Swiss voters rejected the world’s highest national minimum wage, striking down a proposal for an hourly rate of 22 francs ($25).

The initiative was opposed by 76.3 percent of voters, the government in Bern said yesterday. Polls, including one by gfs.bern, forecast that outcome.

“It’s a strong sign to Switzerland as a center of employment,” Economy Minister Johann Schneider-Ammann said at a news conference in Bern. “Accepting the initiative would have led to job cuts in economically weak, rural areas.”

With income inequality growing among developed economies, minimum wages are on the table in other countries as well. In the U.K., Prime Minister David Cameron has increased it to 6.5 pounds ($10.9) per hour, while in the U.S., President Barack Obama is pushing for an increase in the $7.25-an-hour federal minimum to $10.1. In Germany, Chancellor Angela Merkel’s cabinet backed a national minimum of 8.50 euros.

Rejection of the Swiss measure, which called for a full-time worker to be paid at least 4,000 francs a month, breaks with a series of plebiscites -- including ones on excessive executive compensation and immigration -- that companies said make Switzerland a less desirable place to do business.

“People are again saying they don’t want the state to meddle,” Swiss trade association director Hans-Ulrich Bigler said. “It’s a vote of confidence by the people in the economy.”

Cost of Living

In Switzerland, nine out of ten full-time workers already earn more than the proposed minimum. Companies and the government opposed the measure, saying it would hurt the economy by increasing joblessness and pushing wages up across the board. By contrast, trade unions argued the pay of those least-well off needed to reflect the country’s high cost of living.

“Of course we’re disappointed,” said Giorgio Tuti, president of the Swiss union of transport workers SEV. Some “330,000 people earn a wage from which they can’t live -- the problem remains,” he said.

Traditionally, wages in Switzerland have been negotiated by collective bargaining, with agreements covering pay, vacation days, and even retirement age. The median wage in the Swiss private sector was 6,118 francs last year. A gas station shop worker in Lucerne is paid 3,570 francs a month, while a
62-year-old music teacher in the city of Winterthur gets a monthly salary of 9,758 francs and six weeks of vacation, according to a 2014 study published by the Canton of Zurich Labor Ministry.

**Job Cuts**

Many small-and-medium sized businesses, which generate two-thirds of employment, couldn’t afford to pay employees more, the government said. Switzerland’s [jobless rate](#) as measured by the International Labor Organization was 4.1 percent late last year, compared with 11.8 percent in the euro area.

When adjusted for purchasing power, the Swiss wage would have amounted to $14.01 an hour. That compares to $10.60 in [France](#) and $10.20 in [Austria](#), according to OECD data for 2012.

At [Bobst Group SA (BOBNN)](#), which makes printing presses and machines for cardboard boxes, no employee working 40 hours a week makes less than 4,000 francs a month, Chief Executive Officer Jean-Pascal Bobst told L’Agefi in an interview last week. Even so, with a minimum wage Bobst wouldn’t have been able to guarantee the development of its activities in Switzerland, he said.

“In German-speaking Switzerland, especially in the countryside, there’s a strong view that the state shouldn’t get involved too much,” said Laurent Bernhard, a researcher at the Institute of Political Science at the University of Bern. In these regions “campaigns opposing state meddling generally find favor” among voters, he said.

As such, Swiss voters voted down a proposal for six weeks of paid vacation in 2012 and last year rejected a plan limiting manager pay to 12 times a company’s least-paid employee.

Voters yesterday also rejected the acquisition of [Saab AB (SAABB)](#) Gripen fighter jets for 3.1 billion francs.

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