



GLOBAL ENTREPRENEURSHIP MONITOR SWITZERLAND 2023/2024



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SUPSI

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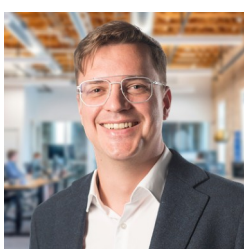
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INTRODUCTION

The **Global Entrepreneurship Monitor (GEM) 2023/2024 Switzerland report** offers a comprehensive analysis of Switzerland's entrepreneurial environment, presenting a nuanced view that blends the strengths of its established infrastructure with areas requiring strategic improvement. This report evaluates Switzerland's performance across the **13 Entrepreneurial Framework Conditions (EFCs)**, which include factors like **Entrepreneurial Finance**, **Government Policy**, and **Market Dynamics**, offering a detailed look at the nation's readiness to support and sustain entrepreneurial activity.

The entrepreneurial landscape in Switzerland, as assessed by the Global Entrepreneurship Monitor (GEM) 2023/2024 report, presents a nuanced picture. Switzerland ranked 9th in the National Entrepreneurship Context Index (NECI) among 49 economies¹. Since 2019, Switzerland's entrepreneurial framework condition has decreased compared to other High-Income countries.

Despite Switzerland's traditionally strong economic indicators, the report highlights **significant challenges in entrepreneurial education** at the primary and secondary levels and **regulatory barriers** that complicate new businesses' market entry. Addressing regulatory burdens and market dynamics to make entry more accessible to new firms could improve Switzerland's entrepreneurial environment.

¹ GEM (Global Entrepreneurship Monitor) (2023). Global Entrepreneurship Monitor 2023/2024 Global Report: 25 Years and Growing. London: GEM.

Specifically, the nation's low rankings in these areas indicate the need for targeted reforms to foster a more supportive entrepreneurial climate. Developing comprehensive entrepreneurial curricula at the school level, including soft skills and real-world business projects, can strengthen foundational knowledge and interest in entrepreneurship. The primary and secondary levels curriculum does not sufficiently prepare students for entrepreneurship.

Some key strengths are the robust availability and quality of infrastructure necessary for business operations or the effective mechanisms to transfer research into commercial ventures. Ease of Entry and Market Dynamics are increasingly seen as weaknesses. Conversely, Switzerland excels in **Physical Infrastructure, Research and Development Transfers,** and **Commercial and Professional Infrastructure.** These strengths reflect the country's ability to provide a conducive environment for business operations, characterized by high-quality facilities and effective support systems for innovation.

A critical development in 2023 has been the launch of the **"Swiss Accelerator"** program, which aims to enhance support for high-potential startups through financial assistance and strategic initiatives. This move, along with revisions to the Federal Act on the Promotion of Research and Innovation (RIPA), underscores a proactive approach by Swiss policymakers to invigorate the entrepreneurial landscape.

The GEM report also sheds light on the public's perception of entrepreneurship in Switzerland. While there is a strong recognition of entrepreneurial opportunities, **societal support and resources for women entrepreneurs** remain areas where improvement is necessary to ensure equitable access and support.

As Switzerland navigates the post-pandemic recovery and adapts to a rapidly changing global economy, this GEM report serves as a crucial resource for understanding the dynamics of its entrepreneurial framework. It provides valuable insights for policymakers, educators, and entrepreneurs seeking to enhance Switzerland's position as a leading hub of innovation and entrepreneurship.

KEY MESSAGES

The Swiss GEM report for 2023/2024 provides a comprehensive analysis of the entrepreneurial landscape in Switzerland, revealing key characteristics and challenges faced by entrepreneurs in the region. It examines aspects like demographic profiles, opportunity recognition, and the sustainability of established businesses.

Key Messages from the Swiss GEM Report:

- 1. Profile of the Swiss Entrepreneur:** Analysis from the 2023 Adult Population Survey highlights the typical Swiss entrepreneur as predominantly male (53%) and well-educated, with nearly half holding at least a bachelor's degree. These entrepreneurs are generally older, with a significant portion being over 35 years old, suggesting entrepreneurship is favored by more experienced individuals. Financially, they are well-off, with 70% earning over 91,000 CHF annually. A notable portion (44.8%) is engaged in the business services sector, reflecting the sector's attractiveness.
- 2. Opportunity Recognition:** About 52.5% of the Swiss population recognizes good business opportunities within their region, indicating a stable upward trend in entrepreneurial perception since 2002. This rate positions Switzerland on par with the USA and France and ahead of Italy and Germany. However, there is a significant difference in opportunity recognition between Switzerland's German-speaking and Latin parts, with 60.3% in German-speaking regions versus 34.9% in French-speaking and 21.3% in Ticino.
- 3. Job Stability and Expectations:** Currently, 46% of Swiss entrepreneurs manage between 1 and 5 jobs, and a similar percentage is expected to maintain this employment level over the next five years. This indicates a stable professional outlook in which entrepreneurs balance multiple roles effectively.
- 4. Challenges in Established Business Ownership:** Switzerland's Established Business Owners (EBO) rate is relatively low at 5.8%, suggesting challenges in transitioning startups to stable, mature businesses. This rate is higher than that of some countries like Germany and Israel but falls significantly below that of leaders like South Korea. This disparity suggests that while starting businesses is achievable, sustaining them poses more significant challenges.

5. **Business Exits and Transition:** Switzerland demonstrates a relatively stable business environment with low business exit rates due to closure at 2.1% and transitions under new ownership at 1.4%. Most exits are motivated by more stable employment or retirement opportunities, indicating a dynamic job market and an aging entrepreneur demographic. Compared to neighboring countries, Switzerland shows fewer exits due to financial issues, reflecting a more supportive economic and regulatory environment.
6. **Digital adoption among Swiss early-stage entrepreneurs** is consistent, slightly increasing from 31.0% in 2022 to 31.9% in 2023, suggesting a mature but potentially underleveraged digital infrastructure. Swiss established business owners also show a growing recognition of digital benefits, with an increase in digital technology use expected from 20.8% to 29.1% in the coming year.
7. **Awareness of the UN Sustainable Development Goals (SDGs)** among Swiss entrepreneurs has increased, indicating a positive trend towards sustainable business practices, which may offer competitive advantages in a global market increasingly focused on sustainability.
8. **Challenge in Access to Entrepreneurial Finance:** Switzerland ranks 8th out of 16 in ease of access to entrepreneurial finance, having slipped four positions compared to the previous year. This decline indicates a need for policymakers to focus on improving the accessibility of funding options for entrepreneurs across various sectors, not just in technology. The slight decrease in the ranking for entrepreneurial finance from the previous year further underscores the urgency of addressing these challenges to maintain Switzerland's competitiveness.
9. **Government Policy and Entrepreneurial Support:** The ratings for government policy support and relevance, as well as taxes and bureaucracy, indicate that while Switzerland provides a reasonably supportive environment for entrepreneurs, there is room for improvement. Both areas are ranked 6th out of 16, suggesting that while the policies are supportive, other high-income countries are improving faster. This calls for simplifying administrative processes and reducing regulatory burdens to keep pace with global best practices and foster a more dynamic entrepreneurial environment.
10. **Educational Infrastructure for Entrepreneurship:** There is a stark contrast in the effectiveness of entrepreneurial education at the school level versus post-school. Entrepreneurial education in schools is notably weak, ranking 10th out of 16, indicating

inadequate preparation for young people in entrepreneurship. In contrast, post-school entrepreneurial education is much more robust, ranking 4th out of 16. This suggests that while there are good opportunities for learning and development in entrepreneurship after school, significant improvements are needed at the school level to build a solid foundation for future entrepreneurs.

In summary, the 2023 Swiss GEM report highlights Switzerland's mature, well-educated, and financially stable entrepreneurial demographic. Despite initial solid business opportunities and a stable job management outlook, there are evident challenges in maintaining long-term business success, particularly in transitioning startups to established businesses. This insight underscores the need for targeted support to enhance business sustainability in the Swiss entrepreneurial ecosystem.

PART 1: ENTREPRENEURIAL ATTITUDES AND PERCEPTIONS

Potential entrepreneurs must be able to identify business opportunities in the region where they operate and then be convinced that they have the necessary skills and knowledge to take advantage of these opportunities. Two of the most critical measures in the GEM project are the working population's perceptions of whether they see good opportunities for starting a business in their area of residence and whether they believe they have the necessary knowledge and skills to start a business.

A good half of the Swiss population (52.5%) recognize good business opportunities in the area in which they live. In this respect, we have been on a stable upward trend since the first measurement in 2002, when it was just under a third of the population, even if this upward trend has varied at times and been interrupted by incidents such as the COVID-19 pandemic. In an international comparison, this puts us on par with the USA or our neighboring country, France, and, for example, is significantly stronger than our neighbors Italy and Germany. Slightly less than half of the Swiss population (44.89%) are confident they have the knowledge and skills necessary for business creation. Although this value puts us well in the middle of the high-income countries, in contrast to the recognition of opportunities, this indicator has been moving sideways for more than 20 years.

The recognition of opportunities relates to the environment in which the individuals surveyed live and work. The fact that we have a significantly lower value here in Latin (French- and Italian-speaking) Switzerland gives us reason to assume that the working population perceives the economic conditions for starting a business in German-speaking Switzerland as significantly better. The proportion of individuals who recognize opportunities in French-speaking Switzerland is only slightly more than half (34.9%) - and in Ticino, only a third (21.3%) - as high as in German-speaking Switzerland (60.3%).

However, socio-economic factors such as gender, income, and level of education have a more significant influence than geographical origin in the self-assessment of knowledge and skills related to starting a business. Every second male respondent (52%) stated that they had the necessary knowledge and skills to start a business, compared to only 37.5% of women. Another significant influence is the actual level of education of the individuals. In principle, it can be said that the higher the level of education, the greater the perceived knowledge and skills about starting a business. Nevertheless, the gender difference in our sample cannot be dismissed as an influence of the level of education: Even among equally educated men and women, the gender difference here is striking.

This ultimately leads to a slightly higher entrepreneurial intention of 11% among men compared to 9% among women, resulting in more men intending to set up a company in the next 3 years. The intention to start a business in the next 3 years is highest among men with an income above the middle-class threshold. In this group, as many as one in five respondents consider this idea.

Another essential factor that can stand in the way of starting a business is the fear of failure. In the GEM study, the participants were asked whether, despite recognizing business opportunities, the fear of failure would prevent them from implementing their start-up plans. It is not only women who are affected by a higher fear of failure of 39.2% compared to 34.4% among men; in general, it can be seen that it increases the lower income group (upper class, middle class, and lower class).

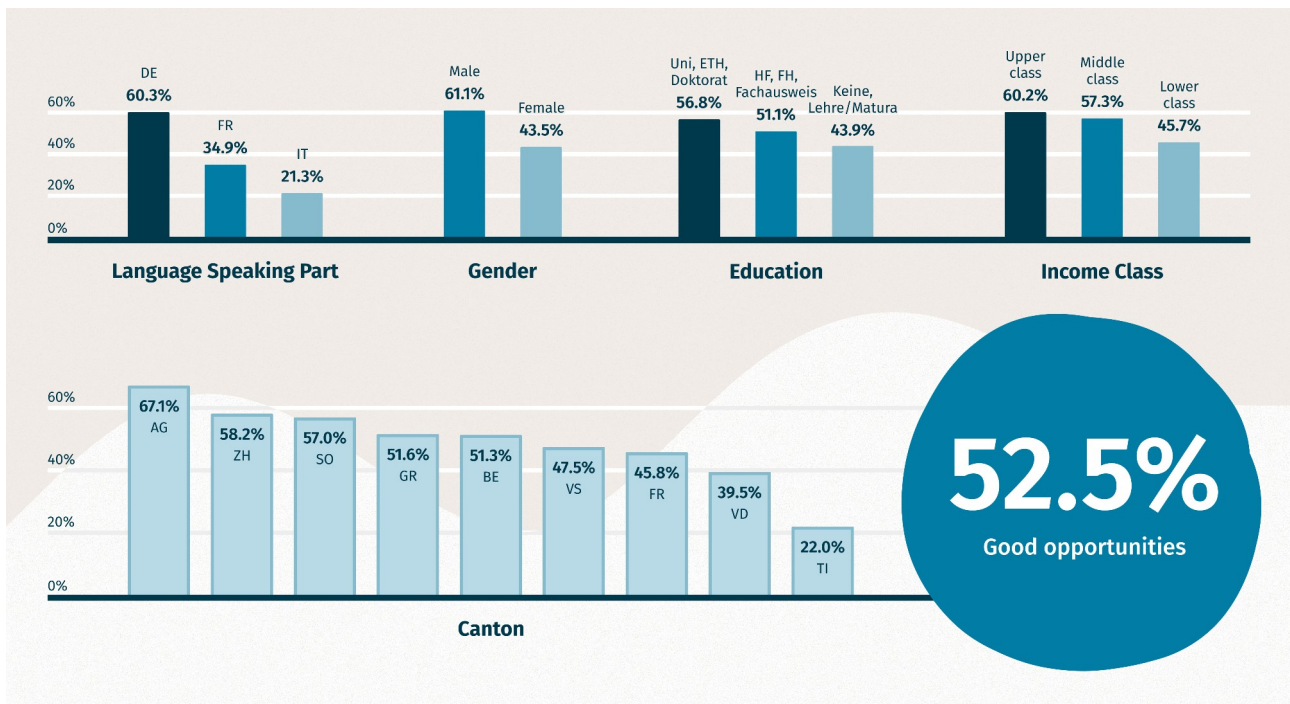


Figure 1.1: Entrepreneurial Perceptions: Perceived opportunities to start a business in my area in the next 6 months (%) / Source: GEM Switzerland 2023/2024

PART 2 : ENTREPRENEURIAL ACTIVITY

One of the fundamental goals of the GEM study is to measure entrepreneurial activities worldwide, encompassing all stages of economic and social development. Each participating country surveys at least 2,000 individuals using a stratified random sampling design to achieve this. These individuals are asked whether they are actively engaged in starting or running a new business. By defining entrepreneurial activity precisely, we capture both unregulated and informal activities and formal company formations. As a result, the GEM study extends far beyond the scope of official data and formal entrepreneurial activities.

Total Entrepreneurial Activity (TEA)

Since the inception of the GEM study in Switzerland in 2002, we have tracked early-stage entrepreneurial activity, known as Total Entrepreneurial Activity (TEA), in approximately 5-10% of

the Swiss population, with a slight upward trend. TEA encompasses all entrepreneurial activities where entrepreneurs have paid themselves and their employees a salary for less than 42 months. We have reached the 10% mark for the first time in the latest measurement, precisely 10.3%. Although this figure remains slightly below the average of 12.8% for high-income countries, it places us ahead of neighboring Germany (7.7%) and Italy (8.3%) and roughly on par with France (10.8%). In North America, where entrepreneurship is deeply embedded in the culture, the current TEA is 14.7% for the United States and 19.8% for Canada.

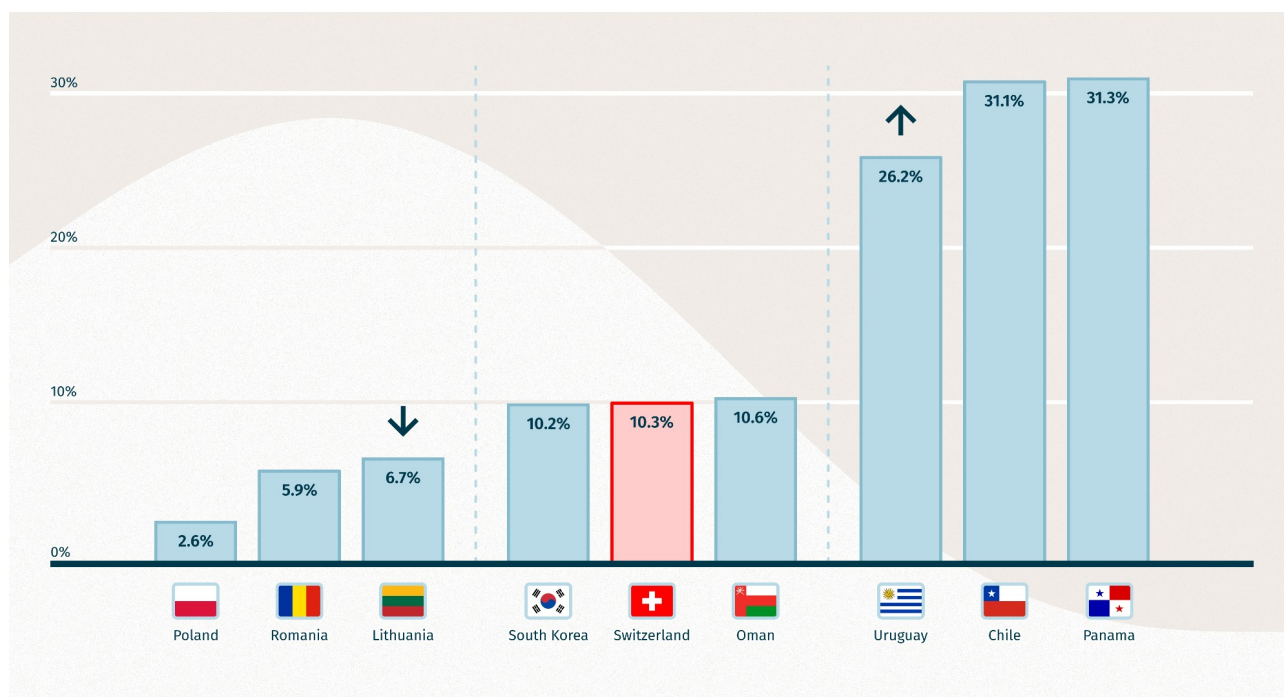


Figure 2.1: TEA in high-income countries / *Source: GEM 2023/2024 GLOBAL REPORT-25 YEARS AND GROWING*

Stereotype of Swiss Early-Stage Entrepreneur (TEA)

The 2023 Adult Population Survey (APS) analysis reveals a clear profile of the typical early-stage entrepreneur in Switzerland, characterized by specific demographic and economic traits. A majority of these entrepreneurs, 53%, are male. They are notably well-educated, with nearly half, 47.75%, holding at least a bachelor's degree. The average age of these entrepreneurs is more than 35 years old (70%), suggesting that entrepreneurship often appeals to individuals later in their careers. Additionally, they usually live in households consisting of approximately 2.6 persons.

Financially, 70% of these entrepreneurs report an average annual income exceeding 91,000 CHF, indicating financial stability supporting new venture initiation. A significant 44.8% work within the business services sector, underscoring its appeal among Swiss entrepreneurs. Regarding job involvement, 46% currently manage between 1 to 5 jobs, and they expect to maintain this range of employment over the next five years, with a slight increase to 46.1%, signaling a consistent professional outlook.

This profile highlights a mature, educated, and financially secure individual primarily active in the services sector and adept at managing multiple job roles. The individual expects to continue this professional balance.

Motivation to start a business

The motivation for starting a business in this country is rarely to continue a family tradition (8.8 %), but rather for self-realization through either the creation of a good income and financial situation (39.2 %) on the one hand, or more frequently in order "to make a difference in the world" (53.6 %) on the other. Unfortunately, an increasing proportion of young entrepreneurs have also decided to take up entrepreneurial activities because jobs are scarce (40.6 %).

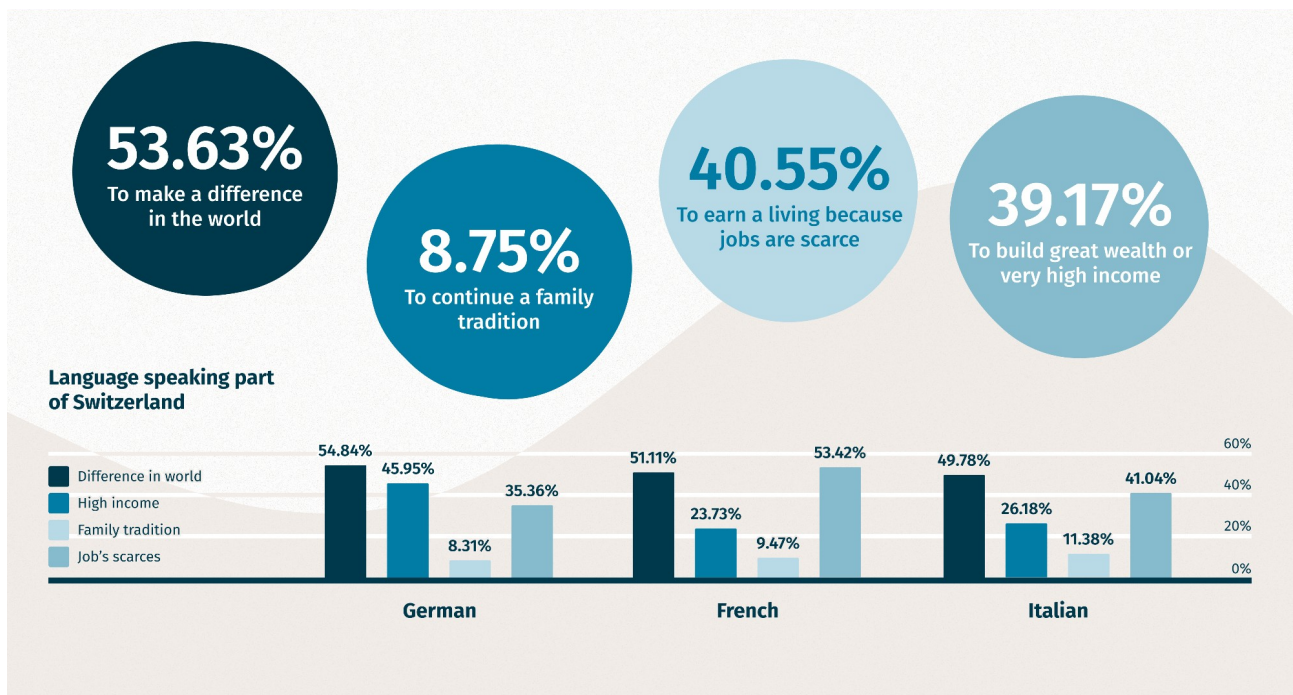


Figure 2.3: Founder's Motivation to Start a Business

Established business owners (EBO)

Owners of businesses that have been paying an income to themselves and their employees for more than 42 months are referred to as established business owners (EBOs). EBO rates have declined over the past few years compared to TEA rates. This trend intensified during the outbreak of the COVID-19 pandemic and has continued into this year. Currently, 5.8% of the working population is engaged in established business activities, marking the lowest rate since measurements began.

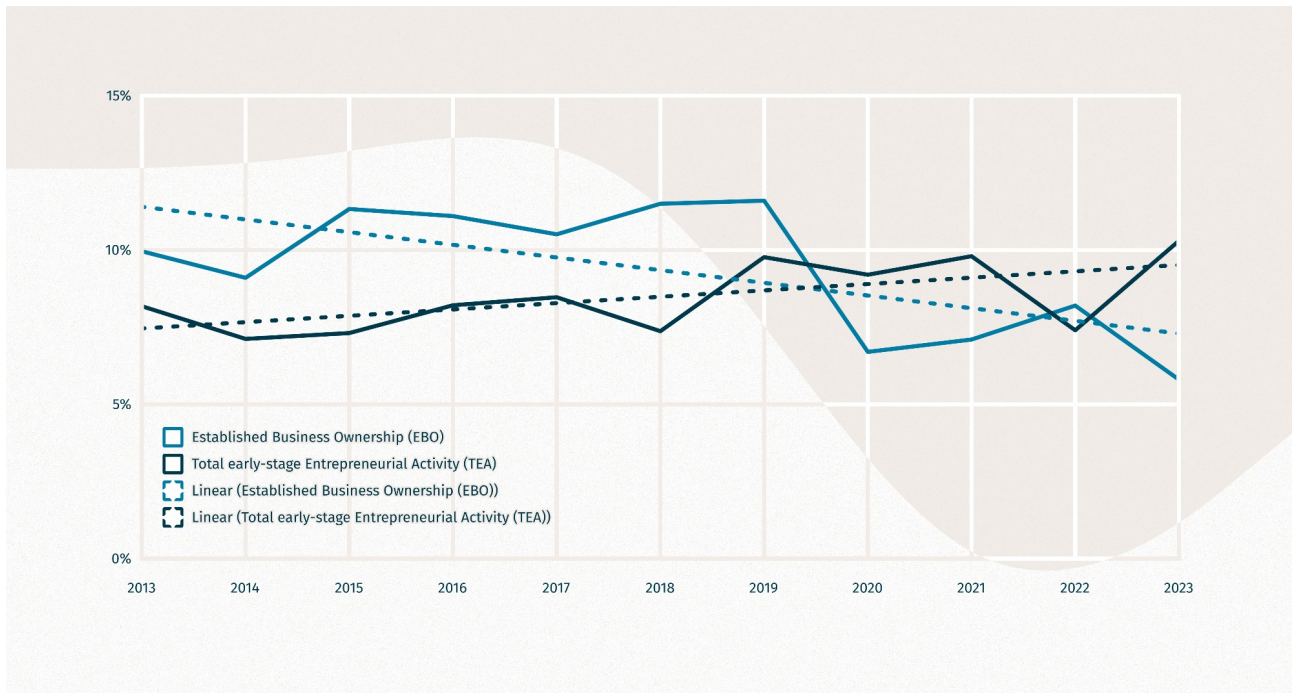


Figure 2.4: Early-Stage and Established Entrepreneurship in Switzerland

Switzerland's EBO rate is among the lower ones at 5.8%, which is higher than countries like Germany and Israel but significantly below leaders like South Korea (19,6%). This lower EBO rate could indicate potential challenges in the business environment affecting the transition from startup to established status. Notably, most countries exhibit a similar pattern of higher TEA rates compared to EBO rates. This highlights the relative ease of starting businesses versus the difficulties of sustaining and scaling them. The variance in TEA and EBO rates across countries likely reflects the impact of national economic conditions, regulatory environments, and business support systems. Countries with higher EBO rates may benefit from more robust support mechanisms and stable markets that aid business maturation.

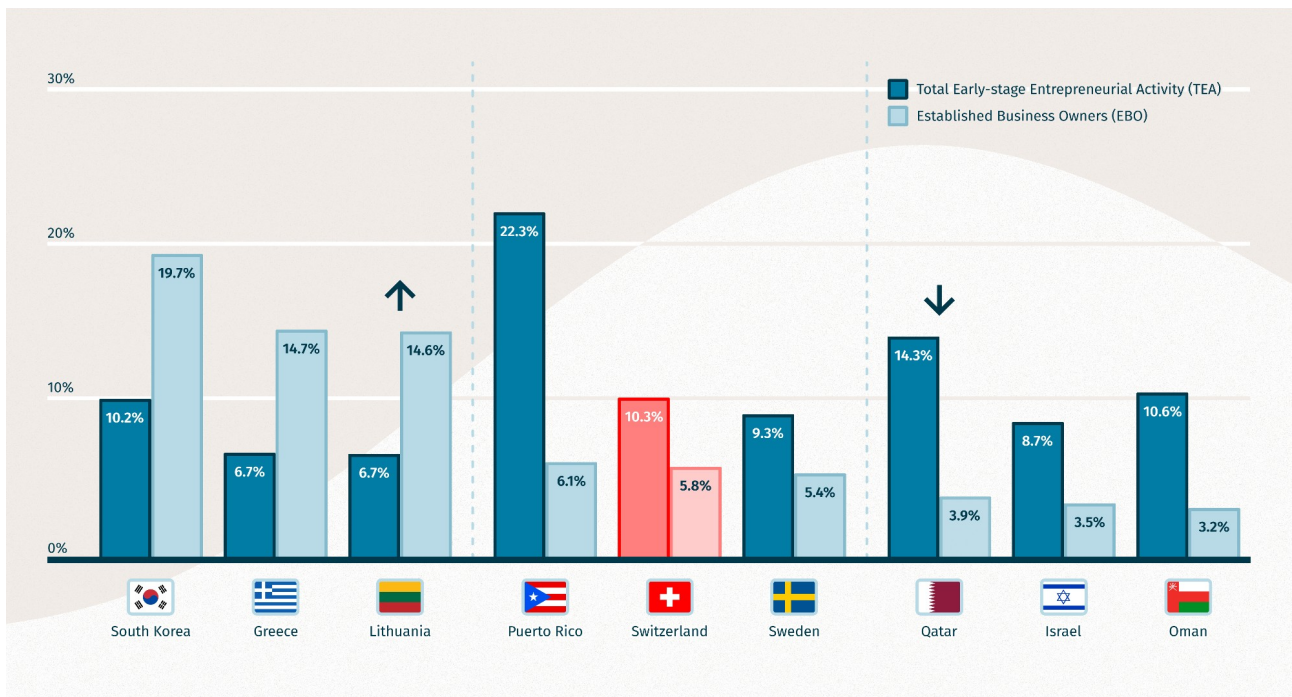


Figure 2.5. TEA and EBO rates in high-income countries / *Source: GEM 2023/2024 GLOBAL REPORT - 25 YEARS AND GROWING.*

Business exit rates

About half of business exits occur for positive reasons, such as selling the company, retiring, or finding a better job alternative. The other half is due to negative reasons, with the COVID-19 pandemic accounting for 12.3% of business exits.

The exit rate for businesses in Switzerland where operations cease is 2.1%, while the rate for exits where businesses continue under new ownership is 1.4%. These rates indicate a relatively stable business environment, with most companies either persisting after the original owner exits or continuing under new ownership. This reflects the resilience and transferability of businesses in Switzerland.

The Swiss business exit rates align closely with other developed nations such as Germany (1.4% where the business did not continue) and Sweden (3.3% where the business did not continue), suggesting comparative robustness in the economic and regulatory environment that supports business transitions rather than closures. This stability is essential for fostering a positive entrepreneurial climate where risk is managed effectively, and business continuity is encouraged.

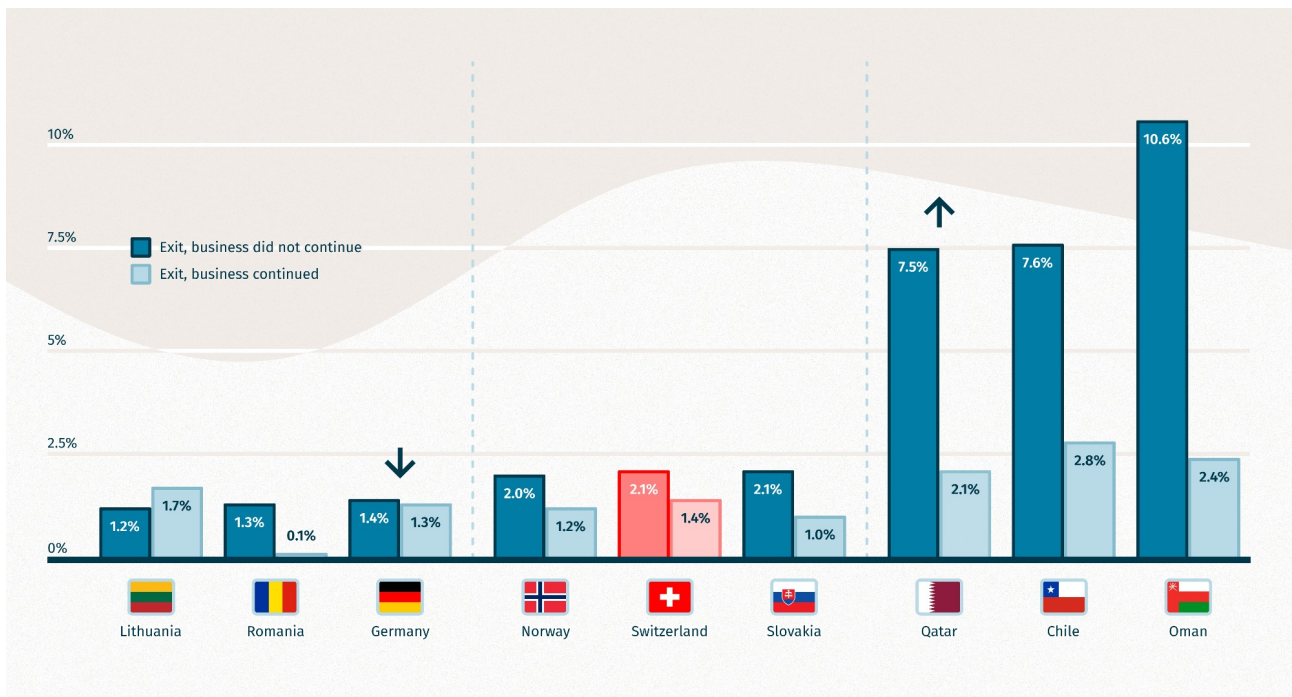


Figure 2.6: Business exits in an international context / Source: GEM 2023/2024 GLOBAL REPORT -25 YEARS AND GROWING.

In Switzerland, the most common reason for business exits is pursuing another job, accounting for 20.5% of exits (Figure 2.7). This suggests many entrepreneurs leave for more stable or lucrative employment opportunities. Retirement is the second most common reason at 15.7%, indicating many business owners sustain their operations until retirement age. Personal reasons, including health issues and family commitments, influence 13.8% of exits. Economic challenges, such as non-profitability, motivate 9.8% of exits, while 14.0% of entrepreneurs exit by selling their businesses, reflecting success or a need to divest.

Comparatively, France (19.5%) and Germany (12.2%) have higher percentages of exits due to non-profitability than Switzerland (9.8%), suggesting Swiss businesses are more economically stable. Switzerland also has fewer exits due to financing issues (5.9%) than Germany (16.3%), indicating better financial support. Exits for another job are higher in Switzerland (20.5%) than in Germany (10.8%) and France (8.9%), reflecting a more dynamic job market. Retirement has a higher influence on exits in Switzerland (15.7%) than in Germany (1.6%) and France (7.5%). Personal reasons are more prevalent in Germany (24.6%) compared to Switzerland (13.8%). Government and tax policies are less of a barrier in Switzerland (5.9%) than in France (8.9%) and the UK (9.6%).

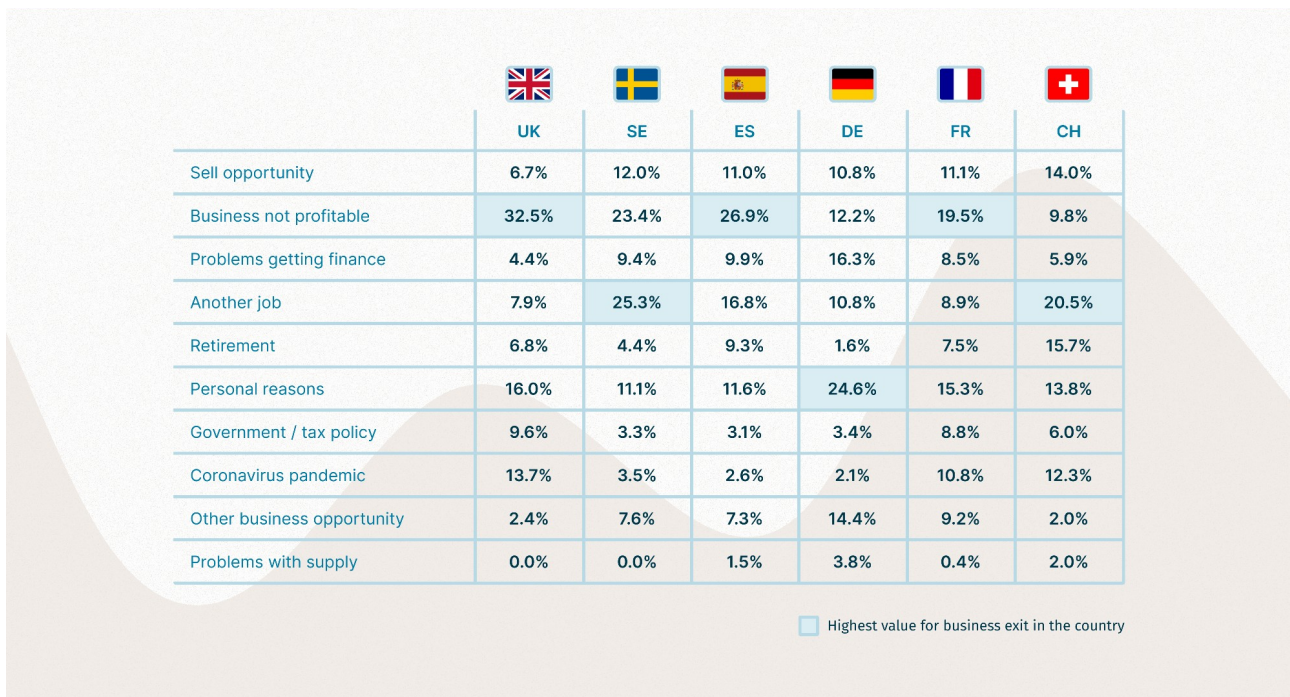


Figure 2.7: Reasons for business exits

This analysis highlights Switzerland's favorable business environment, with lower exit rates due to profitability and financial issues than its neighbors. However, the significant number of exits for personal reasons and another job suggests areas where further support could help retain entrepreneurs in the business sector.

PART 3: IMPACT – DIGITALIZATION, SOCIAL AND ENVIRONMENTAL RESPONSIBILITIES

Digitalization is a global phenomenon marked by significant disparities manifesting as a digital divide across various societies. This divide is particularly evident in the differing rates of digital technology adoption among early-stage entrepreneurs in multiple regions. A key indicator of this trend is the proportion of entrepreneurs who expect to increase their use of digital technologies to sell their products or services in the next six months.

In the context of Average Level A Economies, which consists of high-income countries, there is a trend of modest growth in the use of digital technologies among entrepreneurs. This group slightly increased from 48.5% in 2022 to 49.0% in 2023. Switzerland's engagement with digital technologies in early-stage entrepreneurial activities (TEA) remains stable, with a marginal increase from 31.0% in 2022 to 31.9% in 2023. Switzerland's engagement with digital technologies in early-stage entrepreneurial activities (TEA) remains stable, with a marginal increase from 31.0% in 2022 to 31.9% in 2023. This steadiness suggests that Switzerland has a mature digital infrastructure consistently supports its entrepreneurs. Yet, it still trails behind the average adoption rate in the Average Level A Economies.

This comparison underscores that while Switzerland maintains a stable digital engagement, it does not show the rapid adoption that might be expected of a developed economy, suggesting potential areas for policy enhancement to encourage more aggressive digital integration. The global disparity in digital adoption rates emphasizes the need for targeted strategies to bridge the digital divide and enable equitable access to digital technologies for entrepreneurs across all economies.

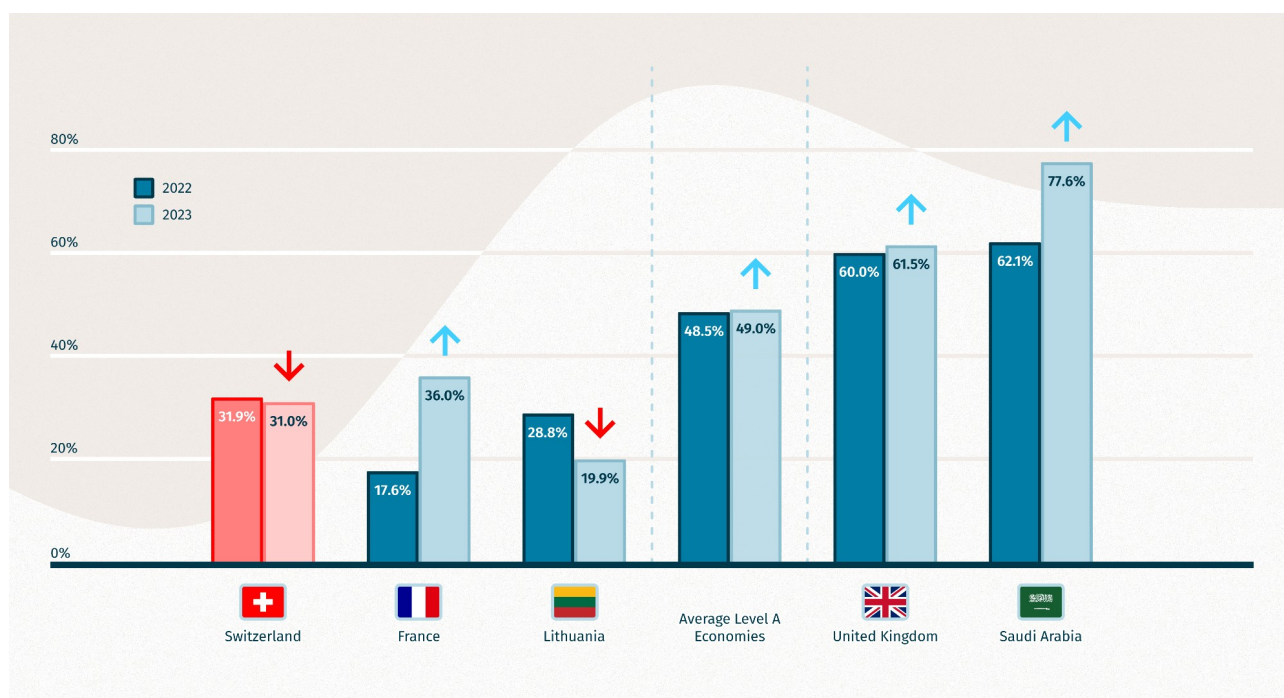


Figure 3.1: Total early-stage Entrepreneurial Activity (TEA) expected to use more digital technologies to sell their product (2022-2023)

The digitalization of established businesses is critical in understanding the broader economic and technological landscape. Recent data on the expected use of digital technologies by established business owners (EBOs) provides valuable insights into how deeply digitalization is embedded within the operational strategies of mature businesses across various economies.

In Switzerland, the proportion of established business owners anticipating increasing their use of digital technologies to sell their products shows a notable upward trend. In 2022, only 20.8% of Swiss EBOs expected to expand their use of digital technologies, which increased to 29.1% by 2023. This increase indicates a growing recognition among Swiss EBOs of digital tools' benefits, such as reaching a broader market and improving operational efficiencies.

Comparatively, the trend appears somewhat different when observing the average Level A economies. The expectation among EBOs to adopt more digital technologies shows a slight decrease, from 37.9% in 2022 to 35.3% in 2023. This suggests a possible saturation or a more nuanced approach to digital adoption among established businesses in these economies, which could be attributed to already high levels of previous digital integration.

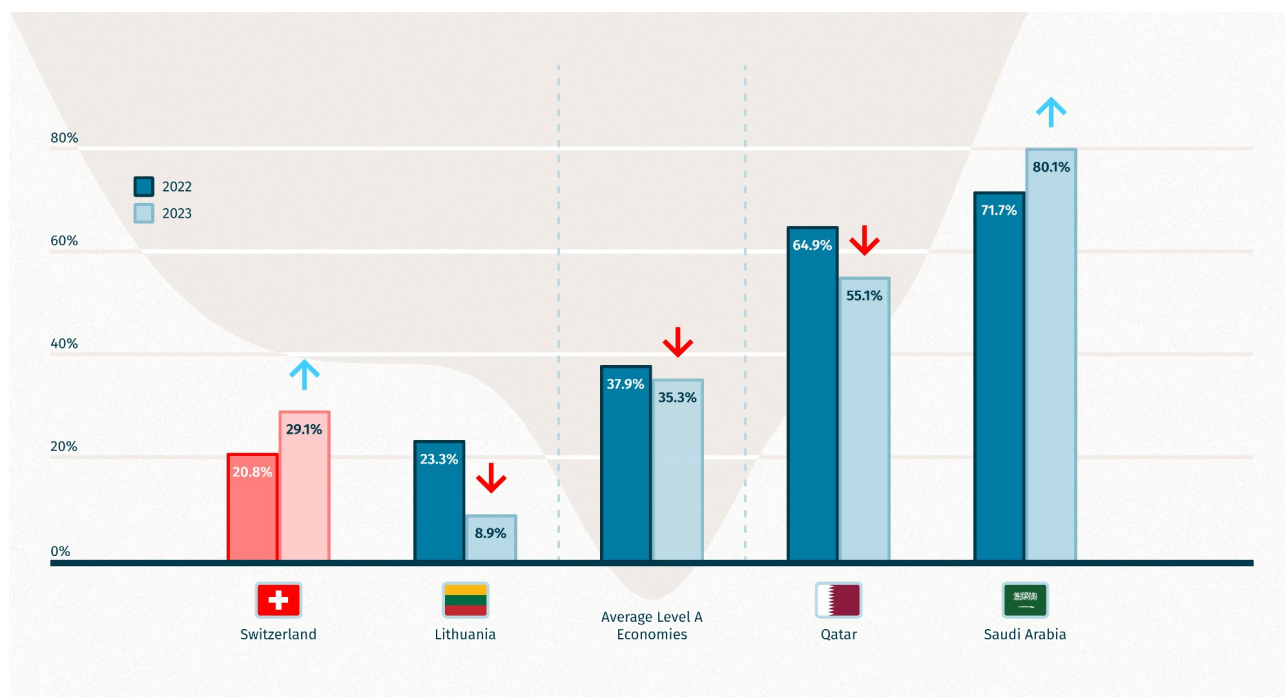


Figure 3.2: Established business owners (EBO) expected to use more digital technologies to sell their products (2022-2023)

These differing trends highlight the dynamic nature of digital adoption. While Switzerland shows an accelerating pace, indicating a potential area for growth and enhanced competitiveness, the Average Level A Economies may be experiencing a phase of optimization and consolidation of their digital technologies.

The increase in Switzerland's EBOs embracing digital tools underscores the need for policies that support and accelerate digital transformation. Enhancing digital infrastructure, providing training for digital skills, and creating incentives for digital innovation are vital steps that could further empower established Swiss businesses to thrive in an increasingly digital world economy.

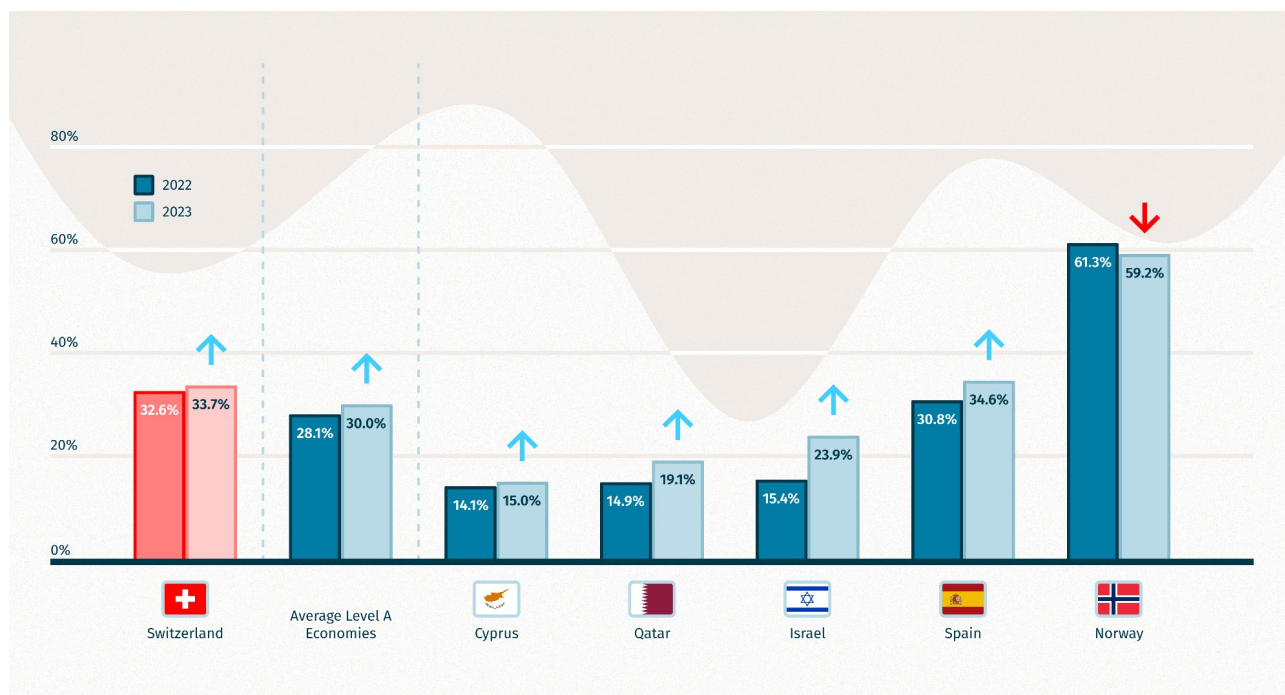


Figure 3.3: Awareness about SDG (17 United Nations Sustainable Development Goals) among TEA

The GEM Switzerland Report 2023/2024 indicates a growing awareness of the United Nations Sustainable Development Goals (SDGs) among early-stage entrepreneurs (TEA) in Switzerland and globally. In 2023, 33.7% of Swiss entrepreneurs were aware of the SDGs, up from 32.6% the previous year. This modest increase reflects a rising consciousness of sustainability issues within the Swiss entrepreneurial community, emphasizing their commitment to incorporating economic, social, and environmental factors into their business practices.

Comparatively, SDG awareness in Average Level A Economies increased from 28.1% to 30.0%. Switzerland is slightly ahead in this regard, potentially giving its businesses an advantage in global markets increasingly focused on sustainability.

Furthermore, the Adult Population Survey (APS) in Switzerland shows that a substantial portion of entrepreneurs prioritize these concerns, with 70.88% considering social implications and 75.41% prioritizing environmental impacts in their business decisions. Over half (52%) of these entrepreneurs also place social and ecological concerns above profitability, aligning Swiss businesses with global sustainability trends and local cultural values and positioning them favorably in markets that value corporate responsibility.

The ongoing increase in SDG awareness underscores the potential for further enhancing these initiatives among Swiss entrepreneurs. Strategies to boost SDG-focused education in entrepreneurial programs, providing incentives for sustainable practices, and facilitating access to sustainability resources could solidify Switzerland's leadership in sustainable entrepreneurship. This strategic focus not only aligns with global sustainability agendas but also bolsters the competitiveness of Swiss businesses in the evolving economic landscape.

PART 4: A POLICY BRIEF OF THE ENTREPRENEURIAL FRAMEWORK CONDITIONS IN SWITZERLAND²

These rankings provide insights into Switzerland's entrepreneurial ecosystem and highlight areas where policymakers can focus their efforts further to strengthen the entrepreneurial landscape and support aspiring entrepreneurs. Based on the expert ratings of the Entrepreneurial Framework Conditions (EFCs) in Switzerland, here is an interpretation of the rankings:

² GEM (Global Entrepreneurship Monitor) (2023). Global Entrepreneurship Monitor 2022/2023 Global Report: Adapting to a “New Normal”. London: GEM.

A.

- 1. Entrepreneurial Finance: Ranked 4th out of 16 (5.8/10).** 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.
- 2. Ease of Access to Entrepreneurial Finance: Ranked 8th out of 16 (4.7/10).** Switzerland has slipped 4 positions compared to last year, indicating a need for continuous improvement. It's crucial to enhance access to funding for entrepreneurs and startups of all kinds, fostering their growth and innovation and not just focusing on tech startups.

B.

- 1. Government Policy: Support and Relevance: Ranked 6th out of 16 (5.1/10).** The rating indicates that government policies in Switzerland support entrepreneurs and are reasonably relevant. However, policymakers should consider implementing policies that stimulate entrepreneurship and create an environment that enables startup success.
- 2. Government Policy: Taxes and Bureaucracy: Ranked 6th out of 16 (5.6/10).** While Switzerland has relatively favorable tax policies and a manageable bureaucratic environment for entrepreneurs, it's important to note that comparable countries are improving faster. Therefore, Switzerland must maintain its favorable position by simplifying administrative processes and reducing regulatory burdens for entrepreneurs.

- C. Government Entrepreneurial Programs: Ranked 5th out of 16 (6.1/10).** 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. It's a constant factor compared to others.

D.

- 1. Entrepreneurial Education at School:** Ranked 10th out of 16 (3.5/10). This rating indicates that entrepreneurial education in Switzerland's schools is weak and inadequate. Efforts should be finally made to incorporate entrepreneurship into the education system and provide opportunities for young people to develop entrepreneurial skills and mindsets.
- 2. Entrepreneurial Education Post-School:** Ranked 4th out of 16 (5.6/10). Switzerland fares better in providing entrepreneurial education beyond the school level. Many different programs have arisen in the past years and offer opportunities for entrepreneurial education post-school. Expanding and enhancing new entrepreneurship training programs for aspiring entrepreneurs, intrapreneurs, and social entrepreneurs are welcomed.

E. Research and Development Transfers: Ranked 2nd out of 16 (6.0/10). Switzerland has had a favorable environment for research and development transfers for many years. Efforts should maintain the knowledge transfer and collaboration between research institutions and businesses to drive innovation and commercialization of research findings.

F. Commercial and Professional Infrastructure: Ranked 4th out of 16 (6.2/10). Its robust commercial and professional infrastructure supports entrepreneurial activities. This ranking highlights the country's strong business infrastructure and available resources for startups and entrepreneurs.

G.

- 1. Ease of Entry: Market Dynamics:** Ranked 16th out of 16 (3.8/10). Switzerland faces challenges in terms of market dynamics, indicating a need for measures to open and enhance market competitiveness. Creating favorable conditions, less regulated industries, and lobbies for new market entrants are needed strongly. **G2. Ease of Entry: Burdens and Regulation:** Ranked 8th out of 16 (4.9/10). While there is some ease of entry regarding burdens and regulations, policymakers should continue to work on further simplifying regulatory processes and reducing barriers to entry for entrepreneurs.

- H. Physical Infrastructure: Ranked 2nd out of 16 (7.2/10). Switzerland has boasted excellent physical infrastructure for entrepreneurial activities for many years and is among the top 3 year after year. This high ranking indicates the presence of quality infrastructure supporting businesses' and entrepreneurs' needs, but needs to be maintained to ensure long-term quality.
- I. Social and Cultural Norms: Ranked 7th out of 16 (6.0/10). 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. This cultural change takes time but needs to be regularly addressed publicly.



Figure 4.1: Entrepreneurial Framework Conditions: Comparison Between Switzerland and Group of Level A Countries

PART 5: 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 2019 and 2023. 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, where the scores fall below the average. Additionally, blue and red arrows signify whether there has been an improvement or decline in the EFC score from one year to the next.

EFCs	2019	2020	2021	2022	2023
Entrepreneurial Finance	5.5 ↗	5.7 ↗	5.8 ↗	6.4 ↗	5.8 ↘
Ease of Access to Entrepreneurial Finance	-	-	5.2	5.6 ↗	4.7 ↘
Government Policy: Support and Relevance	5.8 ↗	4.8 ↘	5.1 ↗	5.5 ↗	5.1 ↘
Government Policy: Taxes and Bureaucracy	6.2 ↗	5.6 ↘	6.3 ↗	6.2 ↘	5.6 ↘
Government Entrepreneurial Programs	6.1 ↗	5.8 ↘	6.2 ↗	6.5 ↗	6.1 ↘
Entrepreneurial Education at School	4.6 ↗	3.1 ↘	3.6 ↗	3.6 →	3.5 ↘
Entrepreneurial Education Post-School	6.3 ↗	5.2 ↘	4.9 ↘	5.7 ↗	5.6 ↘
Research and Development Transfers	6.4 ↗	5.5 ↘	6.1 ↗	6.0 ↘	6.0 →
Commercial and Professional Infrastructure	6.4 ↗	6.6 ↗	6.1 ↘	6.7 ↗	6.2 ↘
Ease of Entry: Market Dynamics	4.5 →	3.7 ↘	3.5 ↘	3.8 ↗	3.8 →
Ease of Entry: Burdens and Regulation	5.5 ↗	5.2 ↘	5.5 ↗	5.8 ↗	4.9 ↘
Physical Infrastructure	8.6 ↗	7.6 ↘	7.9 ↗	7.8 ↘	7.6 ↘
Social and Cultural Norms	6.7 ↗	6.1 ↘	5.3 ↘	5.5 ↗	6.0 ↗

Sufficient conditions
 Insufficient conditions

Table 5.1. Changes in Entrepreneurial Framework Conditions (EFCs) in Switzerland, 2019-2023

As the GEM data indicates, Switzerland experienced a notable decline in several key areas of its entrepreneurial ecosystem in 2023. This drop underscores the need for comprehensive and targeted policy interventions to strengthen Switzerland's entrepreneurial landscape and ensure sustainable growth and innovation.

Entrepreneurial finance, which had shown strong performance in previous years, saw a significant drop in 2023, highlighting challenges in maintaining funding accessibility for startups. The drop suggests the need for a renewed focus on maintaining and improving access to funding, particularly in light of potential economic challenges. Targeted efforts are needed to simplify access, especially for diverse types of startups.

Government policies, both in terms of support and relevance and in managing taxes and bureaucracy, also faced setbacks, indicating an urgent need for more consistent and entrepreneur-friendly regulatory frameworks. Despite their prior effectiveness, government entrepreneurial programs did not sustain their momentum, reflecting potential gaps in addressing the evolving needs of entrepreneurs.

Furthermore, entrepreneurial education at the school level remains a weak point. Emphasizing the necessity for a robust educational reform to nurture entrepreneurial skills from a young age is crucial to building foundational entrepreneurial skills early.

Market dynamics pose a challenge. The ease of market entry remained a critical issue, with market dynamics and regulatory burdens still posing significant barriers to new entrants. Policymakers should focus on enhancing market openness and competitiveness to facilitate new entrants. Simplifying regulatory burdens remains a priority to make market entry more accessible for entrepreneurs.

Although Switzerland's physical infrastructure continued to rank highly, the slight decline underscores the importance of ongoing maintenance and support infrastructure development.

Finally, social and cultural norms recovered but lagged in fully supporting entrepreneurial activities. Improving the social and cultural support for entrepreneurship is essential. Continued efforts to promote entrepreneurial values can foster a more supportive environment.

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