

Reputation and legitimacy

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Zug's business model depends on the acceptance of its companies by the societies in which they operate and by the Swiss public. That acceptance has been challenged repeatedly. Non-governmental organisations have criticised the commodity traders for their conduct in producing countries. The corruption cases against Glencore and other traders confirmed some of the criticism. The Russian sanctions linked the canton to an aggressor state, while the crypto boom associated it with speculation and fraud. The low taxes of the canton have been criticised by other countries as a form of tax competition that deprives them of revenue.

The canton and its companies have responded by improving their governance and compliance, by supporting transparency initiatives and by emphasising the substance and contribution of their activities. The Responsible Business Initiative of 2020, which would have made Swiss companies liable for human rights and environmental violations abroad, won a popular majority but failed to win a majority of the cantons, Zug among those that rejected it.¹ The counter-proposal introduced due diligence and reporting obligations for large companies. A new initiative on corporate responsibility was launched in 2025.² The legitimacy of the canton's business model will remain a subject of political debate in the coming decade.

1 Notes

1. Swissvotes, vote no. 636 "Konzernverantwortungsinitiative", swissvotes.ch: vote of 29 November 2020, 50.73 per cent Yes, accepted in 9.5 cantons and rejected in 13.5, among them Zug; failed for lack of a majority of the cantons. ↩

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2. Koalition für Konzernverantwortung, "Geschichte", konzernverantwortung.ch/geschichte: new initiative launched on 7 January 2025 and submitted to the Federal Chancellery on 27 May 2025 with more than 287,000 signatures; SRF, "Neue Konzernverantwortungsinitiative ist eingereicht", 27 May 2025, srf.ch: submission with over 287,000 signatures, 183,661 collected within 14 days. ↩

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