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Analysis of today
Assessment of tomorrow

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Switzerland is re-examining the cost of an open labour market

On 14 June, Switzerland will hold a referendum that, formally, concerns the number of inhabitants but essentially raises the question of the country's relationship with migration, the labour market and the European Union.

Citizens will vote on an initiative called "No to ten million people", which calls for a constitutional obligation that the permanent resident population does not exceed 10 million by 2050.

At first glance, the proposal appears to be another in a series of Swiss referendums on migration, a topic that periodically returns to focus in this country.

In reality, it is a much deeper discussion. The initiative directly challenges the Agreement on the Free Movement of Persons with the European Union and tests the limits of the Swiss economic model, which has relied on foreign workers for decades.

According to the Federal Statistical Office's report from April 2025, Switzerland had around 9.1 million inhabitants at the end of 2024. Almost a third of the population was born outside the country, and about 27 per cent do not have Swiss citizenship.

Most of them come from European Union countries and are employed in sectors without which the Swiss economy can hardly function, from health and construction to industry and higher education services.

The initiative was launched by the right-wing Swiss People's Party (SVP – Schweizerische Volkspartei), the largest single party in parliament.

Its authors argue that "uncontrolled population growth" strains infrastructure, the housing market, natural resources and the social system.

The text of the initiative states that once the population reaches 9.5 million, the state will have to take measures to prevent further growth, including stricter rules for asylum, family reunification, and the issuance of residence permits.

Ultimately, there would be an obligation to renegotiate the free movement of persons with the European Union, and if that fails, to terminate the agreement.

Political weight of the referendum

This is where the referendum's political significance lies. The agreement on the free movement of persons is not an isolated document but part of a wider package of bilateral agreements that give Switzerland access to the European Union's single market.

The government in Bern warns that unilaterally limiting it could have a range of consequences, including jeopardising trade, research programmes and Switzerland's position in the Schengen area.

The federal government, along with most parliamentary parties, officially opposes the initiative. Their opposition is based on an assessment of the concrete implications for the labour market and the functioning of key sectors of the economy.

The Swiss economy is already experiencing chronic labour shortages. In health care, according to professional associations, without foreign doctors and nurses, hospitals would be unable to maintain the current level of services.

> SVP leaders argue that Switzerland must decide for itself how many people it can accept, without external pressure

In construction and tourism, foreign workers form the core of the workforce, while in the high-tech and finance sectors, competition for qualified experts takes place on a global scale.

Opponents of the initiative warn that artificially limiting the population would create

a paradoxical situation: Switzerland would maintain high standards but lack the people who uphold those standards.

Employers' organisations state that, in such a case, companies would relocate part of their activities to countries in the European Union where access to the workforce is less restricted.

The SVP, however, insists that the issue is one of sovereignty. Its leaders argue that Switzerland must decide for itself how many people it can accept, without external pressure.

The campaign frequently uses the argument that quality of life is under threat, primarily due to rising property prices and traffic congestion. In a recent interview with local media, one of the initiative's promoters stated, "If we fail to set a boundary now, Switzerland will lose its unique identity."

Confirming the existing framework — or breaking with It

This kind of rhetoric is not new. Switzerland has previously voted on similar proposals.

In a 2014 referendum, voters narrowly supported the introduction of immigration restrictions, but the decision was never implemented as voted because its full implementation would have jeopardised Switzerland's agreements with the European Union.

Six years later, in 2020, voters rejected the proposal to end the free movement of people from the EU, thus confirming the willingness to maintain the existing framework of relations with Brussels.

This referendum comes at a time when migration and population growth have become prominent political issues across Europe, with tangible consequences for employment, housing affordability, and the functioning of public services.

> Negotiations with the European Union on exemptions or new arrangements would be uncertain and time-consuming

Switzerland is already experiencing these effects, despite not being a member of the European Union. Therefore, the vote is seen not only as a domestic decision but as a choice between maintaining the existing immigration and labour market regime or changing it through constitutional restrictions.

If the initiative is rejected, it will confirm the previous pattern in which voters, after a heated campaign, choose a pragmatic path and avoid actions that could threaten economic interests.

However, adoption of the initiative will present Switzerland with a series of challenging decisions. Limiting the population will not automatically reduce the demand for labour; it will make meeting that demand more complicated.

Negotiations with the European Union on exemptions or new arrangements would be uncertain and time-consuming.

International significance of the Swiss vote

In this respect, the referendum is not a vote on the number of inhabitants but on the model of the state.

Does Switzerland wish to remain an open, highly integrated economy that attracts labour from Europe or draw clearer boundaries, accepting the legal and economic consequences that such restrictions would entail in practice, from the labour market to obligations under agreements with the European Union?

The Swiss vote is being closely watched abroad because it concerns an issue facing much of Europe: how to balance the needs of the economy with political pressures to limit migration

The very holding of this referendum has shifted the focus of the campaign. Other issues, from tax policy to social reforms, have been relegated to the background, while the discussion has narrowed to population and migration.

This demonstrates that the management of demographic growth has become a key political dividing line, around which electoral dynamics are now organised.

The Swiss vote is being closely watched abroad because it concerns an issue facing much of Europe: how to balance the needs of the economy with political pressures to limit migration.

The outcome of the referendum on 14 June will not resolve the issue entirely, but it will indicate how much political space exists for further limiting migration in a country that has so far managed to combine an open labour market with a high degree of stability.

This is where the international significance of this vote lies. Switzerland is not only deciding on the management of population growth but also on whether it is possible to limit demographic influx without consequences for economic growth and the functioning of a model that relies on an open labour market.