↔
1961	Tax law	Adm. Referendum	66.7	84.8	↓
1971	Women's suffrage	Adm. Referendum	48.9	85.9	↑
1973	Women's suffrage	Adm. Referendum	44.1	86.0	↑
1975	Majority clause	Popular Initiative	49.7	86.5	↔
1981	Majority clause	Popular Initiative	47.1	89.7	↓
1984	Women's suffrage	Adm. Referendum	51.3	86.2	↓
1989	Referendum on int. treaties	Popular Initiative	43.2	64.9	↔
1990	Tax law	Adm. Referendum	24.0	70.5	↔
1992	Referendum on int. treaties	Popular Initiative	71.4	64.7	↓
1992	European Economic Area	Adm. Referendum	55.8	87.0	↓
1995	European Economic Area	Adm. Referendum	55.9	82.0	↓
2002	Regional planning law	Adm. Referendum	25.7	61.6	↔
2003	Revision of the constitution	Popular Initiative	64.3	87.7	↔
2012	Veto right of the Prince	Popular Initiative	23.6	82.9	↓
2014	Pension for public employees	Popular Initiative	49.7	71.5	↓

Legend: ↑ = crisis increasing; ↔ = neutral; ↓ = crisis-solving

### ***Facultative Referendum***

The only referendum in our list concerns the opposition to a new press law in 1930. The press law was supposed to put media under stronger state control. The party most affected by this press law due to the ownership of its own party newspaper, took the referendum. The parliamentary bill failed by a very small margin in the referendum. Thus the press law was rejected and the freedom of the press continued to be protected. No further attempts followed to change the status quo. If the draft had been accepted, it would probably have led to ongoing political disputes.

### ***Administrative Referendum***

Of the eight submissions by authorities four can be characterized as "more conflict solving", two as "neutral" and two as "rather aggravated conflict". The two referendums with a negative effect were the votes on the introduction of women's suffrage in 1971 and 1973. On both occasions the parliamentary bill was rejected, continuing the denial of women's suffrage. Women's right to vote was finally introduced in 1984 after another parliamentary decision and the administrative referendum on the issue. The ballots of 1971 and 1973 had ended without bringing the long overdue resolution. Following the rejection in the ballots, demonstrations were organized – a rarity in Liechtenstein – and male and female citizens organized themselves. After Liechtenstein became a member of the Council of Europe, women from Liechtenstein even went to Strasbourg in order to protest. Without direct democracy, the parliament would have introduced women's right to vote already in 1971. The rejecting ballots of 1971 and 1973 prolonged and intensified the conflict. The ballot of 1984 was finally successful. The issue generated no further debates after the ballot of 1984, women's suffrage being broadly accepted from then on.

In 1961 a new tax law was brought to the ballot by an administrative referendum. It was accepted by about two thirds of all votes and the debate on tax law was ended for almost thirty years. In 1990 the government and the parliament wanted to introduce a new tax law. Once again an administrative referendum let the people decide, but only 24 percent of the voters said Yes to the draft. However, no severe conflict or debate arose after the ballot decision. The status quo remained until 2010 when finally a new tax law was introduced, this time by a parliamentary decision only, without a facultative or administrative referendum.

An administrative referendum on a new law on regional planning was triggered in 2002. The parliament approved the law by a vast majority, but in the ballot, only 25.7 percent of the voters approved it. The problem itself and the conflict with both the municipalities which insisted on their autonomy and with private real estate owners, was not of course resolved. But the ballot vote had been so clear that for years no related proposals were drafted by the government or the parliament. Instead, different amendments were made to other laws which did not have approximately the same impact as the proposal which had been rejected in the ballot.

Two popular votes on membership of the European Economic Area (EEA) in 1992 and 1995 were accompanied by very intensive public campaigns. As of now, joining the EEA is perceived as a model of success. In 1992 and 1995, the same issue was extremely controversial, mainly since the representatives of the economic sector were divided. While small companies and the financial sector were sceptical or definitely against membership of the EEA, the big industrial companies were very much in favour of the EEA. After the first popular vote of 1992, which was triggered by the parliament as an administrative referendum, negotiations with the EU and Switzerland had to be conducted, because the Swiss had refused to join the EEA at the time when Liechtenstein had voted Yes. Liechtenstein was – and still is – co-operating with Switzerland in a customs union. Thus, Liechtenstein at once was in two different and incompatible economic areas: the Swiss and the EEA. After negotiations, a second and definite ballot on the EEA took place in 1995. In 1992 the EEA agreement had been approved by 55.8 percent of the voters; in 1995 it was 55.9 percent. It should not be forgotten that about 44 percent of the voters rejected the proposal. Nevertheless, the ballots have calmed the debate because ballot votes and majority decisions generally enjoy high acceptance. If there had not been a popular vote on the EEA, probably even after 1995 much critique and conflict would have resulted.

### ***Popular initiatives***

Ten of the identified cases with crisis potential are popular initiatives. The initiative of 1928 sought to dismiss the parliament. This is the only popular initiative ever with such a goal. However, no ballot vote resulted because the parliament was dismissed by the Prince, in line with the initiative, so that a popular vote was no longer necessary. The initiative probably influenced the Prince's decision. After the dismissal, new elections were organized and the conflict was resolved.

In the 1930s the election system was a permanent issue of conflict between the two dominant political parties. The quarrel between the parties was mainly on the question of whether or not to replace the majoritarian election system by a proportional system. A first popular initiative, launched by the People's Party, ended with a rejection in the ballot. Only 39.4 percent of the voters supported the proposal. That was about the share of the People's Party at elections. The conflict was not resolved; on the contrary, it went on with the same intensity. A second popular initiative by the same party with the same goal failed again in 1935. This time, 47.3 percent of the voters were in favour of the proposal. This was still not a majority, but much closer to it. Again the status quo remained. Finally the political parties agreed on a proportional election system which entered into force in 1938. The popular initiative did not have a direct effect, since the proposals were rejected twice in a ballot. In the longer perspective, though, they contributed to a solution.

The other dominant party, the Progressive Citizen's Party, wanted to amend the election law by means of popular initiatives in 1975 and 1981. The Citizen's Party criticised the fact that they had obtained the majority of all the votes in the national elections, but due to a mixture of failing to win two constituencies and bad luck, they did not win a majority of seats in parliament. The proposal of their two popular initiatives was simple: a majority of votes should guarantee a majority of mandates. The result of the ballot in 1975 was very close: 49.7 percent voted Yes. The conflict was not resolved and the Citizen's Party made a new effort in 1981. This time, the popular initiative failed, with 47.1 percent of the votes. The proposal was rejected again and the party had to accept that there had been repeatedly no majority for their request. No other activities in this respect followed.

Again, two popular votes on an identical issue happened in 1989 and 1992. The proposal was to introduce the possibility of referendums on international treaties. Before that only laws and financial decisions of the parliament could be decided in a ballot, but not membership of international treaties, organisations etc. In 1989, the Free List – a Green party which had been founded in 1986 – started a popular initiative for the introduction of the right to have a referendum on international treaties. The proposal failed in the ballot with 43.5 percent of the votes. When it came closer to the decision on accession to the European Economic Area (EEA), representatives of the commercial and industrial sectors, mainly representing small companies, started a second initiative for the referendum on international treaties. This time, 71.4 percent of the voters agreed with the proposal in early 1992 and thus, in late 1992, people were able to cast their vote on EEA membership. The debates on the issue of a referendum on international treaties were over and there was no further dispute on that issue.

In 2003 a ballot on substantial amendments to the constitution was submitted. The origin of the quarrel dated back to 1992, when the Prince on the one side and the government and the parliament on the other had different opinions concerning the relative competences of the Prince and the representative bodies. The quarrel of 1992 is designated as a "state crisis" – this is very uncommon in Liechtenstein. In the following years, several proposals were drafted on how to clarify the competences of the different organs in the constitution. However, the proposals of the Prince and those of the parliament were completely different. The Prince realized that there was no chance of

convincing the parliament of his proposals. He therefore started a popular initiative in 2003 which ended in a ballot. At the same ballot, an alternative popular initiative with the objective of reducing the power of the Prince was put forward. The princely initiative was supported by 64.3 percent of the voters, whereas the other initiative failed drastically. Thus, the direct democratic procedure allowed the Prince to escape from the negotiations and discussions with the parliament and to impose his own ideas directly with the help of the people. Unlike most ballot votes, the discussions and the dissent on the amendments to the constitution went on. In 2012, a popular initiative was again launched in order to reduce the power of the Prince: the proposal being that the veto right of the Prince after a popular vote should be eliminated. The proposal was clearly rejected, with only 23.6 percent of the voters being in favour of it. The dissent on the topic is still there, but – contrary to the desire of the initiative committee – it was now obvious that most people do not want to support an initiative which leads to excessive struggle with the Prince and the princely family. Similar proposals will probably not be drafted in the future, or only in a long-term perspective.

A popular initiative of 2014 to amend the law on the pension for public officials was almost successful. 49.7 percent voted Yes. A financial deficit of the state pension fund had to be covered. It amounted to 300 Mio. Swiss Francs – about one third of the annual budget of the state. When the parliament decided on an amendment bill, no referendum was triggered. But a citizen launched an initiative afterwards, with the goal of reducing the benefits from the pension fund, and of placing a higher burden on the employees – higher than in the parliament's proposal. After the popular initiative failed in the ballot the parliamentary draft could enter into force. The conflict ended.

### **Crisis-solving potential of the direct democratic instruments**

The identification of popular votes with a rather important conflict as a background and the categorization of the direct democratic mechanisms in question as mainly crisis-solving or crisis-aggravating shows the following results.

Firstly, 18 percent of all popular votes can be characterized as representing a rather strong conflict. In all other popular votes, public debates also take place, sometimes even very passionate ones. But the issues are not so relevant or the particular political struggle does not affect the foundations of society.

Secondly, popular votes with crisis potential are most often triggered as popular initiatives. 27.8 percent of all popular initiatives can be categorized as initiatives with a high crisis potential. This is only the case with 19 percent of the administrative referendums, and 3.7 percent of the facultative referendums. This indicates that popular initiatives indeed are often triggered when an issue is very controversial and of high importance. This underlines former findings that popular initiatives have a function as a safety valve in the political system of Liechtenstein (Marxer and Pállinger 2007, 2009; Marxer 2012). The facultative referendum on the other hand is used as an emergency brake by interest groups and committees which are not satisfied with decisions taken by the parliament. Usually such decisions do not contain a high crisis potential. If the parties and the members of the parliament have the feeling that there is strong opposition to a draft, they can trigger an administrative referendum. In practice, eight out of 42 administrative referendums so far are categorized as issues with crisis potential.

Thirdly, popular votes in Liechtenstein rather have the effect of solving conflicts than of prolonging them or even creating new or more severe crises. Only two administrative referendums fit into the category of conflict or crisis increasing votes – both were held on women's suffrage and both ended with rejection. Direct democracy in Liechtenstein has in almost all cases not exacerbated a conflict and not created a crisis. On the contrary, it has contributed to resolving them.

*Table: Effects of direct democratic instrument in practice in regard to solving or heightening crisis, 1919-2015*

	Facultative Referendum	Administrative Referendum	Popular Initiative	TOTAL
Rather conflict-solving	1	4	5	10
Neutral		2	5	7
Rather conflict-increasing		2		2
TOTAL	1	8	10	19
Popular votes 1919-2015	27	42	36	105
% with crisis potential	3.7%	19.0%	27.8%	18.1%

In analysing the relevant popular votes and the direct democratic mechanisms, some aspects have not yet been highlighted in this article, however. There are some circumstances and conditions which may influence to what extent direct democracy can or cannot act as a crisis increasing tool. On the one hand, popular initiatives are examined thoroughly before one can start to collect signatures. Initiative proposals must be in line with the constitution and valid international treaties. On the other hand, the political culture of Liechtenstein tends towards consensus and compromise – “Mitte, Mischung, Mässigung”, as Waschkuhn (1994) called it. That is why the risk that popular initiatives with crisis potential will be launched is very low. In contrast to Switzerland, where popular initiatives are often triggered for strategic reasons or in order to sharpen the profile of a political party, this is hardly ever the case in Liechtenstein. In the setting of that very small state, no popular initiative is necessary if the main target is merely agenda-setting and the aim to have a public debate on an issue. If somebody starts to collect signatures in Liechtenstein, it is really with the perspective to win in a ballot – not just to have publicity.

Finally, one has to emphasize the indirect effect of direct democracy. When the government is drafting new proposals, all relevant groups are involved. In the end, the government proposal is already extremely well balanced before it is forwarded to the parliament. Compromise dominates the whole procedure. In addition, the two main parties have built coalition governments from 1938 to the present with only two mandate periods when a single-party-government was in place. All these concordance tendencies are framed and supported by the existence of direct democratic rights. There is always the possibility that, in the end, there will be a ballot, and this fact has an influence on the whole political system and on the behaviour of all stakeholders.

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