

Scenario 3: The retreat

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In the third scenario, the world economy remains broadly open, but Swiss voters and the canton's residents turn against the internationally oriented model. After the rejection of the initiative against a Switzerland of ten million in 2026, a new initiative restricting immigration is accepted, which brings the free movement of persons with the European Union to an end. The package of agreements with the Union fails. A new initiative on corporate responsibility or a tax initiative increases the burden on companies and wealthy individuals. The pressure on housing and the perception of inequality lead to restrictions on growth within the canton.¹ In this scenario, Zug loses part of its attractiveness to international companies and their employees. Companies find it harder to recruit from abroad and face higher costs. Some move their headquarters to other jurisdictions, such as Ireland, the Netherlands, Singapore or Dubai, which compete for the same functions. The commodity traders, whose staff are highly mobile, can relocate quickly. The life sciences companies, with more substance in the canton, move more slowly but reduce their growth. The crypto industry, which is highly mobile, disperses to other hubs. As the canton's tax revenues fall, its contributions to fiscal equalisation fall as well, which reduces the pressure from other cantons but also the canton's influence.

The retreat scenario would not mean the end of Zug as a prosperous canton. Its residents would remain wealthy by international standards, its local economy would continue and its quality of life might even improve for some residents as the pressure on housing and infrastructure eased. But the canton would lose part of its international character and its role in the global economy. The scenario illustrates that the canton's model depends on political support that cannot be taken for granted in a direct democracy.

1 Notes

1. Author's construction; not a factual claim: scenario 3 is hypothetical. Background facts: the JUSO inheritance tax initiative was rejected on 30 November 2025 with 21.72 per cent Yes and by all cantons (Swissvotes, vote no. 681, [swissvotes.ch](https://www.swissvotes.ch)). The initiative "No to 10 million Switzerland" was rejected on 14 June 2026 with 45.2 per cent Yes, 10 cantons in favour and 13 against ([swissinfo.ch](https://www.swissinfo.ch), "«Keine 10-Millionen-Schweiz!»: Die Schweiz lehnt die Initiative ab", 14 June 2026). ↩

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