

Employment and the regional labour market

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The life sciences employ tens of thousands of people in the two Basel cantons, with further employment at sites in Aargau, Valais and the neighbouring regions of Germany and France. Roche and Novartis are the largest private employers in Basel-Stadt, although their Swiss headcount has fluctuated with successive restructurings. Novartis in particular has reduced its Swiss workforce in several waves since the 2010s, moving administrative functions to service centres in other countries.¹ The industry is a major employer of cross-border commuters from Alsace and southern Baden, whose role in the trinational labour market Part H describes.

The structure of employment in the industry has changed fundamentally. Production workers, who made up a large share of the workforce of the chemical companies in the 1950s, have become a minority in Basel, where most employees now work in research, development, regulatory affairs, management and administration. Because the industry recruits worldwide, a large proportion of its Basel employees are foreign nationals. The English language dominates in the laboratories and offices of the large groups. This internationalisation creates demand for international schools, relocation services, tax advice and wealth management, a demand that supports part of the service economy of the city and of the financial centre.²

The salaries paid by the industry are high by Swiss standards, which feeds the income tax revenue of the cantons and of the communes in which employees live. Many senior employees receive part of their compensation in shares or options, whose taxation raises questions of timing and of allocation between countries when employees move. The share-based compensation of pharmaceutical executives in Basel is also a source of business for the private banks, which manage the accumulated shareholdings of former managers.³ The connection between the industry and wealth management, which Part E examined from the perspective of

the banks, thus has a concrete basis in the compensation structures of the life sciences.

1 Notes

1. On the headcount of Roche and Novartis in Switzerland and in Basel, see their annual reports and the employment statistics of the Statistisches Amt Basel-Stadt. Figures to be verified. ↩
2. On the share of foreign employees in the Basel life sciences industry and the demand for international schools and related services, see the publications of Basel Area Business & Innovation and of the Statistisches Amt Basel-Stadt. To be verified. ↩
3. On the taxation of employee participations under Art. 17a–17e DBG and the Ordinance on Employee Participations (SR 642.115.325.1), see the standard literature on Swiss tax law and the Federal Tax Administration Circular No. 37. To be verified. ↩

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