



# POLICY BRIEF ENTREPRENEURSHIP AND CULTIVATING THE ENTREPRENEURIAL ECOSYSTEM IN SWITZERLAND

GLOBAL ENTREPRENEURSHIP MONITOR SWITZERLAND 2022/2023



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The report is available online at [www.gemconsortium.org](http://www.gemconsortium.org) and at [www.heg-fr.ch/en/research-and-mandates/projects/global-entrepreneurship-monitor-gem/](http://www.heg-fr.ch/en/research-and-mandates/projects/global-entrepreneurship-monitor-gem/). The GEM consortium collects and processes centrally all data used in this report. The authors have exclusive responsibility for evaluating and interpreting the data.

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## INTRODUCTION

The dawn of 2023 brings new tensions and uncertainties: a significant war, high energy costs, and the consequences of the COVID-19 pandemic have been unrelentless and catastrophic. Governments are looking to each other and the private sector to forge new solutions to the problems facing us. Resilience and frugality have continued to be the most popular themes since 2022.

Although the past 12 months have proved challenging for the entrepreneurial ecosystem in Switzerland, we are convinced that a vibrant start-up ecosystem integrating Corporate Ventures, Family Offices, SMEs, and humane entrepreneurship provides the best framework for an effective and comprehensive recovery. Furthermore, SMEs should be deeply integrated and in touch with their local communities, allowing them to extend further the principles of frugal innovation and the possibility of complete recovery.

Although the pandemic and current war have altered our expectations for 2023, businesses can take advantage of many positives and opportunities. Looking forward to the second half of 2023, numerous trends offer glimpses of solutions for those bold and innovative enough to seize them. Sustainability, globalization, technological advances, and the digital economy have also radically affected the world of work.

Moreover, the correlation for Switzerland between innovation and the entrepreneurial context gives entrepreneurs an exciting starting point and the actors in the entrepreneurial ecosystem should reflect critically in order to profit from it.

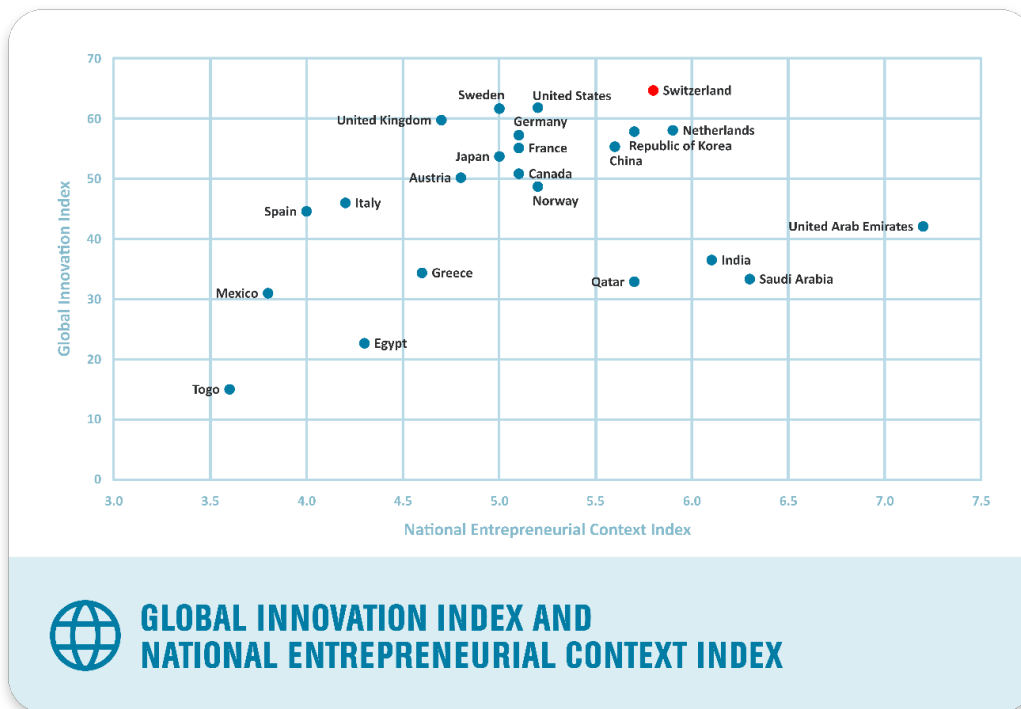


Figure 1: Global Innovation Index and National Entrepreneurial Context Index

Furthermore, the traditional career path of a stable job with regular hours, a steady paycheck, and a solid pension – a job for life – is no longer the only option for many people. New organizational concepts and the career perspectives of young talents influence the entrepreneurial ecosystem.

## KEY MESSAGES

Improving entrepreneurial ecosystems to stimulate entrepreneurship - and, ultimately, prosperity for all - has become an issue of central importance to many governments worldwide. Policymakers have realized that improving the conditions for entrepreneurship should not just involve individual, isolated policy interventions. The context in which these interventions occur and the interdependencies with other parts of the entrepreneurial ecosystems should all be taken into consideration.

**Promoting entrepreneurial cultural openness, entrepreneurial education, and entrepreneurship as a career choice.** Entrepreneurial DNA is to be injected further into education programs to foster skills like creativity, goal setting, reaching ambitious goals, and implementing a project. The aspirations of the younger generation should be the focus, with special educational programs that enable aspiring young adults to gain insights into the real-life experience of entrepreneurs with a learning-by-doing approach. A culture of experiential learning allows young people to learn from the professional world and decrease the fear of failure.

The value of entrepreneurship in business and society must be enhanced by information campaigns or internships, all of which promote entrepreneurship as a good career choice. Hence, entrepreneurial catalysts, medias, teachers, consulting services, or HR-departments will play a crucial role.

**Too little use of digital technologies.** Digitalization is commonly perceived as beneficial for creating competitive advantages. Therefore, the number of those starting or running a new or even established business and who plan to use more digital technologies to sell their products or services, is expected to rise in Switzerland. Compared to our international peers, the added value of digitalization in these business models is not sufficiently recognized by Swiss entrepreneurs.

**Considering social and environmental implications – We are good but not great.** Most Swiss entrepreneurs apply social and environmental goals in their decisions, but only one third are aware of the SDGs. Hence, there is still potential for the future in establishing funding programs and grants that specifically support socially impactful startups and innovative ventures. Furthermore, the development of incubators and accelerators that provide mentoring, networking, and resources for entrepreneurs focused on creating positive social and environmental change has to be installed in urban and rural regions.

**Fostering women entrepreneurs and diversity.** Women entrepreneurs are still under-represented in Switzerland and few potential female entrepreneurs are convinced about their entrepreneurial skills. The challenges that women entrepreneurs identify in starting a new venture are apparent and traditional instruments, such as training and grants, need to be expanded because they have yet to have total reach into the population. The innovation and financial support system should be enlarged. Thus, if purpose-driven activities in, e.g., the health or social sectors, the exceptional support of a circular economy project, or even the fashion industry, could support women entrepreneurs in the future. The impact of the entrepreneurial activity should be at the center!



**Nurturing Entrepreneurial Finance.** Several initiatives should be fostered to enhance the entrepreneurial ecosystem in Switzerland for more high-ambition start-ups and growing SMEs. The government must focus on high-growth entrepreneurs to build a generation of robust, engaged entrepreneurs. Innovation-based businesses and Gazelles still create most net new jobs in an economy. Government should create special dispensation for these two categories of enterprise, for example, by providing special funding vehicles and funding for business development services.

**Enhancing ease-of-market entry and fostering a competitive market dynamic.** The market dynamic in Switzerland is low compared to other high-income countries, and the need to foster market dynamics is confirmed. Enhancing market dynamics and facilitating ease of entry requires a comprehensive approach involving regulatory reforms, support for startups, strengthening infrastructure, and fostering collaboration between stakeholders. It is essential to stimulate collaboration with various stakeholders, including industry experts, entrepreneurs, and academic institutions, to design and implement effective strategies that address Switzerland's specific challenges regarding market dynamics and ease of entry.



## ENTREPRENEURIAL ATTITUDES AND PERCEPTIONS

A future entrepreneur must recognize business opportunities in their area and feel capable of starting a business. The fear of failure must, therefore, be manageable. Our annual representative study investigated these factors for over 20 years in the GEM project.

Are there good opportunities to start a business in my area? Just under half (47%) of the Swiss surveyed see good opportunities to start a business in the area where they live. This figure, which has returned to pre-Covid levels after dipping in recent years, puts Switzerland, like its neighbors, Austria, and France, at around the middle of the surveyed Level-A (high per capita GDP) countries. On the other hand, northern European countries, such as Norway and Sweden and the Gulf States UAE, Qatar, and Saudi Arabia, show a significantly higher proportion of the population perceiving business opportunities in this respect.

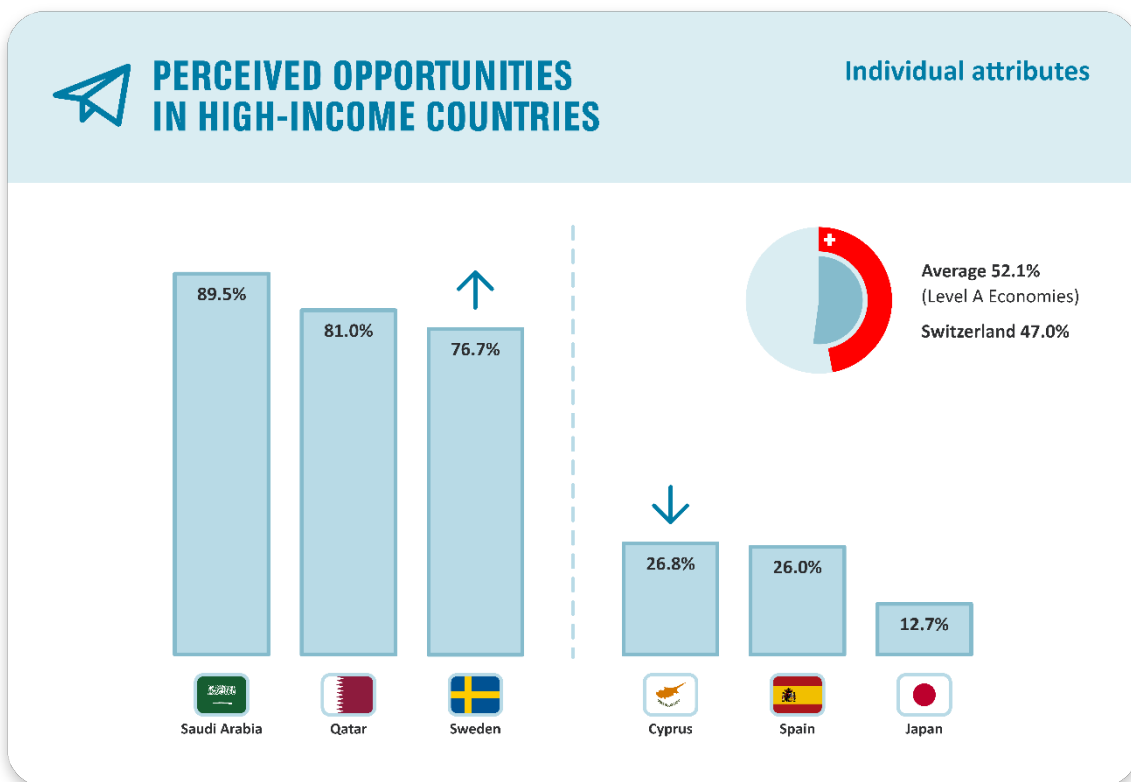


Figure 2: Perceived opportunities in high-income countries

Within Switzerland, a gap between German and Latin Switzerland (i.e., the French and Italian-speaking parts) has been evident for years. For example, in German-speaking Switzerland, more than half of the population (54.8%) perceives business opportunities in the area where they live, while in French-speaking Switzerland, it is just a third (33.2%), and in Italian-speaking Switzerland, only slightly more than one in ten (11.8%).

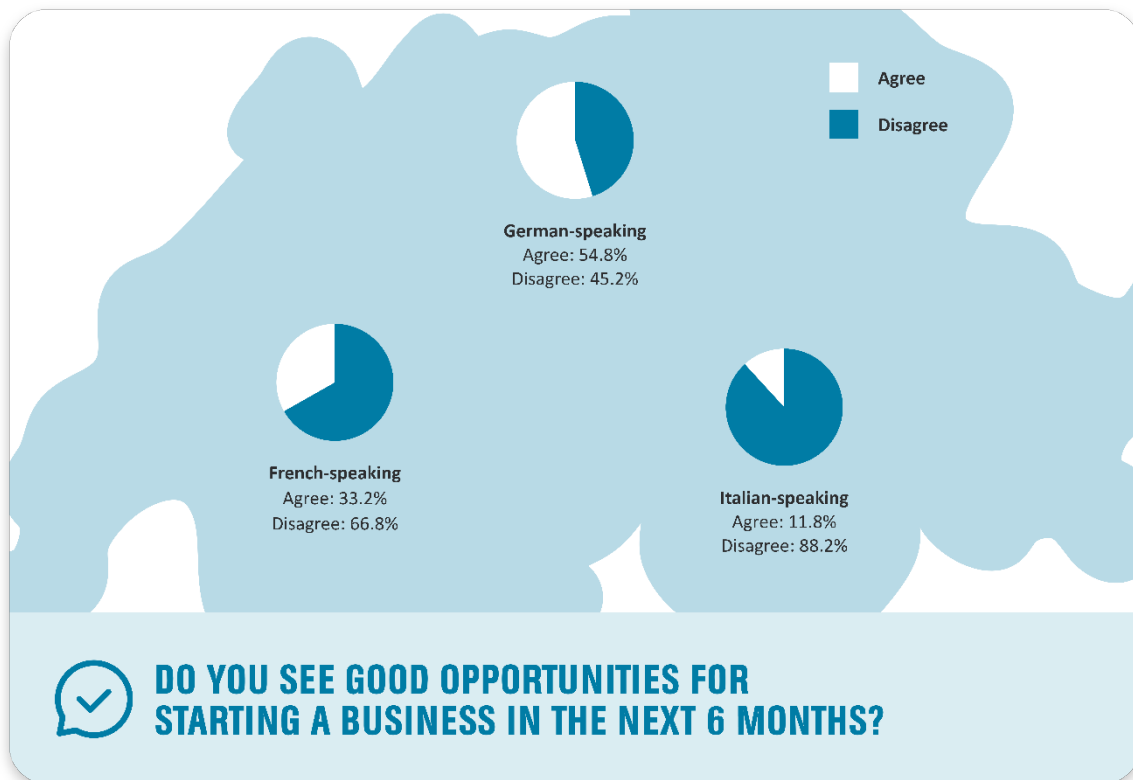


Figure 3: - Do you see good opportunities for starting a business in the next 6 months?

Do you personally have the skills and knowledge to start a business? Just under half (47.6%) of the Swiss population also assess their skills and knowledge as sufficient to start a business. Here, too, Switzerland is in the middle of countries with a high per capita GDP, with the northern European countries ranking in the middle, as do the neighboring countries, such as Austria and France. Moreover, the various Swiss language regions are similar regarding perceived skills.



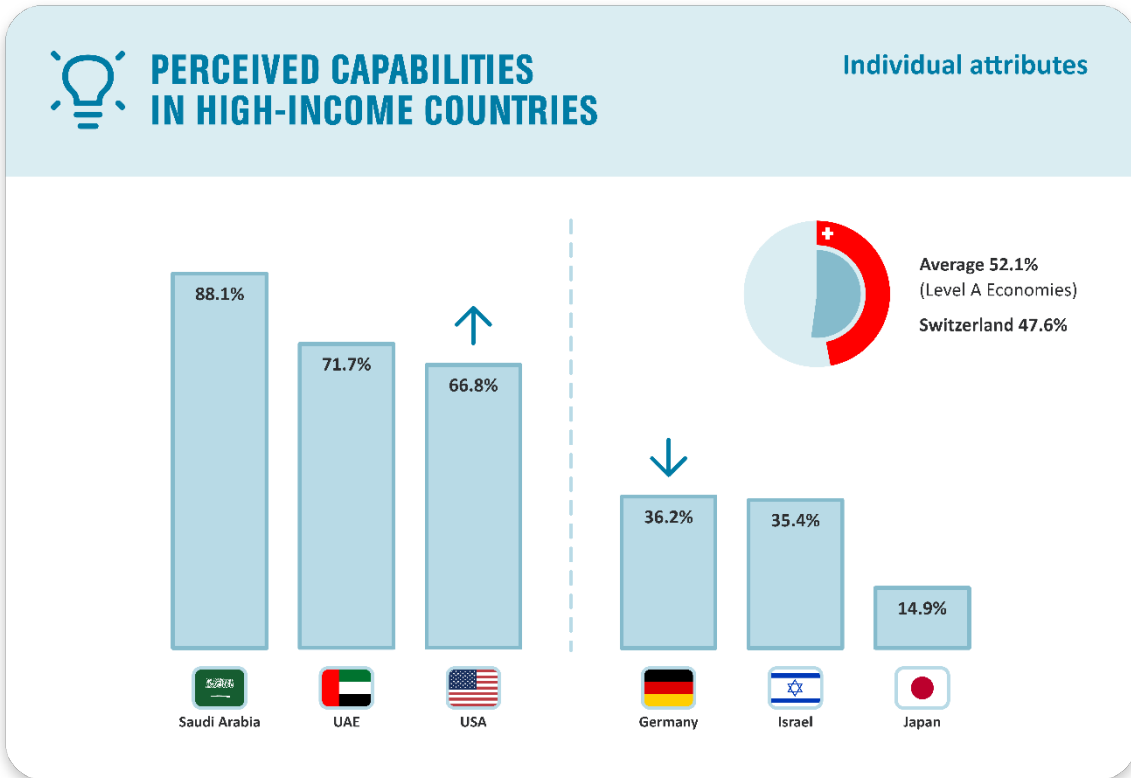


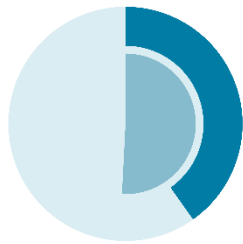
Figure 4: Perceived capabilities in high-income countries

The GEM team has studied the socio-demographic factors influencing the recognition of business opportunities and perceived skills for years. Opportunities are perceived equally by all age and income categories. However, a difference can be found in the level of education. Individuals with a completed apprenticeship or technical education are significantly less likely to perceive opportunities than those with a bachelor’s, master’s, or even doctoral degree. Perceived skills also increase with higher educational attainment even at the minimum level of a bachelor’s degree. However, this effect should not be viewed in isolation, as age also plays a decisive role.

Regardless of age and income, the recognition of business opportunities is perceived significantly more frequently by people with a higher level of education. On the other hand, the perceived skills also increase with age.

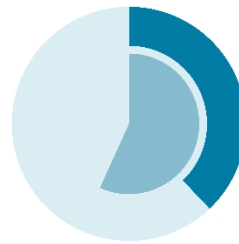
## EDUCATIONAL GAP AND GENDER GAP

**Educational Gap** regarding perceived opportunities for starting a business in the next 6 month



**Vocational education 40.2%** (apprenticeship, etc.)  
**Academic education 50.8%** (Bachelor - PhD)

**Gender Gap** regarding perceived knowledge, skill, and experience to start a new business



**Female 37.9%**  
**Male 56.8%**

Figure 5: – Educational Gap regarding perceived opportunities

Figure 6: – Gender Gap regarding perceived knowledge, skill, and experience to start a new business

Furthermore, there is a large gap between the genders: 57% of the male population, but only 38% of the female population assess their skills and knowledge as sufficiently good to start a business.

Would the **fear of failing** prevent you from starting a business? We analyzed the question among those who said they recognized opportunities. Switzerland has had one of the lowest scores in this area for years among the economically highly developed countries.

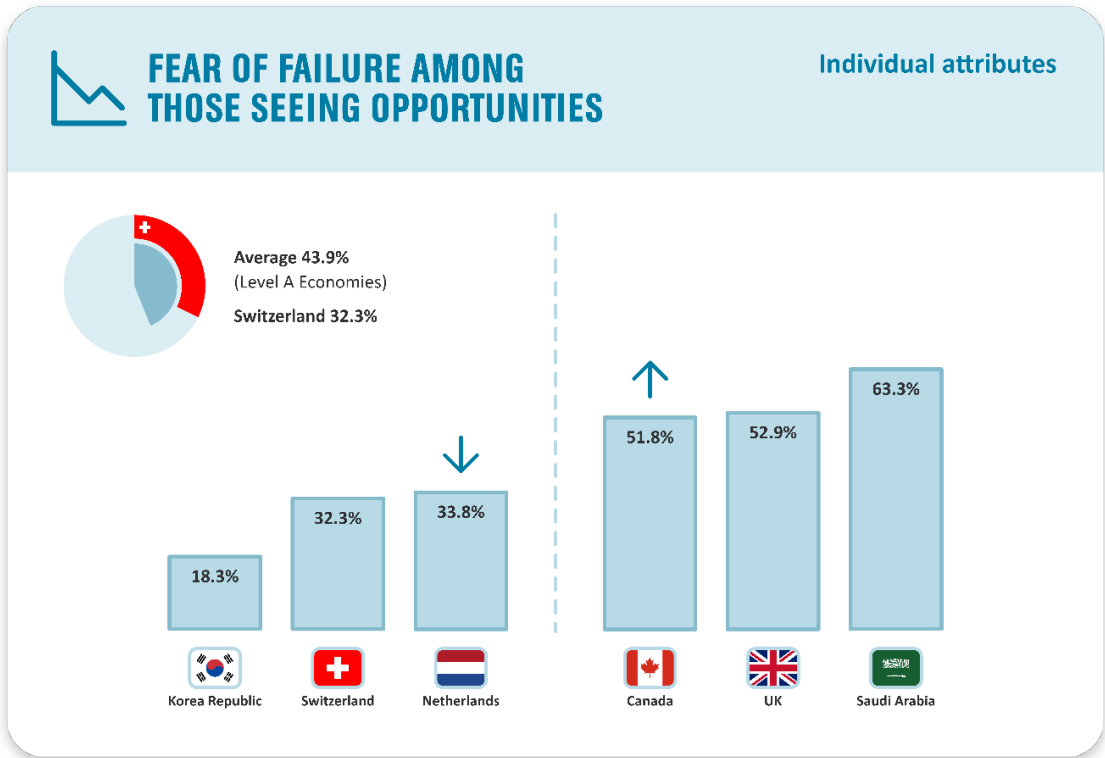


Figure 7: Fear of failure in high-income countries

It is striking that this value decreases significantly with each age category. However, the fear of failure will still be taken away from younger citizens.

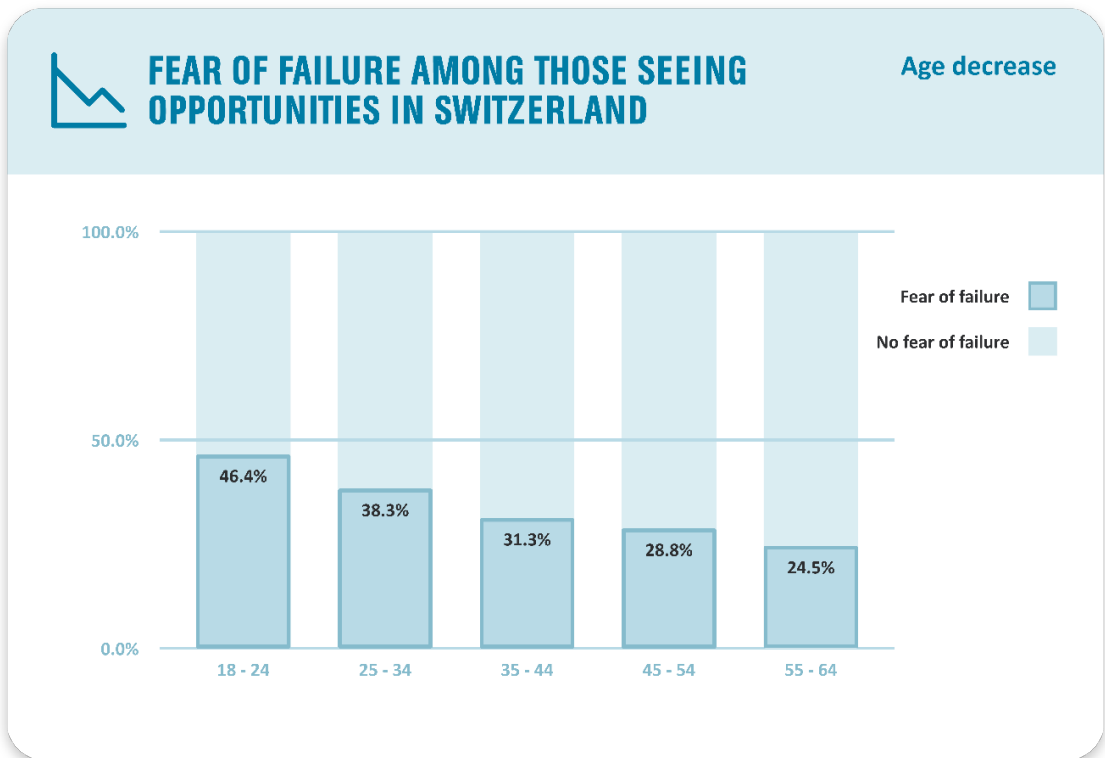


Figure 8: – Fear of Failure across the age groups in Switzerland

## FOUNDER MOTIVATION

This policy brief provides recommendations for fostering an entrepreneurial ecosystem in Switzerland. By recognizing the rankings of various motivations, particularly from an entrepreneurship perspective, policymakers can shape policies that promote innovation, economic growth, and job creation. The rankings highlight the importance of supporting entrepreneurs, enabling access to resources, and creating a favorable environment for entrepreneurial success.

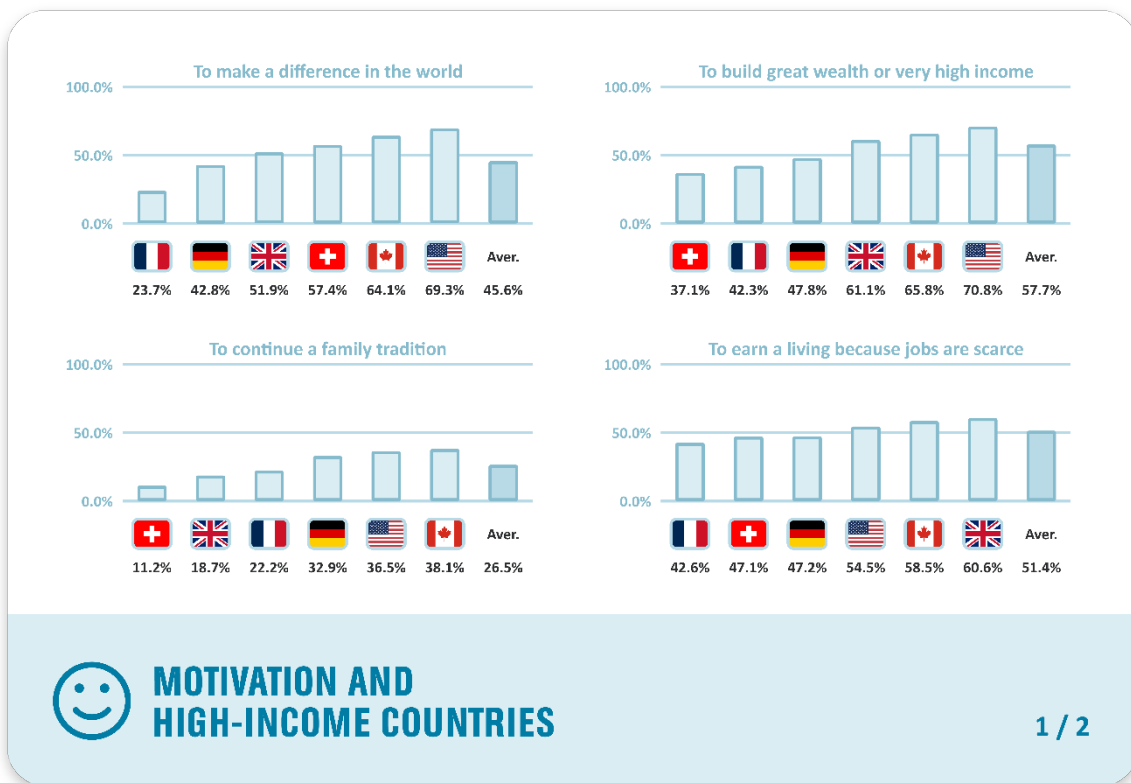


Figure 9: Motivation CH and high-income

### Making a difference in the world (rank 14 out of 49):

The high ranking for making a difference in the world indicates an intense desire among Swiss entrepreneurs to create impactful solutions. Policymakers should focus on nurturing social entrepreneurship, innovation-driven ventures, and sustainable business models that address societal challenges and contribute to the United Nations Sustainable Development Goals.

#### Recommendations:

- Establish funding programs and grants that specifically support socially impactful startups and innovative ventures.
- Develop incubation and acceleration programs that provide mentoring, networking, and resources for entrepreneurs focused on creating positive social and environmental change.

### **Earning a living because jobs are scarce (rank 40 out of 49):**

This lower middle ranking suggests that while earning a living is essential, it is not among the highest priorities for most Swiss entrepreneurs. However, it indicates that many entrepreneurs may view it as a necessary goal due to the scarcity of job opportunities.

#### **Recommendations:**

- Promote collaboration between startups, established businesses, and research institutions to encourage knowledge exchange and industry partnerships.
- Establish entrepreneurship hubs and innovation centers that provide shared spaces, resources, and support services for startups to thrive.

### **Building great wealth or achieving very high income (rank 47 out of 49):**

While financial gains may not be the primary motivation for Swiss entrepreneurs, policymakers should create an enabling environment that encourages entrepreneurial success and economic growth. This will attract and retain talented individuals who can contribute to Switzerland's prosperity.

#### **Recommendations:**

- Implement tax incentives and supportive regulations for startups and entrepreneurs to encourage investment and risk-taking.
- Enhance business education and entrepreneurial training programs to equip aspiring entrepreneurs with the skills and knowledge necessary to navigate the business landscape.

### **Continuing a family tradition (rank 48 out of 49):**

The low ranking of family tradition implies that entrepreneurs prioritize forging their own path rather than adhering to familial expectations. Policymakers should create an inclusive ecosystem that celebrates individual entrepreneurship while acknowledging the succession planning of Swiss SMEs.

#### **Recommendations:**

- Continuing a family tradition is a viable career path by raising awareness, showcasing success stories, and providing mentorship programs to support aspiring entrepreneurs from various cultural backgrounds.
- Encourage initiatives that celebrate entrepreneurial succession planning, regardless of familial expectations and highlight the positive impacts of entrepreneurial endeavors on society and the economy.



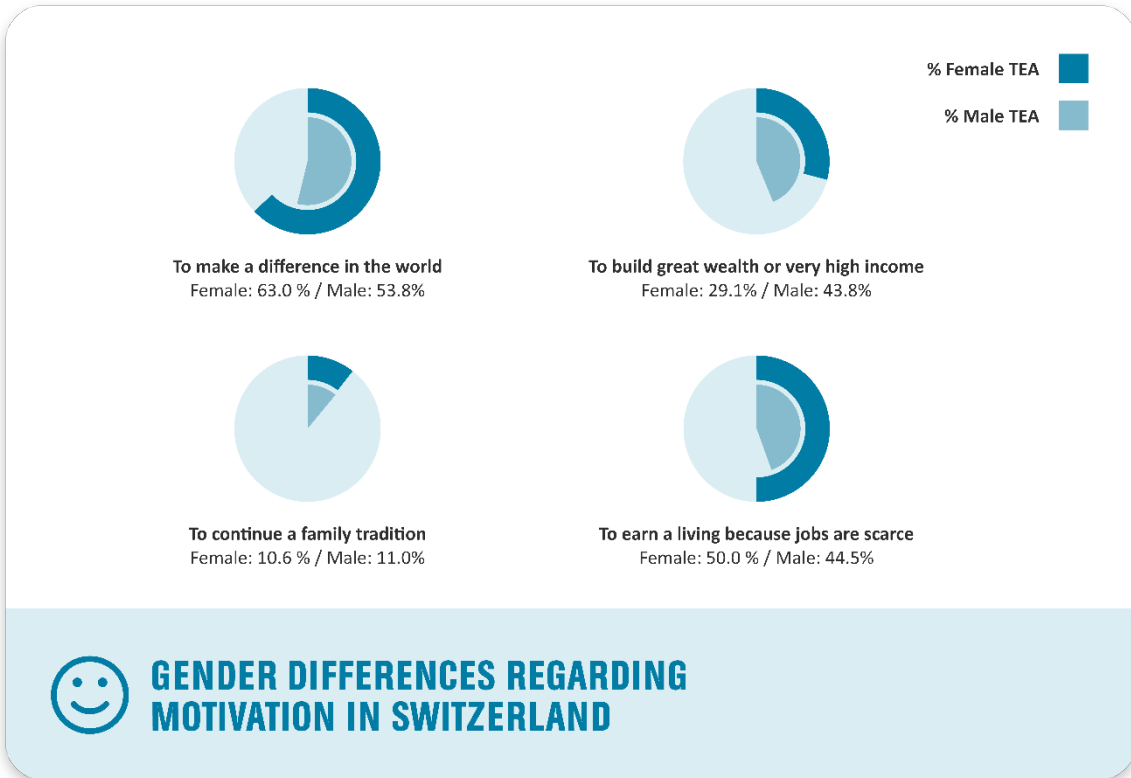


Figure 10: Gender differences regarding motivation

## ENTREPRENEURIAL ACTIVITY

The basic idea of the GEM study has always been to measure entrepreneurial activities across the globe and all stages of economic and social development. Thus, in each participating country, at least 2'000 individuals are surveyed each year in a stratified random sampling design. To determine entrepreneurial activities, individuals are asked whether they are actively engaged in starting or running a new business. Since we are very precise about what it means to be engaged in entrepreneurial activity, we capture unregulated and informal activities and formal company formations. Therefore, the GEM study goes way beyond the reach of official data and formal entrepreneurial activities.

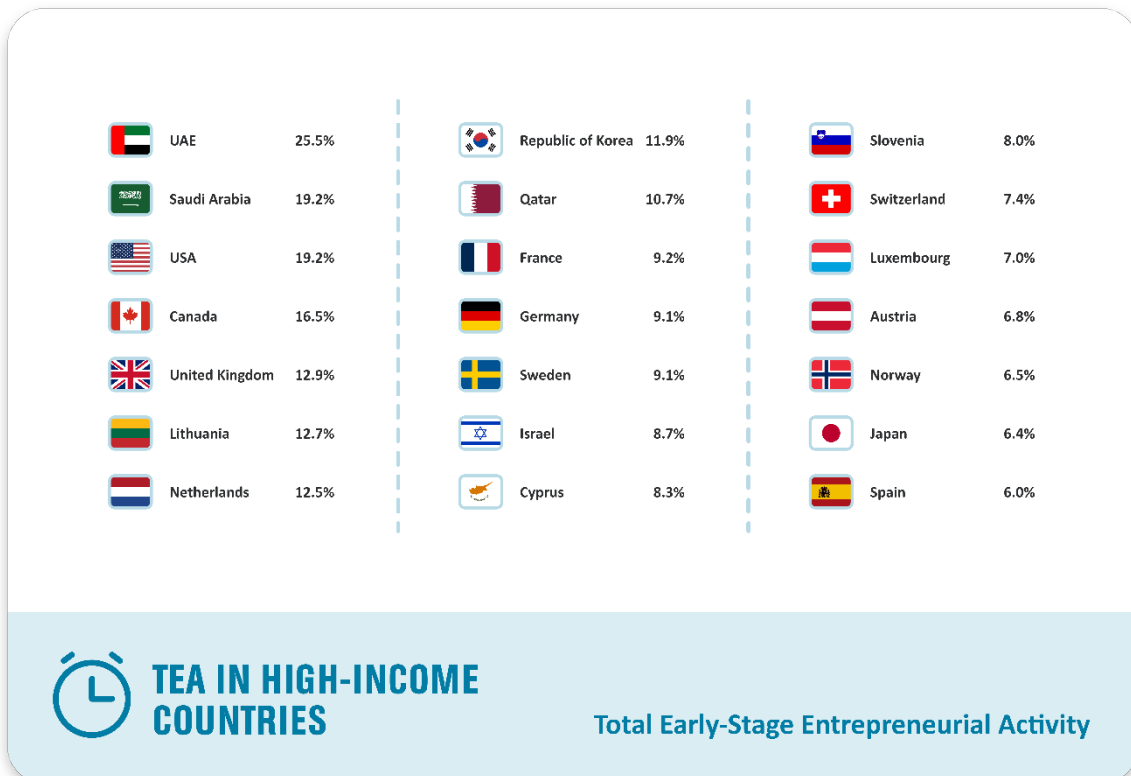


Figure 11: TEA in high-income countries

In Switzerland, 7.4% of the working-age population is involved in an entrepreneurial activity that has paid its employees and founders salaries for less than 42 months. This so-called Total Entrepreneurial Activity (in short: TEA) has returned from 7% to 8%, after rising to almost 10% in the past three years. Nevertheless, the trend of the last 10 years shows an increase in early-stage entrepreneurial activities in Switzerland (see graph on the right). Slightly more than the TEA, namely, 8.2% of the working-age population are owners of businesses that have been paying salaries for more than 42 months and thus are so-called Established Business Owners (in short: EBOs). The EBO rates have tended to decline over the last 10 years compared to the early-stage activities. With these figures for early-stage and established businesses, Switzerland is in the lower midfield of all countries with a high per capita GDP, the so-called level A countries. In North America (Canada and the United States), TEA rates are traditionally high and usually hover around 15%. In the last three years, however, the Gulf states of Qatar (in 2020), Saudi Arabia, and the United Arab Emirates have shared the top spots in the young entrepreneur rates, with TEA rates close to 20%.

In most countries with high per capita GDP, TEA rates are well above EBO rates. For example, North America has almost twice as many young entrepreneurs as established entrepreneurs. Switzerland is an exception here, although even in Switzerland, the trend indicates a rising number of young - and a decline of established entrepreneurs. **A peculiarity that is responsible for the still relatively high rates of established entrepreneurs in Switzerland (as compared to the number of start-ups) is due to the fact that the newly launched entrepreneurial careers are also persistently continued, and there are only a few business exits.** The number of employable persons who have left an entrepreneurial activity in the last 12 months is one of the lowest in Switzerland. In contrast, business exits are among the highest in places with high TEA rates, such as in North America and the Gulf States.

The most common reason for a business exit in the last year in Switzerland was the possibility of selling the business. Almost a third, namely 30.9% of all exits, can be attributed to a sale of the company. In contrast, the unfortunate circumstance that the business is no longer profitable concerns not even a fifth of all business exits, namely 18.9%. Retirement is not an option since only 8.9% of all business exits in Switzerland are related to this reason. Even the Covid pandemic has not left too negative a mark on the Swiss business world: only 16.2% of all business exits were due to the coronavirus.

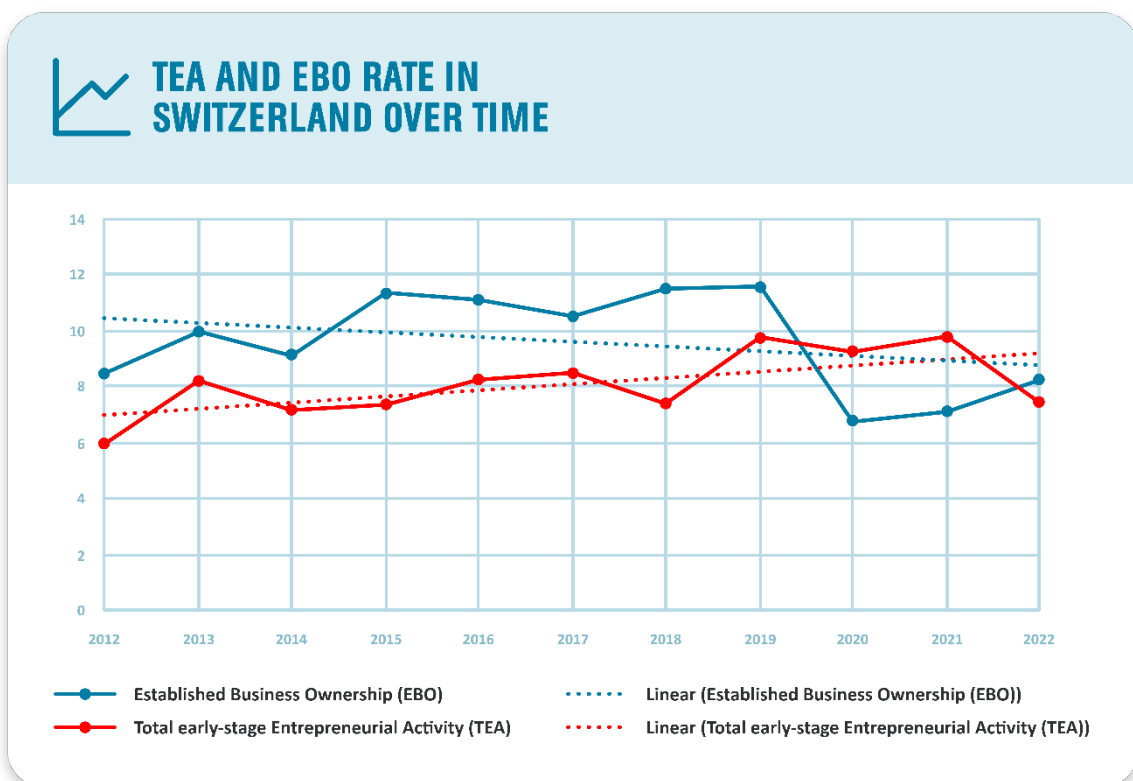
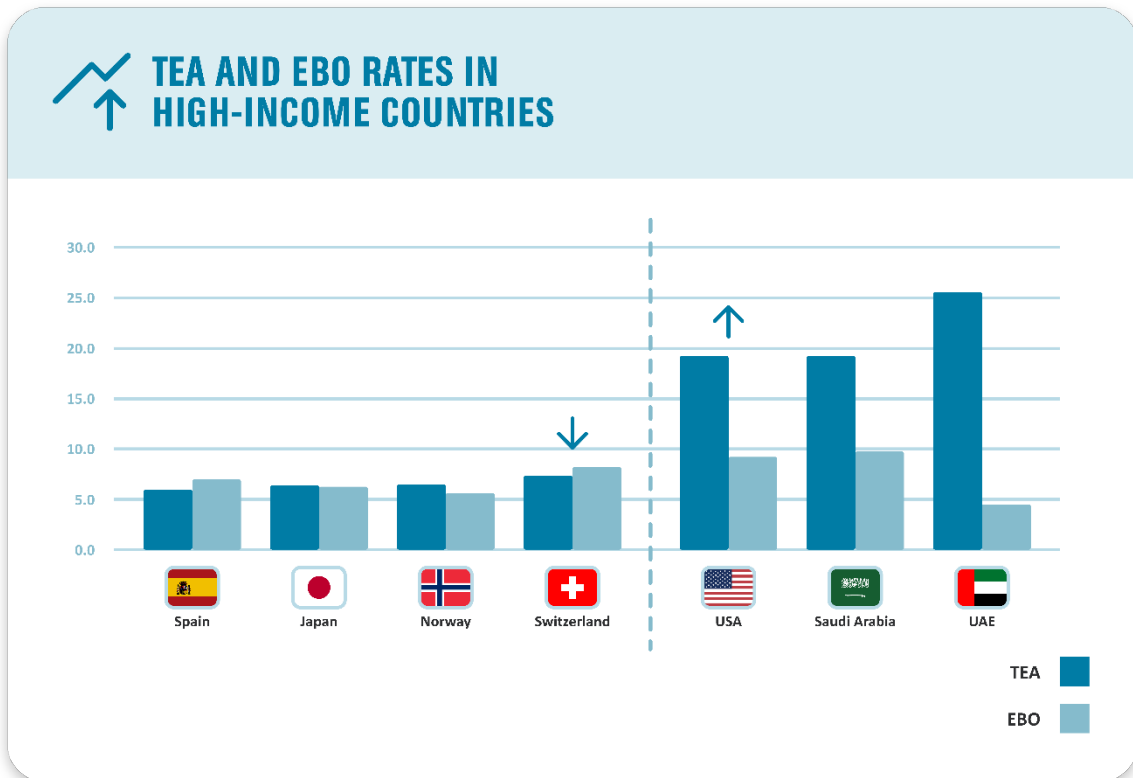


Figure 12: TEA and EBO rate in Switzerland over time

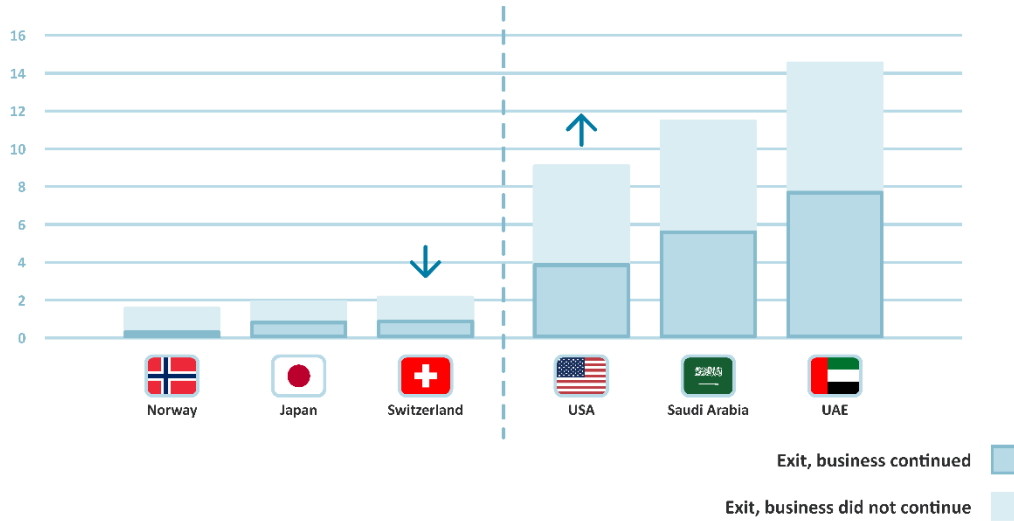


Most new business activities in Switzerland want only limited growth. **A mere 15.5% of the companies paying salaries for less than 42 months intend to employ more than 5 people in the next 5 years.** Also, a vast majority of the companies operate regionally and, at most, nationally. Only 36% of the companies think that they will one day have customers abroad. For a small but open economy like Switzerland's, there is undoubtedly potential for ambitious young entrepreneurial projects in terms of growth.



Graph 13: TEA and EBO rates in high-income countries

## EXIT IN THE INTERNATIONAL CONTEXT



Graph 14: Exit in the international context

## IMPACT – DIGITALIZATION AND SOCIAL AND ENVIRONMENTAL RESPONSIBILITIES

Digitalization is global but highly unequal, with a digital divide evident among societies. However, digitalization is commonly perceived as beneficial for creating competitive advantages. An essential indicator is the proportion of those starting or running a new or established business who expect to use more digital technologies to sell their products or services in the next six months.

In 26 of the 49 economies, over half of those starting or running a new business (Total early-stage Entrepreneurial Activity, TEA) expected to use more digital technologies to sell their products. Interestingly, there was little evidence of any association with income. The highest levels were in Brazil, the United Arab Emirates, Panama, Mexico, Puerto Rico, and Chile: all in Latin America & the Caribbean, except the United Arab Emirates. The lowest levels were in France, Lithuania, and Switzerland. Hence, we are clearly under the average for all high-income economies (48.5%).

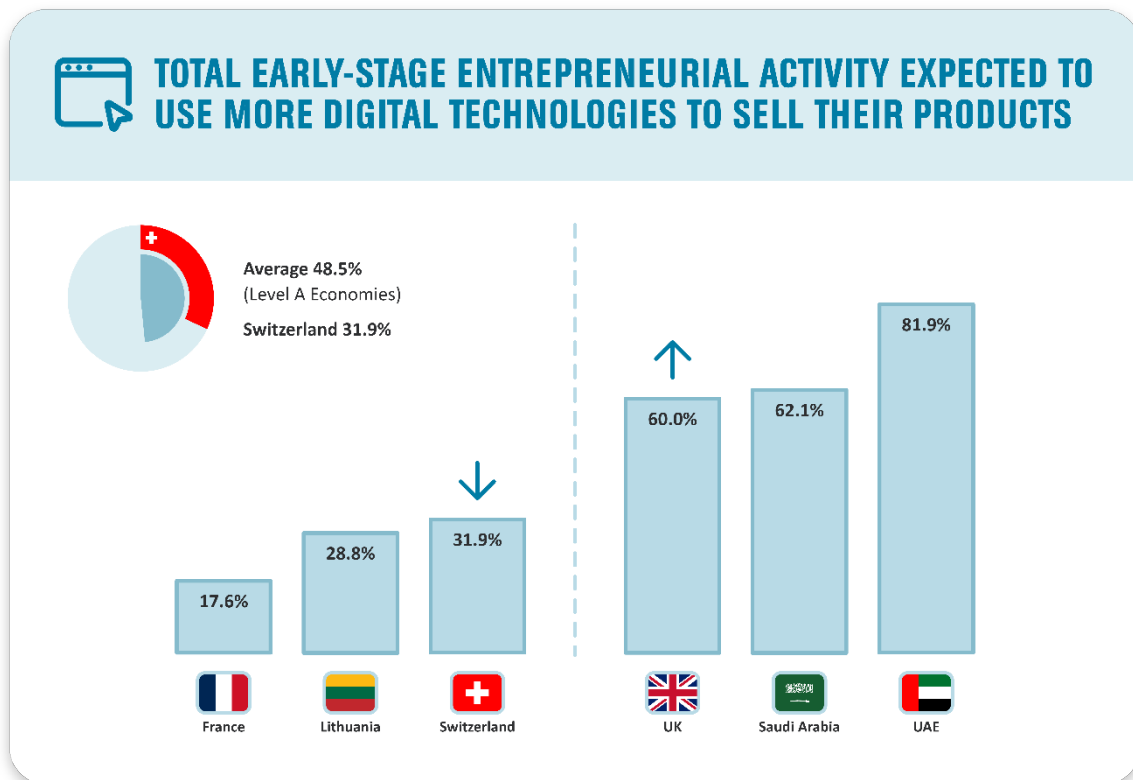


Figure 15: Total early-stage Entrepreneurial Activity (TEA) expected to use more digital technologies to sell their product

Established Business Ownership (EBO) displays a similar if slightly diluted pattern, with the highest levels of those expecting to use more digital technology to sell in the United Arab Emirates, Mexico, Saudi Arabia, Brazil, and Venezuela: an interesting mix of Latin American and Gulf economies. The lowest levels were in Poland, Togo, Hungary, Austria, and Switzerland. Hence, the results for Switzerland show that the application of digitalization for business must be increased in the future.

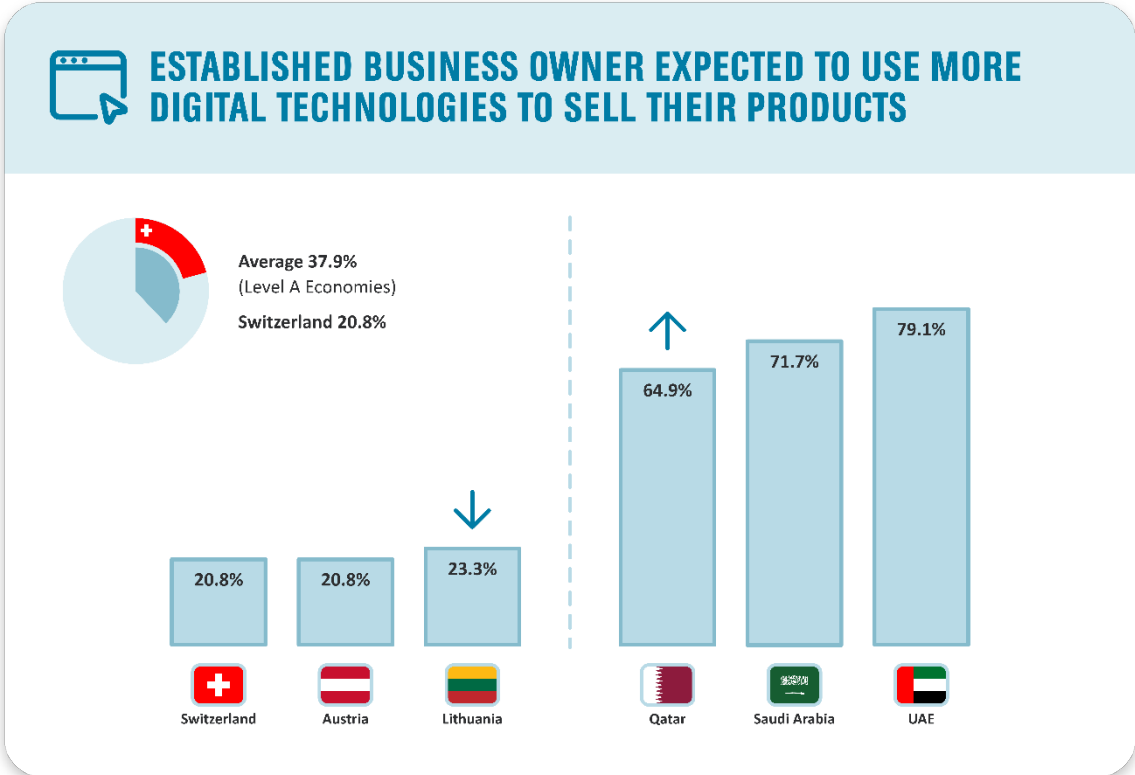


Figure 16: Established business owner (EBO expected to use more digital technologies to sell their product

Swiss entrepreneurs demonstrated that many contemporary new businesses are motivated to make a difference in the world, as well as by income and wealth. A substantial proportion of new and established entrepreneurs explicitly include social and environmental considerations in their decision-making, and some are aware of the United Nations Sustainable Development Goals (SDGs).

One third of the TEA-rate are aware of the SDGs. Hence, we have still to communicate about the SDGs in our entrepreneurial ecosystem, especially by comparing to people involved in early-stage activities in Norway (61.3%).

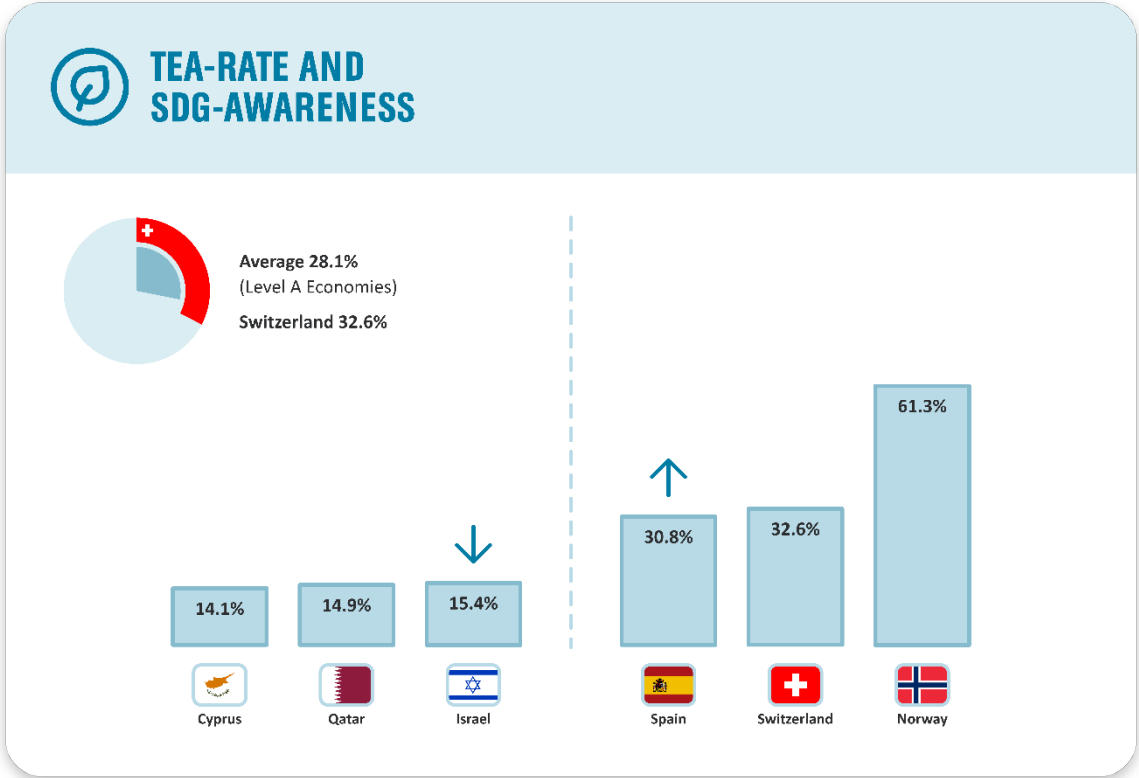


Figure 17: TEA-rate and SDG-Awareness

In addition, 75.3% of the new venture founders consider environmental implications and 71.4% look to social implications in their business. Hence, Switzerland has a slightly higher percentage than our neighbors and most of the high-income countries. Overall, the results are satisfying, but there is still potential to improve.

## ENTREPRENEURIAL FRAMEWORK CONDITIONS<sup>1</sup>

The rankings on entrepreneurial framework conditions provide insights into Switzerland's entrepreneurial ecosystem. They also highlight areas to focus efforts on for further strengthening the entrepreneurial landscape and supporting aspiring entrepreneurs. Based on the expert ratings of the Entrepreneurial Framework Conditions (EFCs) in Switzerland, some highlights are indicated below.

A1. Entrepreneurial Finance: Ranked 3rd out of 22 (6.4/10). This ranking indicates that Switzerland provides relatively good access to entrepreneurial finance. However, policymakers should focus on maintaining and expanding access to funding options, especially post-seed funding for startups and entrepreneurs.

A2. Ease of Access to Entrepreneurial Finance: Ranked 4th out of 22 (5.6/10). This suggests that while there is relatively good access to entrepreneurial finance in Switzerland, there is room for improvement. Efforts should be made to enhance access to funding for entrepreneurs and startups to further support their growth and innovation.

B1. Government Policy: Support and Relevance: Ranked 8th out of 22 (5.5/10). The rating indicates that government policies in Switzerland support entrepreneurs and are reasonably relevant. However, policymakers should consider implementing policies stimulating entrepreneurship and creating an enabling environment for startup success.

B2. Government Policy: Taxes and Bureaucracy: Ranked 3rd out of 22 (6.2/10). The ranking suggests Switzerland has relatively favorable tax policies and a manageable bureaucratic environment for entrepreneurs. However, continuous efforts are necessary to simplify administrative processes and further reduce regulatory burdens for entrepreneurs.

C. Government Entrepreneurial Programs: Ranked 5th out of 22 (6.5/10). This rating reflects the effectiveness of government programs supporting entrepreneurship in Switzerland. It suggests that Switzerland offers a decent range of programs to foster entrepreneurial activities, but there is still room for improvement to support aspiring entrepreneurs better.

D1. Entrepreneurial Education at School: Ranked 11th out of 22 (3.6/10). The rating indicates that entrepreneurial education at Switzerland's schools is relatively inadequate. Efforts should be made to incorporate entrepreneurship into the education system and provide opportunities for young people to develop entrepreneurial skills and mindsets.

D2. Entrepreneurial Education Post-School: Ranked 6th out of 22 (5.7/10). Switzerland fares better in providing entrepreneurial education beyond the school level. However, there is still potential for improvement by expanding and enhancing entrepreneurship training programs for aspiring entrepreneurs and individuals in the workforce.

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<sup>1</sup> GEM (Global Entrepreneurship Monitor) (2023). Global Entrepreneurship Monitor 2022/2023 Global Report: Adapting to a "New Normal." London: GEM



E. Research and Development Transfers: Ranked 3rd out of 22 (6.0/10). This rating suggests that Switzerland has a favorable environment for research and development transfers. Efforts should continue to facilitate knowledge transfer and collaboration between research institutions and businesses to drive innovation and commercialization of research findings.

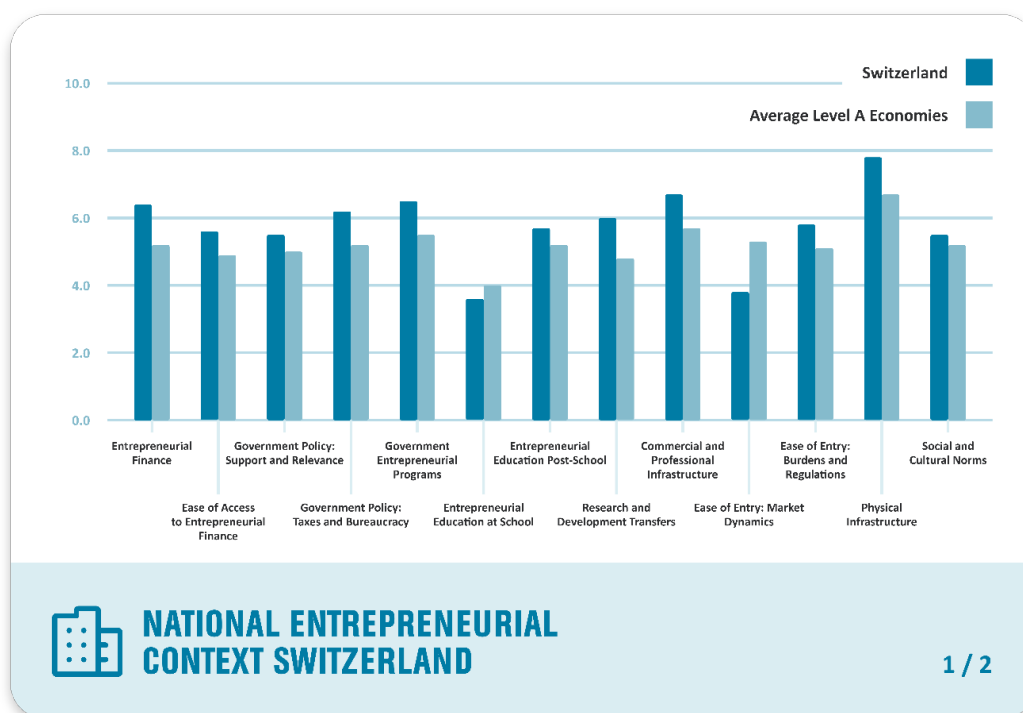
F. Commercial and Professional Infrastructure: Ranked 2nd out of 22 (6.7/10). Switzerland provides a robust commercial and professional infrastructure supporting entrepreneurial activities. This ranking highlights the country's rich business ecosystem and available resources for startups and entrepreneurs.

G1. Ease of Entry: Market Dynamics: Ranked 18th out of 22 (3.8/10). The rating suggests that Switzerland faces challenges in terms of market dynamics, indicating a need for measures to enhance market competitiveness, foster innovation, and create favorable conditions for new market entrants.

G2. Ease of Entry: Burdens and Regulations: Ranked 5th out of 22 (5.8/10). While there is some ease of entry regarding burdens and regulations, policymakers should work on further simplifying regulatory processes and reducing barriers to entry for entrepreneurs.

H. Physical Infrastructure: Ranked 1st out of 22 (7.8/10). Switzerland boasts an excellent physical infrastructure for entrepreneurial activities. This high ranking indicates the presence of a high-quality infrastructure supporting business and entrepreneurial needs.

I. Social and Cultural Norms: Ranked 10th out of 22 (5.5/10). This rating suggests that Switzerland possesses average social and cultural norms related to entrepreneurship. Promoting entrepreneurial values and fostering a supportive culture for risk-taking and innovation could further encourage entrepreneurial endeavors.



Graph 18: National Entrepreneurial Context Switzerland

## THE DEEP DIVE OF THE ENTREPRENEURIAL FRAMEWORK CONDITIONS IN SWITZERLAND

The table below illustrates the changes in the values of each Entrepreneurial Framework Condition (EFC) between 2018 and 2022. The cells highlighted in green indicate EFC values that are above average, indicating sufficient conditions. On the other hand, the cells highlighted in orange indicate insufficient conditions, with scores falling below the average. Additionally, blue and red arrows signify whether there has been an improvement or a decline in the EFC score from one year to the next.

EFCs	Score				
	2018	2019	2020	2021	2022
Entrepreneurial Finance	4.6 ↗	5.5 ↗	5.7 ↗	5.8 ↗	6.4
Ease of Access to Entrepreneurial Finance				5.2 ↗	5.6
Government Policy: Support and Relevance	4.6 ↗	5.8 ↘	4.8 ↗	5.1 ↗	5.5
Government Policy: Taxes and Bureaucracy	4.8 ↗	6.2 ↘	5.6 ↗	6.3 ↘	6.2
Government Entrepreneurial Programs	5.7 ↗	6.1 ↘	5.8 ↗	6.2 ↗	6.5
Entrepreneurial Education at School	3.4 ↗	4.6 ↘	3.1 ↗	3.6	3.6
Entrepreneurial Education Post-School	5.3 ↗	6.3 ↘	5.2 ↘	4.9 ↗	5.7
Research and Development Transfers	5.4 ↗	6.4 ↘	5.5 ↗	6.1 ↘	6.0
Commercial and Professional Infrastructure	5.8 ↗	6.4 ↗	6.6 ↘	6.1 ↗	6.7
Ease of Entry: Market Dynamics	4.5	4.5 ↘	3.7 ↘	3.5 ↗	3.8
Ease of Entry: Burdens and Regulations	4.8 ↗	5.5 ↘	5.2 ↗	5.5 ↗	5.8
Physical Infrastructure	7.9 ↗	8.6 ↘	7.6 ↗	7.9 ↘	7.8
Social and Cultural Norms	4.6 ↗	6.7 ↘	6.1 ↘	5.3 ↗	5.5

Sufficient conditions

Insufficient conditions


 **NATIONAL ENTREPRENEURIAL CONTEXT SWITZERLAND** 2 / 2

Table 1: Entrepreneurial Framework Conditions (EFC) 2018 - 2022

### Nurturing Entrepreneurial Finance: A Positive Trend in Switzerland

The progression of scores over the past five years reflects a favorable trend in entrepreneurial finance in Switzerland. This positive development indicates the country's commitment to nurturing and supporting the financial needs of startups and entrepreneurs. The rising scores signify improved availability and accessibility of entrepreneurial venture-funding options, capital, and financial resources. The increasing trend in entrepreneurial finance has several implications for Switzerland's entrepreneurial ecosystem:



**Enhanced Access to Capital:** The improving scores suggest that startups and entrepreneurs have better access to the necessary capital to fuel their innovative ideas and business ventures. This access to capital allows them to scale their operations, invest in research and development, and drive economic growth.

**Investor Confidence:** The rising scores indicate increased investor confidence in the Swiss startup ecosystem. As entrepreneurial finance improves, investors are more willing to invest in promising startups, leading to a vibrant investment landscape and the potential for higher returns on investment.

**Ecosystem Maturity:** The positive trend in entrepreneurial finance highlights the maturing of Switzerland's entrepreneurial ecosystem. The availability of funding options and financial resources supports the growth and sustainability of startups, fosters a competitive business environment, and attracts entrepreneurial talent.

To further strengthen the entrepreneurial finance landscape in Switzerland, policymakers should consider the following recommendations:

**Foster Collaboration:** Encourage collaboration between financial institutions, venture capitalists, angel investors, and startups to facilitate knowledge-sharing, networking, and investment opportunities. Strengthening these connections will enhance the flow of capital and foster an ecosystem of support for entrepreneurial finance.

**Promote Investor Education:** Develop programs that educate investors about the benefits and risks of investing in startups. This will enhance investor awareness, attract more investment into the entrepreneurial sector, and foster a supportive investment climate.

**Streamline Regulations:** Continue to streamline regulatory processes and reduce administrative burdens for startups and investors. Simplifying financing, investment, and taxation regulations will create a favorable environment for entrepreneurial finance.

**Expand Funding Programs:** Increase the availability of funding programs tailored to support startups at different stages of growth. This can include grants, loans, and incentives specifically designed to address the funding needs of innovative and high-potential ventures.

## **Strengthening Entrepreneurial Education in Switzerland: Addressing the Need for Improvement**

The scores over the past five years reveal a mixed picture in terms of entrepreneurial education at the primary and secondary school levels in Switzerland. While slight fluctuations have occurred, the overall scores indicate room for improvement in integrating entrepreneurial education into the school curriculum. Implications of the scores:



**Need for Early Exposure:** The scores suggest a need to introduce entrepreneurial concepts and skills at an early stage of education. By doing so, Switzerland can foster an entrepreneurial mindset and nurture creativity, problem-solving abilities, and a risk-taking attitude essential for future entrepreneurs.

**Relevance and Effectiveness:** The scores indicate that the relevance and effectiveness of entrepreneurial education in Swiss schools need attention. Efforts should be made to align the curriculum with the evolving needs of the entrepreneurial landscape, providing students with practical knowledge, experiential learning opportunities, and exposure to real-world entrepreneurship.

**Collaboration with Industry:** Collaboration between schools and industry stakeholders can significantly enhance the impact of entrepreneurial education. Partnerships with local businesses, startups, and entrepreneurs can offer students valuable insights, mentorship, and hands-on experiences, bridging the gap between classroom learning and real-world entrepreneurial challenges.

To strengthen entrepreneurial education at the primary and secondary school levels in Switzerland, policymakers should consider the following recommendations:

**Curriculum Enhancement:** Review and update the curriculum to incorporate relevant entrepreneurial concepts and skills. Integrate practical activities, case studies, and entrepreneurial projects to engage students and foster their entrepreneurial mindset and competencies.

**Teacher Training and Professional Development:** Provide comprehensive training and professional development programs for teachers to equip them with the necessary knowledge, pedagogical approaches, and resources to deliver entrepreneurial education effectively. Encourage collaboration and knowledge-sharing among educators to enhance the quality and impact of entrepreneurial education.

**Public-Private Partnerships:** Foster partnerships between schools, universities, and the business community to facilitate experiential learning, mentorship programs, and entrepreneurial events. Engage local entrepreneurs and business leaders to share their experiences and inspire students to pursue entrepreneurial ventures.

**Awareness Campaigns:** Conduct awareness campaigns to highlight the importance and benefits of entrepreneurial education. Engage parents, students, and the broader community in understanding the value of entrepreneurial skills in personal, academic, and professional development.

## **Enhancing Ease of Entry: Fostering a Competitive Business Environment in Switzerland**

This policy brief addresses ease of entry: market dynamics in Switzerland over the past five years highlight the need to foster a more favorable business environment. Switzerland currently ranks 18th out of 22 countries in terms of ease of entry. This brief aims to provide concise recommendations to enhance market dynamics and facilitate ease of entry for entrepreneurs and businesses.



Given the lower ranking, policymakers must recognize the challenges and take proactive measures to address them. Enhancing market dynamics and facilitating ease of entry requires a comprehensive approach involving regulatory reforms, providing support for startups, strengthening infrastructure, and fostering collaboration among stakeholders.

By implementing targeted policies and initiatives to improve the business environment, reduce barriers to entry, and enhance market access, Switzerland can create a more favorable landscape for entrepreneurs and businesses. This will stimulate innovation, attract investments, and contribute to economic growth and prosperity.

It is essential for policymakers to collaborate with various stakeholders, including industry experts, entrepreneurs, and academic institutions, to design and implement effective strategies that address the specific challenges Switzerland faces regarding market dynamics and ease of entry.

To strengthen ease of entry in Switzerland, policymakers should consider the following recommendations:

**Regulatory Reforms:** Simplify administrative procedures, reduce bureaucratic burdens, and streamline regulations to create a business-friendly environment. Enhance transparency and clarity to provide certainty for entrepreneurs.

**Entrepreneurship Education:** Strengthen entrepreneurial education at all levels, including primary, secondary, and tertiary institutions. Promote entrepreneurship as a viable career option and provide students with the necessary skills and knowledge.

**Support for Innovation:** To stimulate innovation and foster collaboration between businesses, academia, and research institutions. Promote technology transfer, support incubators and accelerators, and establish networks of knowledge-sharing and cooperation.

## Promoting Entrepreneurial Cultural Openness in Switzerland: The Pathway to a Vibrant Business Environment

The scores indicate a mixed pattern in social and cultural norms in Switzerland over the past five years. While there has been progress in certain areas, there is still work to be done to enhance cultural openness towards entrepreneurship. Moreover, Switzerland's rank of 10th out of 22 countries suggests the need for concerted efforts to cultivate a more vibrant and inclusive entrepreneurial ecosystem. Implications of the scores for social and cultural norms:

**Promoting an Entrepreneurial Mindset:** The upward trend from 2018 to 2019 reflects a positive shift towards embracing an entrepreneurial mindset in Swiss society. However, the subsequent decline in scores in 2020 and 2021 signals the importance of sustained efforts to cultivate a culture that supports entrepreneurship and innovation.



**Embracing Diversity:** Cultural openness towards entrepreneurship necessitates embracing diversity and inclusivity. Therefore, efforts should be directed toward fostering an environment where individuals from diverse backgrounds, including women, minorities, and immigrants, feel encouraged and supported in their entrepreneurial pursuits.

**Entrepreneurial Role Models:** Encouraging and showcasing successful entrepreneurial role models can inspire aspiring entrepreneurs and shape cultural perceptions. Highlighting the stories of successful Swiss entrepreneurs can demonstrate the potential rewards and benefits of entrepreneurial ventures, fostering a culture that celebrates entrepreneurship.

To foster a more entrepreneurial cultural openness in Switzerland, policymakers should consider the following recommendations:

**Entrepreneurship Education:** Integrate entrepreneurial education into school curricula at all levels to instill an entrepreneurial mindset and provide students with the necessary skills and knowledge to pursue entrepreneurial endeavors.

**Awareness Campaigns:** Launch public awareness campaigns to promote the benefits of entrepreneurship and the importance of cultural openness. Highlight success stories of diverse entrepreneurs to inspire and challenge cultural norms.

**Supportive Ecosystem:** Develop a supportive ecosystem that provides mentorship, networking opportunities, and access to funding for aspiring entrepreneurs. Facilitate partnerships between industry, academia, and government to create an environment conducive to entrepreneurship.

**Diversity and Inclusion Initiatives:** Implement initiatives that promote diversity and inclusion in entrepreneurship, ensuring equal opportunities for individuals from all backgrounds. Provide resources and support networks specifically targeted towards under-represented groups.



## GENERAL REFLECTIONS AND RECOMMENDATIONS

**TEA rate and GDP per capita.** The challenge for Switzerland is the comfort zone for entrepreneurial behavior and how the high-income level moderates entrepreneurial activities in Switzerland. The correlation between high GDP per capita and low TEA rates is challenging for some countries, like Switzerland, Luxembourg, or Norway. The question is, how could we increase the TEA rate in a future driven by an entrepreneurial ecosystem and based on opportunity entrepreneurship?

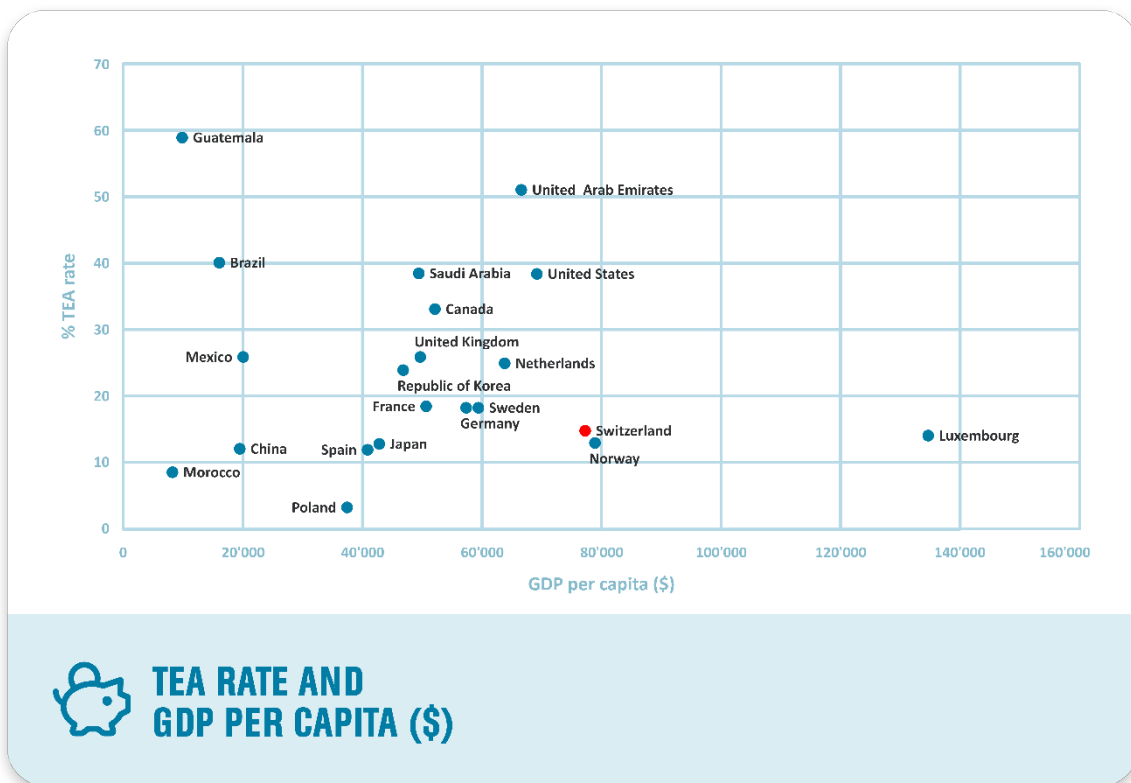


Figure 19: TEA rate and GDP per capita (\$)

**Women entrepreneurs and diversity.** Awareness of the importance of women entrepreneurs is increasing. However, the support of entrepreneurial activities in Switzerland rests firmly on the support of technology-based (often also high-tech) start-ups and projects. The probability of women entrepreneurs in these sectors is lower and it is normal for women working on entrepreneurial projects to receive less support. Nevertheless, the entrepreneurial ecosystem in Switzerland has developed impressively in the last few years. The added value to an entrepreneurial ecosystem of women entrepreneurs, with their higher motivation to make a difference in the world, is shown in the new report.

**Stability of the Swiss entrepreneurial ecosystem:** Serial entrepreneurs have experience in dealing with failures and show how resilience is a crucial role model. The feeling is that if you have never experienced failure, you need to be more innovative. To spur entrepreneurial activity, corporations, investors, and government must be disruptive and adopt a new approach to investing in and funding new businesses. They must back entrepreneurs and encourage them to experiment, even if they fail the first time. The Swiss ecosystem should accept a high chance that a first venture will fail but recognize that this is a necessary part of the entrepreneurial journey.

**SMEs, family tradition, and succession as the new venture creation:** Entrepreneurial behavior in large organizations and public institutions plays a significant role, particularly when supported by an entrepreneurial ecosystem with start-ups and dynamic SMEs. The number of career transitions experienced by individuals is already on the increase, and technology is disrupting traditional patterns in many industries. While the changing world environment presents challenges of varying natures and magnitudes, it also offers opportunities – particularly for innovative and dynamic entrepreneurs.

**Informal investment, pension funds, and business angels:** Informal investments and investments of family offices are an important factor in Switzerland's financial and entrepreneurial ecosystem and are an add-on to pension funds investing in private equity and venture capital. The focus of their investment should be to allow and enhance their internationalization for the growing stage of the company to create a more significant impact on the local economy and society. Switzerland has both the technological potential and the financial resources to finance promising projects. Pension funds have accumulated around CHF 100 billion in investable capital. Promoting venture capital from pension funds with a professional V.C. system would be necessary.

**Strengthening SME succession as a start-up option in family businesses.** In principle, more robust SME networking within the start-up world is essential. It creates personal relationships and new networks over an extended period, and entrepreneurs can fall back on these in a handover situation. In the case of family businesses, digitalization is currently a core issue with a great need for action in business succession. Many companies have not yet taken full advantage of the opportunities offered by digitalization (Since the next generation is regarded as "digitally savvy," development processes are also expected here in the next few years.)

**Entrepreneurial education – and entrepreneurship as a career opportunity.** GEM research has confirmed a positive link between training in starting a business and entrepreneurial behavior, which is only sometimes visible in the short run. Practical and interactive business and entrepreneurship training programs at secondary schools are essential in encouraging effective youth entrepreneurship. A lifecycle-based approach to entrepreneurship should be the backbone of support programs. Understanding the specific needs of start-up development, growth, and change is critical.



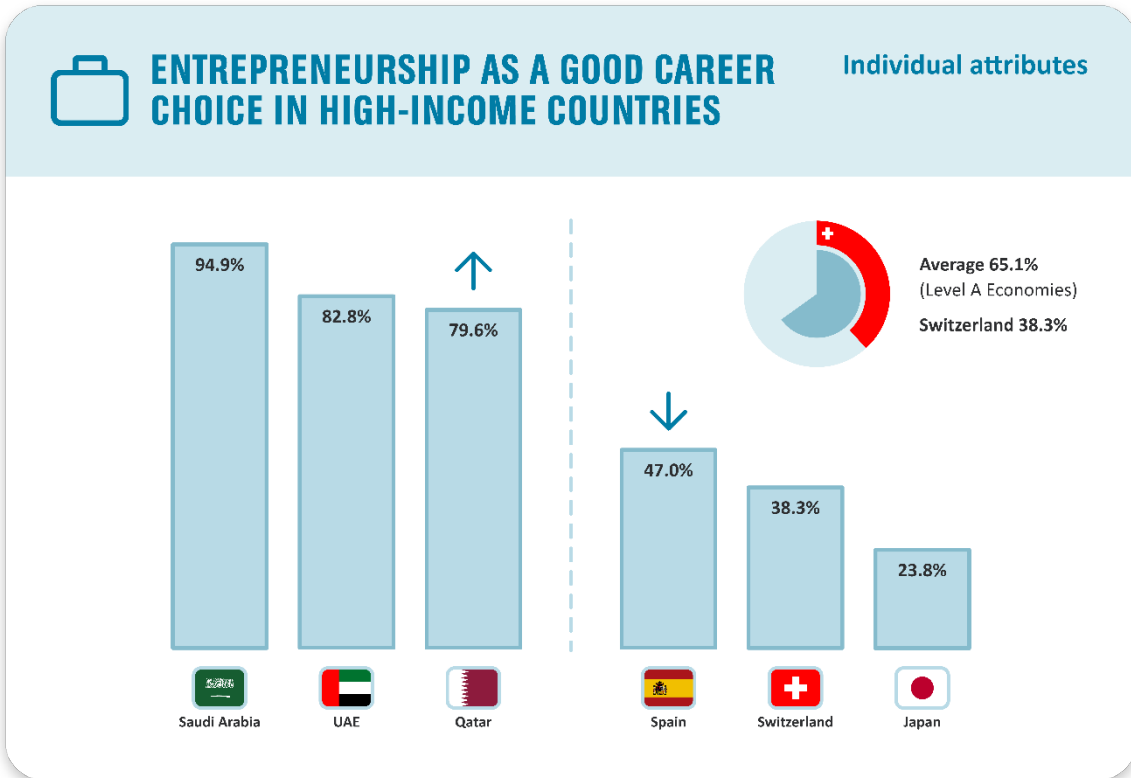


Figure 20: Entrepreneurship as a good career choice in high-income countries

Only 38.3% of the interviewed Swiss population see entrepreneurship as a good career choice and clearly above the average of high-income economies (Level A). All European countries have given it higher importance. Only Japan evaluated entrepreneurship as a weaker career choice.

Education in entrepreneurship at the school level should equip learners with crucial business skills. It is imperative, however, that teachers in these courses are well-trained. Schools must also actively promote entrepreneurship as a career path – inviting successful young entrepreneurs to participate in the educational program. Internships, especially inside start-ups and SMEs, should be provided for young adults interested in entrepreneurship. A culture of experiential learning allows young people to learn from the professional world and decrease the fear of failure.