



Labour Shortage

Free movement of persons creates prosperity

04.07.2023

At a glance

The latest report by the State Secretariat for Economic Affairs (SECO) on the implementation of the Agreement with the EU on the Free Movement of Persons confirms: Switzerland has benefited greatly from the free agreement over the past 20 years. Since the entry into force, the gross domestic product per capita has grown by almost 20 percent. The productivity gains are reflected in higher wages. And unemployment is now at an all-time low. This shows: Immigration through the free movement of persons creates prosperity.

Over the past 20 years, an observatory has been assessing the impact of the free movement of persons between Switzerland and the EU on the Swiss labour market and in the major regions of our country. On 4 July 2023, the Swiss Secretariat for Economic Affairs published the 19th report. It confirms once again that the free movement of persons has neither worsened conditions for workers in Switzerland nor depressed wage levels. The opposite is the

case. Real wages have risen by 0.5 per cent per year over the last twenty years. Even adjusted to purchasing power, average wages in Switzerland have been among the highest in Europe for years. Only in Norway can one afford more with one's salary than in Switzerland. Since the introduction of the free movement of persons, wage differentials in Europe have increased further in favour of Switzerland. So, wages in Switzerland are not under pressure because of immigration.

Adjusted to purchasing power, wages in Switzerland are among the highest in Europe

Thanks in part to the free movement of persons, competitive and innovative Swiss companies have been able to continuously increase Switzerland's economic output over the past 20 years. In 2022, this was almost 50 per cent greater per capita than that of the EU. Thanks to their growth, Swiss companies have also been able to create more jobs that require qualified workers. This is also the reason for the population growth in recent years, as the 19th Observation Report shows. In addition, the unemployment rate in Switzerland (as defined by the ILO), is with 4.1 percent at its lowest level since 2008. Except that in 2008 Switzerland had 7.7 million inhabitants. Today there are 1.2 million more.

Economic growth and immigration benefit all

Everyone has benefited from this economic growth: The state through increased tax revenues, the social systems through higher contributions and domestic workers through higher wages. Since the turn of the millennium, GDP per capita in Switzerland has risen by 19 percent. In absolute figures, this means an increase of almost 14,000 US dollars per capita. This makes it clear: we all benefit from economic growth and immigration.

Media release Swiss Employers' Association (French/German)



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