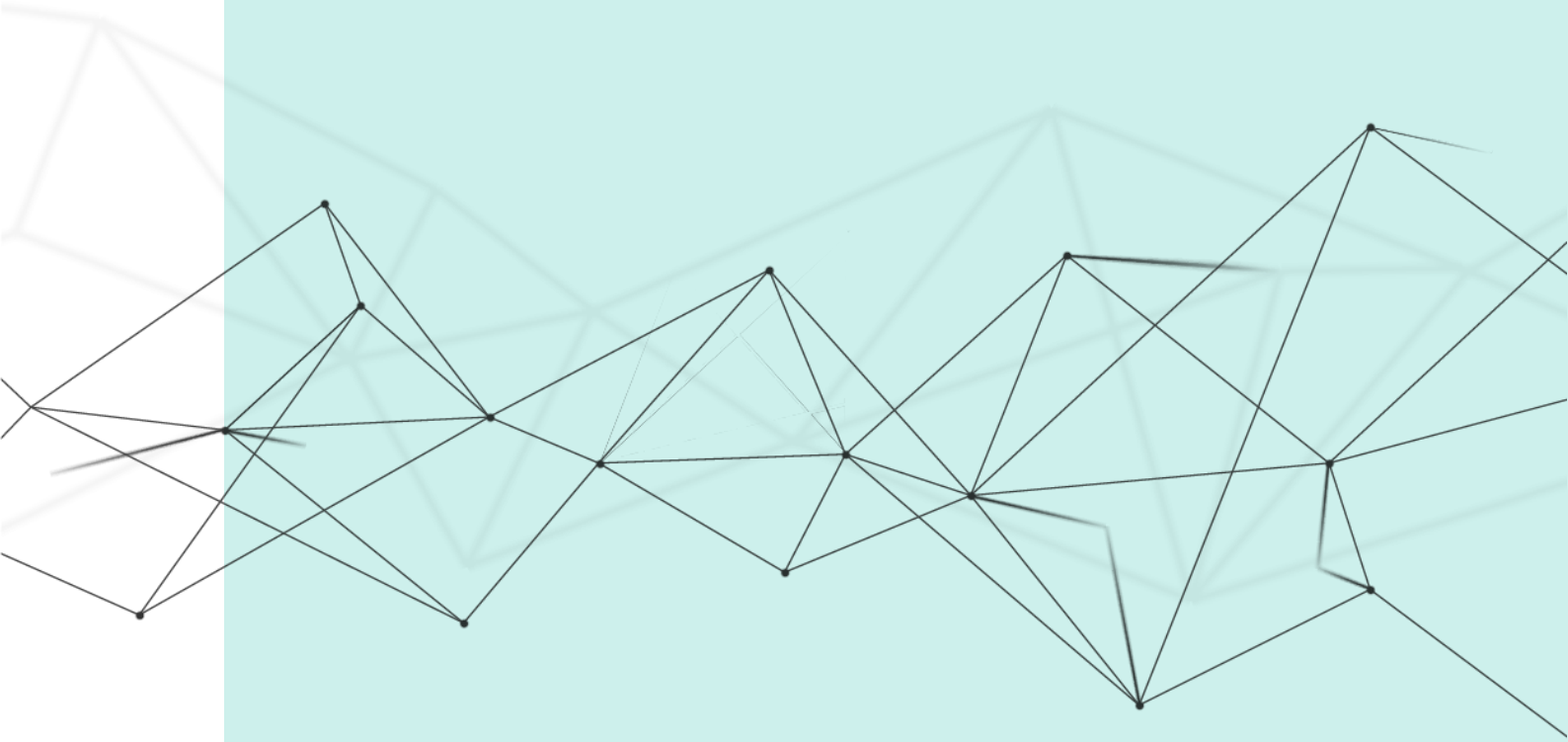
Grundlagen für die Wirtschaftspolitik Nr. 66

Studie | Januar 2026

Non-compete and related clauses in Switzerland



Grundlagen für die Wirtschaftspolitik

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Zitierweise
Dan Andrews, Andrea Garnero und Sara Holttinen (2026): «Non-compete and related clauses in Switzerland». Grundlagen für die Wirtschaftspolitik Nr. 66. Staatssekretariat für Wirtschaft SECO, Bern, Schweiz.

Anmerkungen
Studie im Auftrag des Staatssekretariats für Wirtschaft SECO.

Der vorliegende Text gibt die Auffassung der Autoren wieder. Diese muss nicht notwendigerweise mit derjenigen des Auftraggebers übereinstimmen.

Wettbewerbsverbote und verwandte Klauseln in der Schweiz

Zusammenfassung

Die Mobilität der Arbeitskräfte ist für die Verbreitung von Wissen und das Produktivitätswachstum von entscheidender Bedeutung, aber restriktive Beschäftigungsklauseln – wie Wettbewerbsverbote und ähnliche Klauseln – können, wenn sie über ihren ursprünglichen Anwendungsbereich hinaus verwendet werden, diese Prozesse behindern und die Verhandlungsmacht der Arbeitnehmer einschränken. Neuen OECD-Umfragen unter Arbeitgebern und Arbeitnehmern in der Schweiz zeigen:

- Die Verbreitung von Wettbewerbsverbotsklauseln ist höher als erwartet: Zwischen 20 % und 25 % der Arbeitnehmer im privaten Sektor unterliegen einer Wettbewerbsverbotsklausel, ein Anteil, der mit dem in anderen OECD-Ländern übereinstimmt.
- Die Anwendung geht weit über hochqualifizierte oder sensible Tätigkeiten hinaus: Wettbewerbsverbote finden sich auch bei geringverdienenden und geringqualifizierten Arbeitnehmern, Arbeitnehmern mit befristeten Verträgen und Arbeitnehmern ohne Zugang zu vertraulichen Informationen.
- Arbeitnehmer unterliegen oft mehreren Beschränkungen: Mehr als die Hälfte der Betroffenen gibt an, dass sie drei oder mehr restriktiven Klauseln unterliegen, was auf eine routinemässige Bündelung in Arbeitsverträgen hindeutet.
- Viele Klauseln erscheinen zu weit gefasst oder unvollständig: Ein erheblicher Teil enthält keine Beschränkungen hinsichtlich der Dauer oder des geografischen Geltungsbereichs, sodass sie wahrscheinlich nicht durchsetzbar sind.
- Das Bewusstsein für Abwerbeverbote und Lohnabsprachen ist gross: Fast die Hälfte der Arbeitgeber gibt an, von solchen Praktiken in ihrer Branche zu wissen.

Clauses de non-concurrence et clauses connexes en Suisse

Résumé

La mobilité de la main-d'œuvre est essentielle à la diffusion des connaissances et à la croissance de la productivité, mais les clauses restrictives en matière d'emploi – telles que les clauses de non-concurrence et autres clauses similaires – peuvent, lorsqu'elles sont utilisées au-delà de leur champ d'application initial, entraver ces processus et limiter le pouvoir de négociation des travailleurs. De nouvelles enquêtes menées par l'OCDE auprès des employeurs et des salariés en Suisse montrent que :

- La prévalence des clauses de non-concurrence est plus élevée que prévu : entre 20 % et 25 % des salariés du secteur privé sont soumis à une clause de non-concurrence, une proportion similaire à celle observée dans d'autres pays de l'OCDE.
- Leur application va bien au-delà des emplois hautement qualifiés ou sensibles : les clauses de non-concurrence concernent également les travailleurs à faibles revenus et peu qualifiés, les travailleurs sous contrat à durée déterminée et les travailleurs qui n'ont pas accès à des informations confidentielles.
- Les salariés sont souvent soumis à plusieurs restrictions : plus de la moitié des personnes concernées déclarent être soumises à trois clauses restrictives ou plus, ce qui suggère un regroupement systématique dans les contrats de travail.
- De nombreuses clauses semblent trop larges ou incomplètes : une partie importante d'entre elles ne comportent aucune restriction en termes de durée ou de portée géographique, ce qui les rend probablement inapplicables.
- La sensibilisation aux clauses de non-sollicitation et aux accords salariaux est élevée : près de la moitié des employeurs déclarent avoir connaissance de telles pratiques dans leur secteur.

Clausole di non concorrenza e clausole correlate in Svizzera

Riassunto

La mobilità dei lavoratori è fondamentale per la diffusione della conoscenza e la crescita della produttività, ma clausole restrittive in materia di occupazione – come i divieti di concorrenza e clausole simili – possono, se utilizzate al di là del loro ambito di applicazione originario, ostacolare questi processi e limitare il potere negoziale dei lavoratori. Nuove indagini dell'OCSE condotte tra datori di lavoro e lavoratori in Svizzera mostrano che:

- La diffusione delle clausole di non concorrenza è superiore al previsto: tra il 20% e il 25% dei lavoratori del settore privato è soggetto a una clausola di non concorrenza, una percentuale in linea con quella di altri paesi dell'OCSE.
- L'applicazione va ben oltre le attività altamente qualificate o sensibili: i divieti di concorrenza si riscontrano anche tra i lavoratori a basso reddito e poco qualificati, i lavoratori con contratti a tempo determinato e i lavoratori che non hanno accesso a informazioni riservate.
- I lavoratori sono spesso soggetti a più restrizioni: oltre la metà degli interessati dichiara di essere soggetta a tre o più clausole restrittive, il che indica una pratica abituale di raggruppamento nei contratti di lavoro.
- Molte clausole sembrano troppo generiche o incomplete: una parte significativa non contiene restrizioni in termini di durata o ambito geografico, rendendole probabilmente inapplicabili.
- La consapevolezza dei divieti di assunzione e degli accordi salariali è elevata: quasi la metà dei datori di lavoro dichiara di essere a conoscenza di tali pratiche nel proprio settore.

Non-compete and related clauses in Switzerland

Summary

Labour mobility is essential for knowledge diffusion and productivity growth but restrictive employment clauses – such as non-compete and related clauses – when used beyond their original scope, may hinder these processes and limit workers' bargaining power. Findings from a new OECD survey of employers and workers in Switzerland show that:

- The prevalence of non-compete clauses is higher than expected: Between 20% and 25% of private-sector workers are covered by a non-compete clause, a share in line with that in other OECD countries.
- Use extends well beyond high-skill or sensitive roles: Non-competes can be found also among low-paid and low-skilled workers, employees on fixed-term contracts, and workers without access to confidential information.
- Workers are often subject to multiple restraints: More than half of those concerned report being covered by three or more restrictive clauses, suggesting routine bundling in employment contracts.
- Many clauses appear overly broad or incomplete: A significant share lack restrictions with respect to duration or geographic scope, making them unlikely to be enforceable.
- Awareness of no-poaching and wage-fixing practices is substantial: Almost half of employers report knowledge of such behaviour in their industry.

Non-compete and related clauses in Switzerland

Dan Andrews, Andrea Garnero and Sara Holttinen

Key findings

Labour mobility is essential for knowledge diffusion and productivity growth but restrictive employment clauses – such as non-compete and related clauses – when used beyond their original scope, may hinder these processes and limit workers' bargaining power. Findings from a new OECD survey of employers and workers in Switzerland show that:

- **The prevalence of non-compete clauses is higher than expected**: Between 20% and 25% of private-sector workers are covered by a non-compete clause, a share in line with that in other OECD countries.
- **Use extends well beyond high-skill or sensitive roles**: Non-competes can be found also among low-paid and low-skilled workers, employees on fixed-term contracts, and workers without access to confidential information.
- **Workers are often subject to multiple restraints**: More than half of those concerned report being covered by three or more restrictive clauses, suggesting routine bundling in employment contracts.
- **Many clauses appear overly broad or incomplete**: A significant share lack restrictions with respect to duration or geographic scope, making them unlikely to be enforceable – yet workers often believe they are binding.
- **Awareness of no-poaching and wage-fixing practices is substantial**: Almost half of employers report knowledge of such behaviour in their industry, highlighting the need for ongoing antitrust attention.

Introduction

1. Across OECD economies, productivity growth has slowed markedly over the past two decades, and its benefits have become less evenly shared (OECD, 2025[1]). Weak productivity performance partly reflects firms' and workers' difficulties in adapting to rapid structural transformations such as digitalisation, automation, and the green transition. At the same time, concerns have emerged that the spread of certain labour market practices – most notably post-employment restraint clauses such as non-compete agreements – may be contributing to sluggish productivity growth by limiting workers' ability to move to

jobs where their skills are most productively used. More broadly, the decline in business dynamism observed in many advanced economies, reflected in lower rates of job mobility, firm entry, and resource reallocation, underscores the need to better understand how contractual restrictions on worker mobility affect innovation, wage growth, and the efficient allocation of talent.

2. Job mobility plays a central role in promoting both efficiency and fairness in the labour market. It facilitates structural change, improves matching between workers and firms, and supports the diffusion of knowledge and best practices. It also strengthens workers' bargaining power, helping ensure that productivity gains are more widely shared. Against this backdrop, the growing use of non-compete and related clauses has attracted increasing attention in the United States (Prescott, Bishara and Starr, 2016[2]) and, more recently, in other OECD countries (Andrews and Garnero, 2025[3]). While such clauses can serve legitimate purposes – such as protecting trade secrets, client relationships, or investments in training – there is mounting evidence that they are often applied far beyond such contexts, potentially stifling job mobility, wage growth, and innovation (Starr, 2026[4]). Evidence from the United States, Australia, Italy, and the United Kingdom shows that these clauses are not limited to high-skilled or confidential occupations but are also used among low- and medium-wage workers, often without compensation or a clear business justification.

3. It is useful to distinguish between two types of restraints on worker mobility. The first consists of non-compete and related clauses included in individual employment contracts, which restrict post-employment activities. These clauses have been regulated and debated for centuries, including in Switzerland, where they are governed by the Code of Obligations. Their long-standing regulation reflects efforts to balance employers' legitimate interests with workers' freedom to pursue their occupation. The second type consists of firm-to-firm practices that restrict competition for labour, such as no-poaching or wage-fixing arrangements. Unlike contractual non-competes, these practices have only recently come under closer scrutiny by competition authorities in Europe and the United States, as awareness has grown that labour market competition can also be restricted through coordination among employers.

4. Despite these international developments, there is currently no evidence for Switzerland on how prevalent non-compete or related clauses are, which workers they affect, or how they are applied in practice. This evidence gap makes it difficult to assess whether such restrictions primarily protect legitimate business interests or whether they also constrain worker mobility and labour market dynamism. To address this gap, this policy paper provides the first comprehensive overview of the prevalence and characteristics of non-compete and related clauses in Switzerland drawing on two novel surveys of workers and firms. It also provides initial evidence on firm-to-firm practices such as no-poaching or wage-fixing arrangements.

5. The results show that non-compete and related clauses are relatively common in Switzerland and are used well beyond groups likely to have access to confidential information. Firms frequently bundle multiple restraints together, apply them broadly across their workforce and, in many cases, rely on clauses that appear overly broad or incomplete. The evidence also points to the presence of no-poaching and wage-fixing practices between firms. These findings highlight the need for clearer guidance, better information for employers and workers, and stronger enforcement to ensure that restrictions on worker mobility are used only when justified.

1. The economics of post-employment restraints

6. Non-compete and related clauses are contractual provisions that restrict employees' activities after leaving a job – for example, by preventing them from working for competitors, starting a competing business, or soliciting clients or colleagues. They may appear in initial employment contracts or be introduced later and often define a time and geographic scope.

Box 1. Contractual clauses regulating post-employment activity

- *Non-compete clause*: contract clause (or stand-alone agreements) which prevents employees from working for a competitor or starting a new company after they separate from their employer.
- *Non-disclosure agreement*: a contract or clause that establishes that the sensitive information an employee may obtain during the employment relationship will not be made available to any other employer.
- *Non-poaching of co-workers or non-recruitment/non-solicitation of colleagues*: a contract or clause that prevents employees from reaching back to their former colleagues and recruit them in their new business.
- *Non-solicitation of clients*: a contract in which an employee agrees not to solicit with the company's clients or customers after leaving the company.
- *Repayment of training costs clause*: a contract or clause which provides for the employee to repay the costs associated with attending training courses – that the employer has paid for – if the employee ceases employment within a certain period of time.
- *Repayment of benefits and bonuses clause*: a contract or clause which provides for the employee to repay certain benefits and bonuses (for instance, a signing bonus) if the employee ceases employment within a certain period of time.

7. Traditionally, such clauses are justified as a way to protect legitimate business interests, including trade secrets[1], client relationships, and firm-specific training investments (Starr, Prescott and Bishara, 2021[5]). By safeguarding these assets, they can help resolve "hold-up" problems that discourage employers from investing in workers and, in principle, promote productivity-enhancing training and knowledge sharing.

8. However, non-compete and related clauses can also restrict competition by reducing workers' outside options and firms' ability to hire experienced staff. In labour markets, this may weaken workers' bargaining power and slow wage growth, since job-to-job mobility is a key driver of pay progression (Moscarini and Postel-Vinay, 2016[6]). In product markets, widespread use of restraints may hinder firm entry, innovation, and the reallocation of resources toward more productive activities (Davis and Haltiwanger, 2014[7]).

9. NDAs are typically viewed as more benign than non-compete clauses, since they are less distortive of job mobility and competition, even if NDAs – when written broadly – can potentially act as de facto non-compete clauses (Hrdy and Seaman, 2024[8]). Similarly, training repayment agreements are sometimes viewed as a more targeted alternative to non-compete clauses, since they apply only when a worker leaves before the employer has recouped its training investment. However, recent research cautions that such agreements may also restrict mobility, as firms can inflate training costs or workers may not fully understand repayment obligations, effectively imposing high exit costs that can deter job changes even when no competitive harm is involved (Harris, 2021[9]).[2]

[1] The protection of trade secrets is also regularly guaranteed by criminal law (in Switzerland, in both Art. 162 of the Criminal Code and Art. 6 of the Unfair Competition Act).

[2] In 2024, the General Counsel of the US National Labor Relations Board issued a memorandum declaring training repayment agreements (pejoratively called "TRAPs") were unlawful. The memorandum was rescinded by the new

10. If non-compete and related clauses primarily protect legitimate interests, they should be concentrated among workers with access to confidential information and accompanied by compensation or wage premia. If, instead, they are used to limit worker mobility, they are likely to appear across a broader range of occupations, often without compensation or enforceability, but still effective in deterring job moves.

2. The regulation of post-employment restraints in Switzerland

11. The regulation of non-compete clauses is essential to balancing legitimate business interests with labour market dynamism. Legal frameworks determine when employers may rely on such clauses and under what conditions they are enforceable. Across OECD countries, non-compete clauses are regulated either by statute or case law, with varying degrees of enforceability. Most frameworks require that restrictions be reasonable in duration, scope, and geography, and that they not impose undue hardship on workers or harm the public interest. The regulatory spectrum across OECD countries spans from jurisdictions that ban non-compete clauses entirely (e.g. California in the United States, Chile and Mexico) to those where they can be used with very limited restrictions (e.g. Korea and several US states). In between, some jurisdictions impose strict limits – such as wage thresholds, or mandatory compensation – but most rely heavily on judicial discretion.

12. In Switzerland, non-compete clauses and related covenants are governed by Articles 340–340c of the Swiss Code of Obligations. Employees may enter into written non-compete agreements only if, during employment, they acquire knowledge of trade secrets or client information whose misuse could significantly harm the employer. The clause must be reasonable in place, time, and scope and cannot unduly restrict future employment; the maximum duration is three years, except in special cases. Swiss courts often apply a "blue-pencilling" approach, narrowing overbroad clauses rather than invalidating them altogether.

13. Under Article 340c, non-competes automatically lapse if the employer no longer has a legitimate interest, terminates the employee without good cause, or if the employee resigns for good cause. Employers may release workers from their obligations unilaterally unless compensation has been agreed, in which case both parties must consent. Some collective agreements address non-competes but typically refer back to the Code of Obligations.

14. Swiss employers can also use alternative instruments to protect legitimate interests, including garden leave, non-disclosure agreements, and non-solicitation clauses, as well as training-repayment and bonus-forfeiture arrangements. Courts generally apply the same principles of proportionality and fairness when assessing these covenants. For instance, repayment clauses must be limited in duration (typically up to three years), decline proportionally over time, and are unenforceable if the employer dismisses the worker without cause.

15. Only a limited number of non-compete cases have reached Swiss courts – much like in other OECD countries –, but this provides little insight into their actual prevalence or impact. Few cases may simply reflect the fact that workers often lack the information, resources, or bargaining power needed to challenge such clauses, or that disputes are settled informally with employers. Moreover, many employees may comply with contractual restrictions without ever testing whether their employer would seek enforcement, meaning that even overbroad, unenforceable clauses can influence behaviour. This underscores the need for systematic empirical evidence on how widespread non-compete and related clauses are, who they affect, and under what conditions they are used.

General Counsel in February 2025. In 2015, Austria also made the use of repayment of training clauses more restrictive after liberalising it in 2006.

Table 1. Regulation of non-compete clauses in Switzerland

Key dimension	Regulatory framework
Statute of general applicability	Non-compete clauses are regulated under the Swiss Code of Obligations (Articles 340–340c). Clauses must be in writing and are valid only if the employee gains access to confidential information whose misuse could cause substantial harm to the employer. The maximum duration is three years, except in exceptional cases.
Role of collective agreements	Some collective labour agreements include provisions on competition prohibitions, but they generally refer back to the Code of Obligations and do not establish additional restrictions or obligations.
Employer's protectable interest	A non-compete is valid only if, during employment, the employee has access to client information, production methods, or trade secrets, and if misuse of this knowledge could significantly harm the employer.
Compensation	The law does not require financial compensation for a non-compete clause. Courts instead apply a reasonableness test, considering the scope, duration, and impact on the employee's ability to earn a livelihood.
Change in terms / continued employment	There are no specific statutory rules regarding non-competes introduced after hiring, but employee consent is required for any such agreement to be valid.
Plaintiff burden of proof	The employer must demonstrate both a legitimate interest in the restriction and that the clause is reasonable in scope, time, and geography, consistent with Article 340a.
Judicial modification ("blue pencilling")	Swiss courts may narrow or amend overly broad clauses rather than void them entirely, following Article 340a of the Code of Obligations. This "blue-pencilling" approach is commonly applied.
Enforceability in case of dismissal	Non-compete obligations lapse if the employer no longer has a substantial interest, if the employer terminates without good cause, or if the employee resigns for good cause (Article 340c). Employers may unilaterally release employees from non-competes unless compensation has been agreed, in which case mutual consent is required.
Sanctions	There are no explicit statutory sanctions for employers who include unenforceable non-compete clauses, though such clauses may be declared void or narrowed by courts.

3. The prevalence and the characteristics of post-employment restraints in Switzerland

16. This section presents new evidence on the use of non-compete and related clauses in Switzerland, drawing on two surveys developed by the OECD and implemented by a professional survey firm – see Box 2 for more detail. Findings from the employer and worker surveys converge around five key findings.

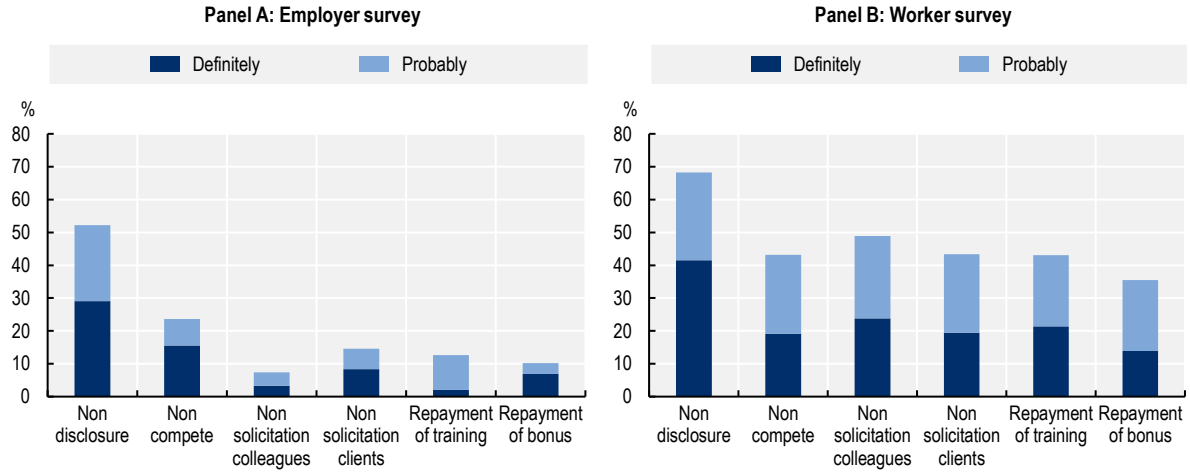
The prevalence of non-compete and related clauses is high and rising

17. Non-compete clauses are widely used in Switzerland. According to employers (Panel A in Figure 1), between 16% and 24% of private-sector employees are currently bound by a non-compete agreement (firms could respond "yes" or "probably yes"). Results from the employee survey also confirm that the prevalence of non-compete clauses in the Swiss labour market is surprisingly high : 19% of workers say they are bound by a non-compete, with an additional 24% who believe they "probably" are (Panel B in Figure 1). The larger uncertainty on the employee side may reflect differences in survey design, limited recall of contract details, or some degree of employer under-reporting. Even among recent hires, uncertainty persists: 17% report having a non-compete and another 17% report "probably" having one.

18. Even when focusing on the most conservative estimates (i.e. workers who report being *definitely* bound by a non-compete), the Swiss prevalence is broadly consistent with findings from other OECD countries using comparable surveys. These international estimates point to a "surprisingly high" use of non-compete clauses across advanced economies, with reported rates of 21–22% in Australia, 18% in the United States, 16% in Italy and 23–34% in Japan – see Andrews and Garnero (2025[3]) for a summary of the evidence in OECD countries.

Figure 1. Non-compete and related clauses are relatively common in Switzerland

Share of workers bound by each employment contract clauses

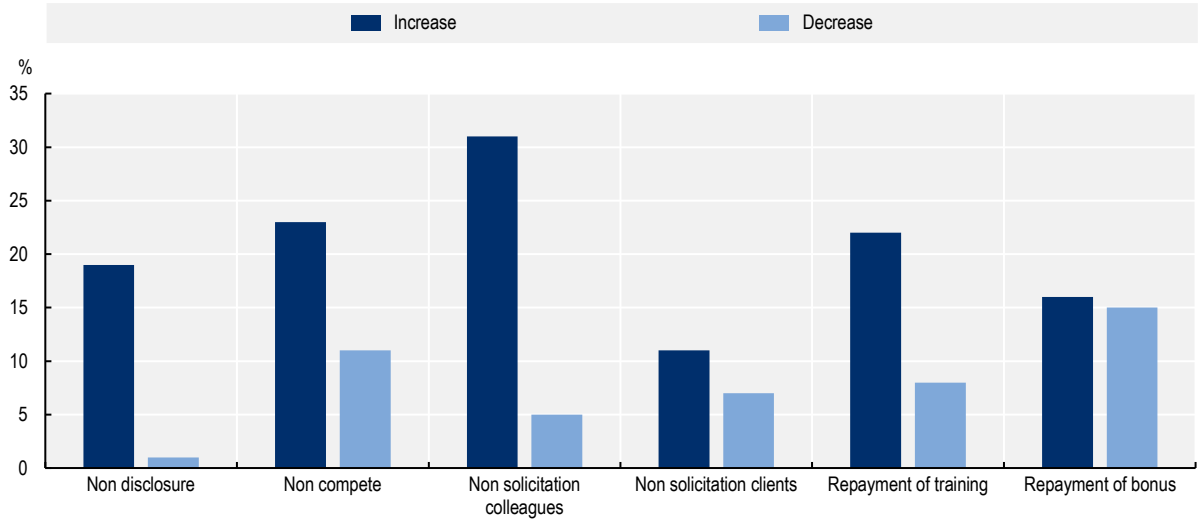


Source: OECD employer and employee surveys on non-compete and related clauses.

19. Non-compete clauses are only one of several contractual tools regulating post-employment conduct. Figure 1 shows that in Switzerland, non-disclosure agreements (NDAs) are by far the most common: employers report that around half of private-sector employees are covered by a NDA. Other restrictive clauses are also relatively common: 15% of employees are covered by a non-solicitation of clients clause; 10% by a repayment of benefits or bonuses clause; 10% by a non-solicitation of colleagues clause; 13% by a training-cost repayment clause. Worker-reported figures are generally higher but show a similar ranking of clauses as well as greater uncertainty in self-reports. Importantly, firms report an upward trend. With the exception of repayment-of-bonus clauses, Figure 2 shows a significantly larger share of employers declaring having increased the use of each type of clause over the past five years than those declaring a decrease. This suggests growing reliance on contractual restrictions in Swiss labour markets.

Figure 2. The use of non-compete clauses is rising in Switzerland

Share of companies declaring that the use of non-compete clauses has increased or decreased over the last 5 years



Source: OECD employer survey on non-compete and related clauses.

Non competes are being deployed in a fashion that is difficult to reconcile with the traditional view

20. A second key finding concerns the breadth with which non-compete clauses have diffused across the Swiss economy. In line with the traditional view, the prevalence of non-competes is highest among managers and professionals and, increases with earnings and access to confidential information. They also appear more frequently in large firms and in knowledge-intensive sectors, where firms may have a stronger need to protect legitimate business interests.

Box 2. The OECD worker and employer surveys on non-compete and related clauses

The surveys follow the methodology used in comparable exercises previously undertaken in the United States (Prescott, Bishara and Starr, 2016[2]), Australia (Buckley, Rankin and Andrews, 2024[10]; Andrews and Jarvis, 2023[11]) and Italy (Boeri, Garnero and Luisetto, 2024[12]).

Worker survey

The worker-level survey targeted private-sector employees aged 18–64. It combined: (i) a general population sample of private-sector employees to measure the overall incidence of non-compete clauses; and (ii) a boost sample of workers known to have signed a non-compete clause, enabling detailed analysis of clause content and worker experiences. Sampling used non-probability online access panels, with respondents selected through a mix of targeted and random draws. Panels applied extensive quality-control checks to ensure respondents were real, recent and unique. The sample was stratified by age, gender and region (following official statistics), with additional efforts to balance education level and sector of employment. A pilot test preceded fieldwork. Data collection ran from 28 July to 8 September 2025, yielding 2,146 completed interviews. Post-stratification weights were constructed to align the sample to the socio-demographic profile of the target population. As with any online survey, the Swiss data may be subject to sample selection. Three potential sources are relevant: incomplete internet coverage, self-selection into online panels, and survey non-response. In practice, these risks appear limited in the Swiss context. Nearly all households in Switzerland have internet access, reducing concerns about digital exclusion. While panel membership may reflect unobservable characteristics, the panel used is broadly representative of the population on observable traits and is primarily designed for general consumer research rather than labour market topics, making systematic bias related to non-compete coverage unlikely. Finally, standard non-response remains a concern, but the neutral framing of the survey invitation and the very low dropout rate once questions on non-competes were introduced (about 1%) suggest that selective attrition is limited.

Employer survey

The employer-level survey targeted individuals responsible for employment contracts, retention and hiring practices in for-profit firms with five or more employees. Non-profit organisations, micro-employers (1–4 employees) and selected sectors (public administration and defence, education, health and social work, household services, and extraterritorial organisations) were excluded. The sampling frame was drawn from Dun & Bradstreet, complemented with Orbis, based on NACE codes and firm size. A stratified random sampling design was applied across 16 cells, defined by four firm-size classes (5–9; 10–49; 50–249; 250+) and four top-level NACE sector groups. The Swiss sample followed a 20% employee-proportional / 80% firm-proportional allocation. A pilot test preceded fieldwork, which ran from 24 June to 5 September 2025, resulting in 409 completed interviews. Final weights were constructed based on the stratification cells (industry and firm size). Since the employer survey is based on random sampling, the first two sources of potential selection bias discussed before – limited internet access and self-selection into online panels – do not apply. While standard non-response bias remains possible, the neutral framing of the survey invitation and the very low drop-out rate after employers were first presented with questions on non-compete clauses suggests that this risk is limited.

The two surveys have been made possible thanks to financial support from the State Secretariat for Economic Affairs (SECO). This forms part of a wider OECD project on non-compete and related clauses, the results of which will be published in July 2026.

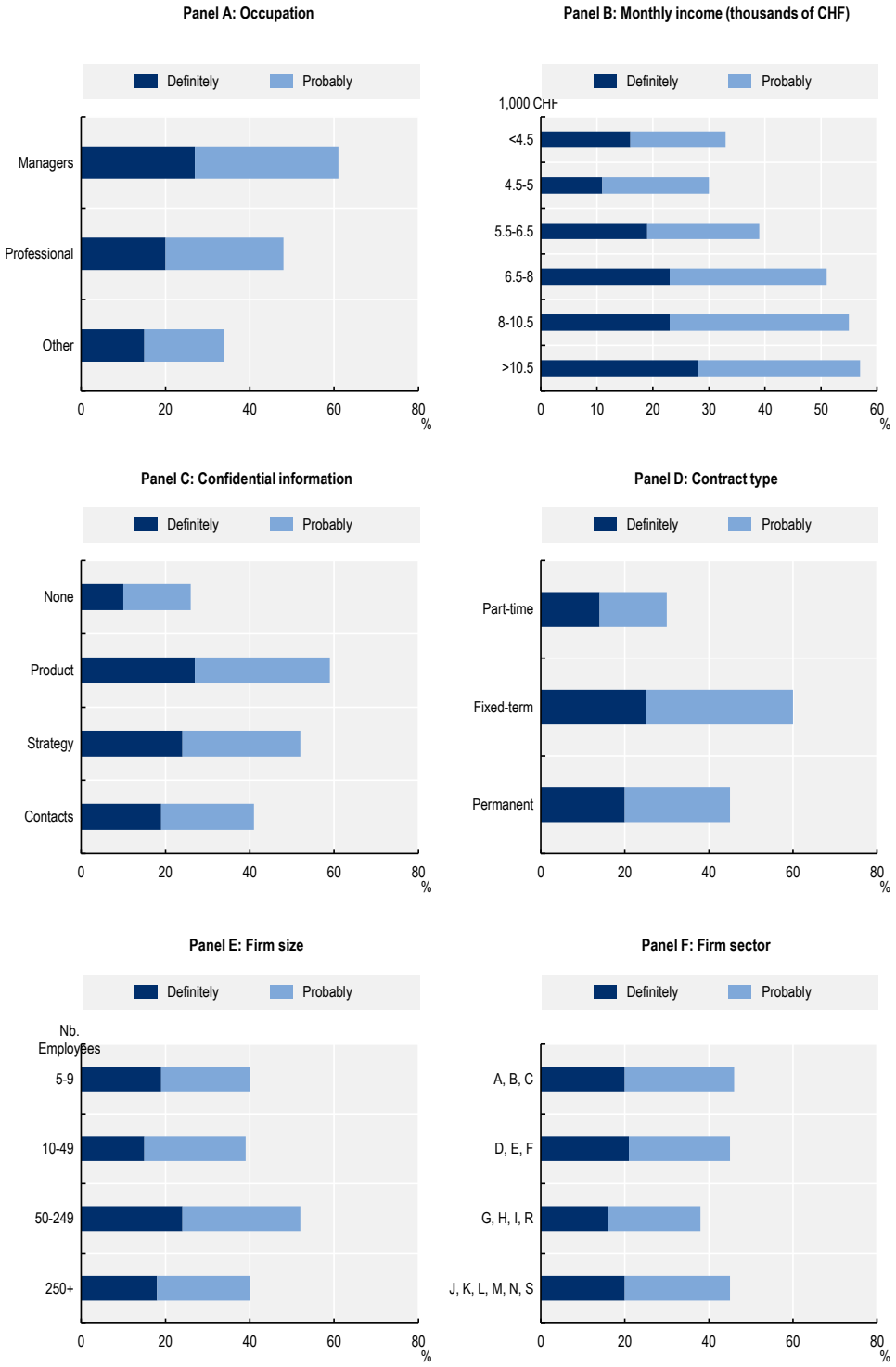
21. However, the surveys show that the use of non-competes extends well beyond these groups. The share of low-skill or low-pay workers covered by non-competes is far from negligible. Specifically:

- Between 15 and 34% of workers in non-managerial/non-professional occupations report being bound by a non-compete;
- Between 25 and 60% of workers on fixed-term contracts report a non-compete;
- Between 14 and 32% of low-pay workers (i.e. workers earning less than 5,000 CHF per month, which broadly corresponds to the bottom 20% of the labour income distribution) are covered;
- Between 10 and 26% of workers with no access to confidential information nonetheless declare having signed a non-compete.

22. These patterns indicate that, in Switzerland as in several other OECD countries, non-compete clauses have spread into parts of the labour market where the traditional justification (protecting sensitive information or high-value investments) appears weak or absent.

Figure 3. The use of non-competes extends well past executives and specialized professionals

Share of workers bound by non-compete clauses

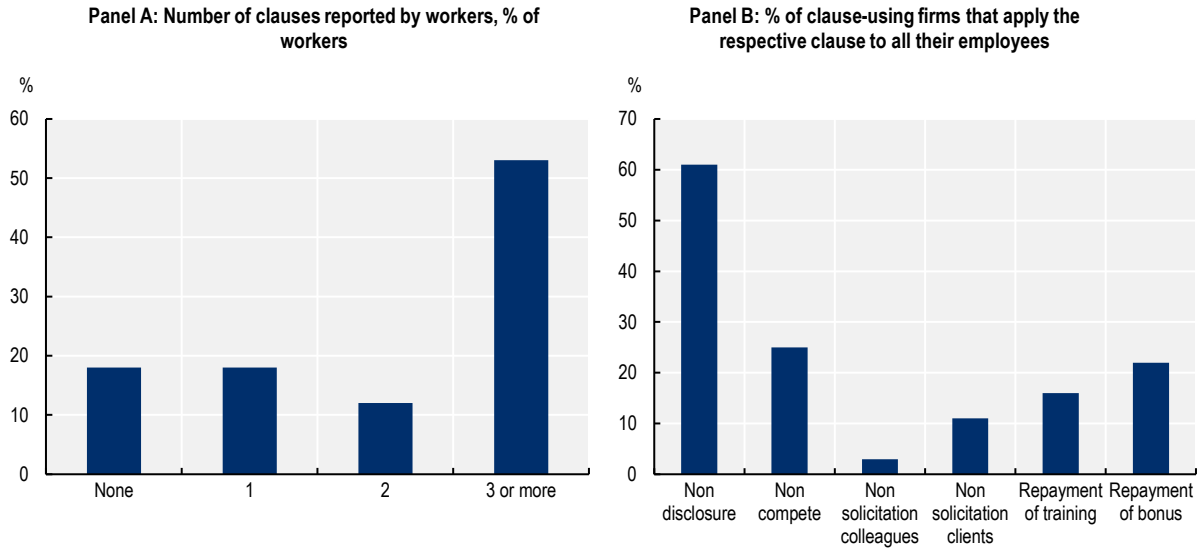


Note: Sector codes: A,B,C: Agriculture, Forestry, Fishing, Mining and Manufacturing; D,E,F: Construction, engineering and waste collection and treatment; G,H,I,R: Trade, transport, food / accommodation and arts / entertainment activities; J,K,L,M,N,S: Information and communication, financial / insurance, real estate, professional / administrative activities, other services.
Source: OECD employer and employee surveys on non-compete and related clauses.

Restraint clauses are often bundled together and used indiscriminately

23. The policy debate on restrictive employment covenants typically focuses on clauses that directly limit worker mobility, such as non-compete clauses. However, as shown above, firms can use a wider set of contractual tools to protect information or deter movement (see Box 1) and these clauses are often used simultaneously. Among private-sector employees, 18% report not being covered by any clause, 18% are covered by one clause only (typically a NDA), 12% by two clauses, and a striking 53% by three or more clauses. This pattern closely mirrors previous findings from Australia, Italy and the United States, where bundling of restraint clauses is also common.

Figure 4. Non-compete clauses are frequently grouped together and applied to all workers



Source: OECD employer and employee surveys on non-compete and related clauses.

24. Firms differ in their overall use and combination of clause types. About only 5% of firms use no restraints at all, 12% rely exclusively on NDAs, while the rest bundles several clause types together. In addition, clauses are often applied indiscriminately across the workforce. Among firms that use non-compete clauses, 25% report applying them to all employees, regardless of role or seniority. For non-disclosure agreements the share rises to 61%, while other clauses appear to be used in a somewhat more tailored manner. Larger firms are more likely than smaller ones to use restrictive clauses overall, but when small firms do use them, they tend to apply them to a much higher share of their workforce. This possibly reflects the use of standardised or boilerplate contracts, particularly in small firms that lack dedicated HR capacity (or have a more homogenous workforce, such as small consulting firms).

Non-competes can be broad in scope and not fulfill the legal requirements

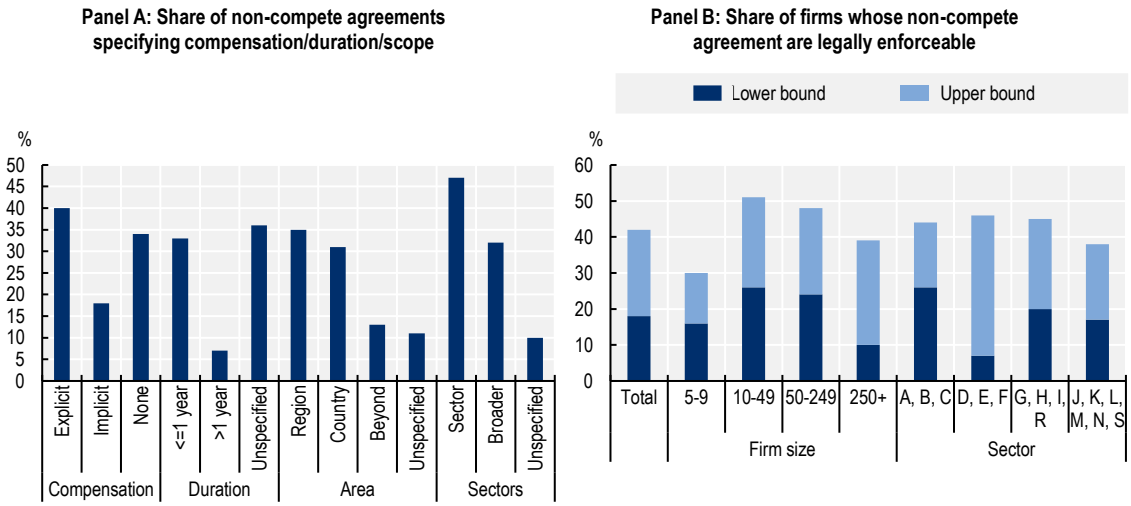
25. According to workers' reports, non-compete clauses often last for one year or less and are applicable in the region of work, but a non-trivial share apply to broader geographical areas, including the entire country or even international territories. Similarly, a number of clauses extend beyond the firm's main sector of activity. Although Swiss legislation does not require employers to provide financial compensation for a non-compete, it is noteworthy that around one third of workers report that no compensation is foreseen for the presence of the clause (either as a top up to the regular wage or a lump

sum at the end of the employment relationship), despite the breadth of restrictions imposed. Overall, non-competes in Switzerland can be wide in scope and are not necessarily accompanied by compensatory measures.

26. A further concern is the prevalence of clauses that appear unenforceable. Under Swiss law, non-compete agreements must have a duration under 36 months and specify their geographical or sectoral scope in order to be enforceable. While survey responses may contain some noise, the results show that many clauses may not fulfill these legal requirements. Both employers and employees indicate that a sizeable share of non-competes do not specify a duration or fail to define the geographical or sectoral scope. Such omissions make the clause highly unlikely to be upheld in court. Importantly, these incomplete or non-compliant clauses are not confined to a particular group of workers or firms: they are found across different sectors, occupations, firm sizes and regions. In contrast, unenforceable clauses appear more frequent in small firms. Moreover, low-skilled workers report more often to be covered by clauses that do not meet legal standards, despite being precisely the group for whom a non-compete is least likely to be justifiable. This pattern suggests that firms may be less attentive to legal compliance when the non-compete clause is unlikely to be needed to protect firm interests, such as trade secrets or investments. Instead of intending to enforce these clauses in court, firms may include unenforceable clauses in their employment contracts for other reasons, for example due to lack of resources to create more targeted clauses or to explicitly deter worker mobility. Alternatively, or additionally, low-skilled workers may be less aware of their rights or less familiar with the content of the clause they have signed.

27. International evidence places these findings in context. In the United States, non-competes are common even in states where they are formally banned (Starr, Prescott and Bishara, 2021[5]). In Italy, a large share of non-competes appear to be unenforceable under existing legislation (Boeri, Garnero and Luisetto, 2024[12]). However, what shapes behaviour is often not actual enforceability but workers' perceptions about the likelihood of enforcement, the so-called in terrorem or "chilling" effect, noting that even unenforceable clauses can deter workers from changing jobs (Starr, Prescott and Bishara, 2020[13]; Prescott and Starr, 2021[14]).

Figure 5. Non-compete clause can be expansive in scope and fall short of legal requirements



Note: In Panel A, columns do not sum to 100% because 'Don't know/Prefer not to answer' responses are not shown. Sector codes: A,B,C: Agriculture, Forestry, Fishing, Mining and Manufacturing; D,E,F: Construction, engineering and waste collection and treatment; G,H,I,S: Trade, transport, food / accommodation and arts / entertainment activities; J,K,L,M,N,S: Information and communication, financial / insurance, real estate, professional / administrative activities, other services.
Source: Panel A: OECD employee surveys on non-compete and related clauses. Panel B: OECD employer surveys on non-compete and related clauses

There is evidence of (firm-to-firm) no poaching and wage fixing agreements

28. The survey evidence also raises concerns about the potential presence of firm-to-firm no-poaching and wage-fixing agreements in Switzerland. No-poaching agreements involve employers agreeing not to recruit each other's employees. These can take different forms: pure no-hire agreements, where employers agree not to hire workers from other parties to the agreement, either actively or passively; or non-solicit or no-cold-calling agreements, where employers commit not to actively approach another firm's employees with job offers. Wage-fixing agreements involve employers agreeing to set wages or other forms of compensation or benefits at certain levels.

29. Wage-fixing agreements[3] constitute a violation of antitrust law in Switzerland as in most other OECD countries. No-poach clauses are also generally regarded as anticompetitive practices but, in Switzerland like in other OECD countries, a distinction must be made as to the purpose for which they are concluded. For example, they are permissible for a certain period of time in the case of mergers. In light of the sensitive nature of these questions, the employer survey did not ask firms directly whether they engaged in them. Instead, respondents were asked whether they were aware of such practices in their industry.

30. The results suggest that these practices may be more prevalent than expected: almost half of surveyed firms report knowledge of either no-poaching, wage-fixing, or both occurring within their industry. This does not imply that half of firms engage in these practices themselves. High reported awareness may reflect a small number of cases within each sector that are well known to industry participants. Nevertheless, the responses indicate that such agreements are likely to be relatively widespread, particularly in service sectors. This is confirmed by what employees report: 20% of employees report having been prevented from moving to another company because of a no-poaching agreement between your employer and another company. 24% declare to have heard of such practice.

31. These findings, while at this stage essentially suggestive, align with the increasing attention that the Swiss Competition Commission (COMCO) has devoted to labour market conduct. In December 2022, COMCO launched an investigation into 34 banks over potential antitrust violations related to exchanges of salary data. Although the investigation concluded in August 2024 without finding formal agreements, it uncovered widespread employer information sharing on wages, benefits and employment conditions across multiple industries. COMCO has since announced its intention to issue guidelines clarifying which labour market practices are permissible and which constitute anticompetitive behaviour.

[3] Wage fixing agreements are agreements between companies and should not be confused with collective bargaining agreements signed between employers and trade unions which are expressly excluded from antitrust enforcement.

Figure 6. Knowledge of no-poaching or wage fixing agreements is widespread

Share of companies reporting knowledge of no-poaching or wage fixing agreements in their industry

Note: Sector codes: A,B,C: Agriculture, Forestry, Fishing, Mining and Manufacturing; D,E,F: Construction, engineering and waste collection and treatment; G,H,I,R: Trade, transport, food / accommodation and arts / entertainment activities; J,K,L,M,N,S: Information and communication, financial / insurance, real estate, professional / administrative activities, other services.
Source: OECD employer survey on non-compete and related clauses

4. Concluding remarks

32. The evidence presented in this note shows that non-compete and related clauses included in individual employment contracts are relatively common in Switzerland, often in ways that go beyond the traditional rationale for their deployment. As it was found in other OECD countries before, their prevalence is high and appears to be rising. Such clauses are used not only for managers, highly skilled workers and those with access to confidential information, but also for low-skilled and low-paid workers, for whom such restrictions appear more difficult to justify. Firms frequently bundle multiple restraint clauses together and, in many cases, apply them indiscriminately across their workforce. Moreover, a significant share of non-compete clauses appear to be overly broad or incomplete, raising questions about their enforceability under Swiss law. Separately, and distinct from contractual non-competes, the survey evidence also points to the presence of firm-to-firm practices – such as no-poaching and wage-fixing agreements – that restrict competition for labour between companies, underscoring the importance of ongoing antitrust scrutiny.

33. Switzerland's regulatory framework provides a relatively clear legal foundation for the use of non-compete clauses in employment contracts, but in practice it relies heavily on case-by-case judicial interpretation. The survey evidence suggests that many employers and workers have an incomplete understanding of the legal requirements and limits governing these clauses. Strengthening information and guidance for both firms and workers would help ensure that restrictive covenants are used only when truly necessary and proportionate. In parallel, enhanced monitoring and enforcement could help discourage the deployment of clauses that are overly broad, unenforceable, or used primarily as a deterrent to worker mobility. At the same time, restrictions on worker mobility arising from agreements between firms fall squarely under competition policy and require continued monitoring and enforcement by competition authorities.

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