Blockchain Summit, Zug, VIP-Evening, 25.4.2018

Welcome in the Cryptovalley

By Matthias Michel, Member of Government of the Canton of Zug

Ladies and Gentlemen

First, I want to welcome you on behalf of the Zug Government. We are proud, that you have chosen to come to Zug - not only for this second summit. But hopefully with your start up or already established business.

As there are a lot of specialists in Blockchain in the room, I - as minister for Economic affairs - rather take a political and even philosophical approach:

It is not easy, not self-evident for States, for a state to face the challenges, which came with blockchain. Why? Why a lot of politicians - in Governments and Parliaments - are reluctant or even opposed to let the Blockchain technology and industry be part of our life, regulations and even applications in the administration?

There are a lot of reasons why.

Of course, one is the generation factor: Politicians tend to be over 50... and are not (yet) digital natives.

But I want to highlight another, more systemic or philosophical reason: Our today`s conception of the State and its tasks and functions: A State is not only a State of and for law and order. But a State, which - by its regulations, subsidies and public insurances - is providing social security and freedom, welfare and the same opportunities for everyone. Therefore, during the last decades, our State has taken over a lot of responsabilities for individuals. All the regulations for consumer protection are part of it. And all the regulations after the financial crises are part of it. An, here again, the State is tending to protect individuals against possible negative effects of new technologies. A lot of politiciens have not yet realized the dimension of Blockchain and its potential to bring solutions not only for economic challenges, but for social and environmental problems.

And now, we hardly have learned to understand and work with digital solutions, there is a new wave or storm coming, the one of Blockchain. And in view of the mentioned responsability of the State, it seems logical, that representatives of the State, Members of Government and Parliament, rather build walls, than wind-mills. And see only the risk-side of Blockchain. This narrow perspective is nourished by the medias narrow focus: often, too often, the topic is the currency based on Blockchain and its volatility. Hundreds of other applications are underestimated.

We, in Switzerland and especially in Zug, have another approach and attitude: Without denying or forgetting the risk side, we are eager to know the functioning of Blockchain, we are open to learn and discuss, we are welcoming innovations and start-ups and we try to help to find ways, how to integrate new technologies and industries into our legal framework.

Our general attitude may have a historical and geographical background: As a small region between Zurich and Lucerne, between London and Milano, between New York and Singapore, we have learned to be open to the world, to learn from others and to play our role as a place for supporting ideas and innovation to start.

As well, we have a long tradition of our economic policy: We don't foster special industries. But we shape good and excellent overall conditions and we work on key location factors as: low and stable taxes, good infrastructure, good schools, a higher vocational training system and universities (the location of the new IT-Department of the University of Lucerne in our Canton is an example). I am often asked by journalist around the globe: Please, show and explain us the Governments Strategy and milestones in Blockchain policy. My answer: There is none...

Of course, that`s a provoking statement. But it's true. And its meaning is: We don't have special industry-policies and plans to develop certain sectors or industries. But of course we have and live the mentioned approach of an excellent framework. And we invest in the human factor: Open authorities, service-oriented administration. And we are used to collaborate with the industry. Now with you.

And so I will end, where we will start tomorrow: Tomorrow morning, I will hand out the Whitepaper, produced by the Taskforce Blockchain, to federal minister Johann Schneider Ammann. This taskforce under the supervision of two federal ministers has worked in several working groups in order to show ways to the federal regulator, how to approach Blockchain.

In our Taskforce Blockchain, we have done it in the swiss way: It was and still is a close collaboration of representatives of companies (banks, Blockchain industry, lawyers), of universities and of authorities. So brains and personalities of three levels were working together: the economic, the scientific and the political level.

Each side has to bring in its know how. Only together we will take the right steps forward. And we - Zug and Switzerland - we want to be at the fore-front of the development. For you, as representatives of companies, start-ups, innovaters - it means, that - beside your business - you commit yourself to this collaboration, to organizations, to meetings; in order to intensify our collaboration. So, I take your presence tonight and tomorrow as a sign of your commitment. Thank you for this and for your attention.