

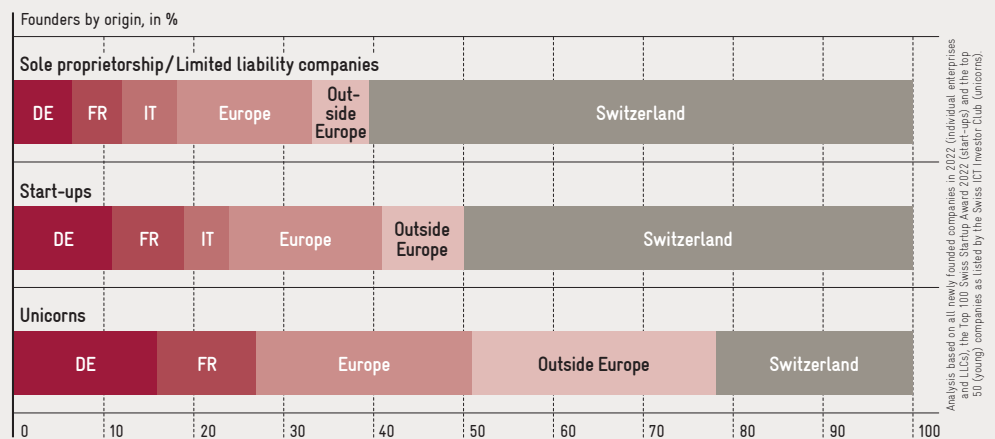
# Innovation without Borders

*Foreigners have played a major role in making Switzerland the “innovation world champion”. They account for half the country’s innovation output.*

## Situation

Innovation is what allows many people today to lead a prosperous life. It is also crucial to Switzerland’s success as a business place. As a high-wage country, Switzerland can only maintain and increase its prosperity in international competition if its own economy is constantly renewing itself. Companies depend on a highly qualified workforce for this. Given the country’s economic strength, such talent has always been in short supply. As a result, Switzerland as a center for innovation depends on the immigration of skilled workers and people with entrepreneurial spirit.

## Many business founders come from abroad



*One in two start-up founders has a foreign passport. Among unicorns, it’s four out of five founders.*

## Facts

# 3 out of 4

Three out of four start-ups in Switzerland are (co)founded by foreigners. One in three even has exclusively foreign founders.

In relation to their share of the population (27%) and their share of the workforce (34%), foreigners make an above-average contribution to Switzerland’s innovation performance:

■ **Entrepreneurship:** 13 out of 20 companies of the Swiss Market Index (SMI) were originally founded or co-founded by foreigners. Today, every second start-up founder comes from abroad.

■ **Research and development:** 52% of researchers and 37% of inventors (based on patent applications) have a foreign passport.

■ **Universities:** From professors (51%) to PhDs in STEM subjects (74%), a significant proportion of university staff have foreign roots.

■ **Highly productive sectors:** In Switzerland’s top ten value-added industries, 37% of all employees are non-Swiss – in the highly productive pharmaceutical industry, the figure is as high as 56%.

## Recommendations

If Switzerland wants to continue innovating successfully, it must remain **attractive and open to foreign talent**. Even more so as international competition for skilled workers intensifies due to demographic trends. Given the current high level of immigration, only selective improvements to the system are recommended in the short term, such as **simplifying procedures for**

**graduates from third countries** and introducing “**start-up visas**”. In the medium term, **labour demand** should play a greater role in immigration from third countries than in the current quota system. The impact on innovation is **only one aspect** of a successful and widely accepted migration policy – but one that should not be underestimated.

