Minority Entrepreneurship in Switzerland: The Challenges and Needs of Brazilian Women Entrepreneurs

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Abstract: The number of Brazilian citizens in Switzerland has risen significantly over the past decades by factor 24 compared to the total foreign population, which grew by factor 2.5. As with many migrant groups, integration into the labour market is difficult. This can lead to a higher number of people choosing to start their own business. Brazilians in their home country are more entrepreneurial than Swiss people and among Brazilian women, 17.3% are entrepreneurially active. This can partly be explained with less options on the labour market – a challenge that Brazilian women also experience in Switzerland. Therefore, entrepreneurship also became a viable career option abroad. Little is known about neither the businesses, the challenges, and the needs of female Brazilian entrepreneurs, nor of female entrepreneurs of other minority groups. This paper looked at these points to find out how they can be supported best to enhance their businesses. The findings will be of use for entrepreneurs themselves, as well as for supporting organisations to adapt their offerings. To get the required insights, we took a quantitative approach and surveyed 54 Brazilian women in Switzerland with an online questionnaire. The participants were members of a Brazilian women business club. The results were analysed using SPSS. The entrepreneurs came to Switzerland mainly for love and family reasons. The businesses are small, mainly targeting the Brazilian community and only a small minority can sustain themselves from their self-employment alone. While the financial success is rather low, the personal satisfaction of having a business is very high. The biggest challenges are finding customers, where also the biggest need for support is. The results show that the support structures are not accessible enough for founders from minority groups and that offerings need to be adjusted to have a broader reach.

Keywords: Entrepreneurship, Minority Entrepreneurship, Migrant Entrepreneurship, Female Entrepreneurship

1. Introduction

Research on minority entrepreneurship has grown in importance over the past 15 years (Mazzarol, 2021). Entrepreneurs from minority groups make an important contribution to a country’s economy, above all by creating jobs and generating economic activity in underserved communities (Sithas & Surangi, 2021). However, there is only limited availability of support programmes targeted at minority entrepreneurs. The term minority entrepreneurs is ambiguous, as there are different possible categories for distinguishing minorities, such as groups of migrants, religious or ethnic minorities.

Switzerland has traditionally had a high share of foreigners, which is one of the possible minority groups in a country. In 2021, there were 2,24 million foreigners in Switzerland, which is an increase of 240% compared to 1980. Over the same period, the total population only grew by 38%. There are a few groups that stand out with strong increases, often due to humanitarian crises. One that stands out without a humanitarian crisis is the number of Brazilians, which increased by a factor of 24 to 22’944 people (Federal Statistical Office, 2022a).

Brazil has a higher number of entrepreneurs than Switzerland (GEM, 2023) and in many countries, minority groups have a higher proportion of entrepreneurs than non-minority groups (OECD/European Union 2015; Lam et al., 2019; Sithas & Surangi, 2021). However, this is not the case in Switzerland. Looking at migrant groups as minority, they have a lower number of self-employed than the native Swiss (Federal Statistical Office, 2021). This raises the question, why the number is lower in Switzerland. By looking at one subsection of minority entrepreneurs, female Brazilian entrepreneurs, we aim to gain insights in a so far under-researched population. We answer three main research questions: Who are the female Brazilian founders? What are their motivations? What are their challenges?

The paper is further divided into five sections. A literature review shows the state of research on minority entrepreneurship focusing on our research questions. After, the data collection and analysis are described. In the following results section, the findings are presented, which are discussed in section 5. The paper concludes with implications, limitations, and future research opportunities.
2. Literature Review

2.1 Minority Entrepreneurship

There is still a lack of agreement on the term minority entrepreneurship, as different countries, organisations, and scholars include different minority groups. For example, research in the USA focuses on ethnic groups as minorities (Dana & Vorobeva, 2021). Alternatively, the term has also been used to describe younger or older groups of entrepreneurs, female business owners, disabled people, or members of LGBTQIA+ (Mazzarol, 2021). To allow a broad view on the topic, this paper defines minority entrepreneurship as the process of beginning and running a business by people who identify as members of minority groups—such as racial, ethnic, cultural, or religious minorities.

2.2 Female migrant entrepreneurship

One focus within minority entrepreneurship has been on the subfield of female immigrant entrepreneurship (Chreim et al., 2018). While migrants are generally regarded as minority, the situation is less clear for women. The distribution of men and women are close to equal in most societies around the world; however, the number of men who become self-employed is much higher in most countries (GEM, 2022; GEM, 2023). Women are therefore by some researchers to be a minority. The lower proportion of women can partly be attributed to social norms and traditions in different ethnic groups (Kwong et al., 2009).

Research on female entrepreneurship in Switzerland has shown that the similarities between male and female founders are greater than their differences (Meyer et al., 2021). Unique about female migrant entrepreneurs is that they rely heavily on and use their networks. They have strong ties to their identity, their community and their families and use the resources these networks provide (Piperopoulos, 2012; Sithas & Surangi, 2021).

For this study, we can define a female migrant entrepreneur as a woman who “has moved across an international border or within a state away from his/her habitual place of residence” starting a business (UN, 2022).

2.2.1 Motivations of female migrant entrepreneurs

General statements about the motivations of female migrant entrepreneurs are difficult to make, as they can vary greatly between different migrant groups and generations. For example, Vietnamese and Chinese immigrants into the US were more likely to be opportunity entrepreneurs, responding to pull factors, whereas Koreans or Latinas chose self-employment out of necessity, respectively push factors (Peare, 2005). Soydas & Aleti (2015) analysed Turkish migrant entrepreneurs in Australia and found that for first generation migrants earning money is the main motivation and they are more reliant on the ethnic community; the second generation, in contrast, seeks opportunities more and opens to the whole society. Thus, it is important to keep in mind that the national origin and the community they live in abroad influence their motivations for starting a business (Pearce, 2005).

One of the motivations for female migrant entrepreneurs are the often-unfavourable circumstances in which they live. This can be the non-acceptance of degrees from their home countries, discrimination in the labour market, and social exclusion (Baycan-Levent & Nijkamp, 2011). These entrepreneurs need to earn a living and see entrepreneurship as the only option (Dheer, 2018).

Push motivation arises for similar reasons to those generally observed among entrepreneurs. Baycan-Levent and Nijkamp (2011) list the generation of additional income, independence, and being one’s own boss as main motivators. Freedom and work flexibility are further reasons (Dheer, 2018). A study of Ghanaian women entrepreneurs in Canada found that flexibility was the main reason, as women wanted to spend more time with their children and family, especially as childcare is expensive in many Western countries (Nkrumah, 2016).

2.2.2 Challenges of female migrant entrepreneurs

The challenges faced by female migrant entrepreneurs are manifold. A study on migrants in Switzerland shows that there are challenges associated with not being native-born, having temporary residency, or having only recently immigrated (Piguet, 2010). Lack of language skills and access to (professional) networks is another hindrance, particularly for women and non-Europeans (Chreim et al., 2018; Mittmasser, 2022). Language barriers are mainly observed among first generation migrants though (Chreim et al., 2018). Also, access to training or support programmes is lacking, partly because they do not exist, partly because they are not known. Lack of business skills and knowledge of how to approach local clients or collaborators is another challenge.
Discrimination based on race, gender, and colour may also be a challenge, depending on the community in which entrepreneurs operate (Nkrumah, 2016; Surangi, 2022). In general, immigrant entrepreneurs face the same challenges as any other entrepreneur, although they may be more severe for the reasons mentioned above, such as missing language skills, lack of knowledge of the legal system, or discrimination.

2.3 Context

Switzerland is an interesting case to study a subgroup of minority entrepreneurs for several reasons. Firstly, Switzerland has a very low unemployment rate and job seekers are well-absorbed by the labour market (Federal Statistical Office, 2022b). Secondly, many migrants are highly skilled and/or already have a job when they migrate. Additionally, most migrants come from the Schengen area, facilitating their ability to work (Federal Statistical Office, 2022a). Thirdly, contrary to global trends, self-employment rates among migrants in Switzerland are lower than among the native population (Federal Statistical Office, 2021). Lastly, in Switzerland and globally, women are generally much less likely to become self-employed and if they do, their businesses are smaller and grow less (GEM, 2023). These factors are interrelated, and this paper aims to shed light on a group of migrants, who have chosen the entrepreneurial path despite a well-functioning labour market.

3. Methodology

3.1 Sample and data

We gained access to the Swiss section of Grupo Mulheres do Brazil (Brazilian Women’s Group). The organisation was founded to involve civil society in achieving improvements for Brazil and the world. Nearly 90,000 people are involved, both in Brazil and abroad. For this research, we used the database of 238 Brazilian businesswomen in Switzerland, which represents about 1% of all Brazilians living in Switzerland. The survey, written in Portuguese, was emailed to the target population in November 2022. A reminder was sent in January 2023. A total of 54 women completed the online questionnaire. This corresponds to a response rate of 22.7%.

3.2 Measures of variables

The aim of the questionnaire was to find out about the businesses, challenges, and motivations of a group of minority entrepreneurs. The variables are based on a survey conducted among newly self-employed in Switzerland over the last two decades (Meyer & Meyer, 2020), supplemented by aspects specific to minority entrepreneurs identified in the literature. In addition to the demographics of the entrepreneurs and their businesses, the survey focused on motivation, personal satisfaction, and financial success (measured on a five-point Likert scale), challenges and support needs (inquired with a free text field to obtain a wider range of responses). The questionnaire consisted of 15 questions and can be requested from the authors.

3.3 Data analysis procedure

The data were analysed using the statistical software SPSS. First, free text responses were analysed and categorised. Second, descriptive statistics were performed for all variables.

4. Results

This section shows the results of the survey.

4.1 The founders

Age. The women are between 26 and 64 years old, with an average age of 43. Interestingly, this corresponds to the average age of all founders – male and female, migrant and non-migrant – in Switzerland, which is 42 years (Meyer, & Meyer, 2020; Meyer, & Meyer, 2022).

Language. 72% of the women speak three or more languages. Of these, 99% speak Portuguese, 52% German, 46% English, 43% Spanish, 35% French, 14% Italian, 6% Swiss-German, and 2% speak Japanese. Overall, the average and median number of languages spoken per person is three. Swiss-German is counted as an individual language and is spoken by 2 of the 54 women.
Reasons for moving to Switzerland. The selection of multiple reasons was possible. Overall, 46% of Brazilian female entrepreneurs came to Switzerland for love, 30% due to family, 22% based on work, 7% in relation to their studies and the remaining 4% for the quality of life or lifestyle.

Since when in Switzerland. The women came to Switzerland between zero and 34 years ago, with an average of 10.28 years. The largest group of women arrived between the years 2013 and 2018. The second largest group arrived in the last five years (see Error! Reference source not found.). One explanation for the over-representation of those two groups in the Brazilian female entrepreneurial community might be that the drive to start a business and establish oneself in the new market is greatest during the first ten years, especially the years five to nine.

Prior experience as entrepreneur, relevant experience, and education. At 30%, the proportion of women who were entrepreneurs before moving to Switzerland is high. Among the businesses they founded in Brazil, Spain and Portugal are two dental clinics, a TMC-clinic, a spa, a hair salon, a café, a children’s events organiser, a nutritionist, an architect, and a fashion designer - including two serial entrepreneurs who have founded two or more businesses before starting one in Switzerland.

Only 42% of the founders have prior experience in at least one economy-related field that proves relevant to them as entrepreneurs, e.g.: experience in management, in sales, in administration, in multinational companies. Even fewer, 28%, have an education or training in at least one economy-related field that proves relevant to them as entrepreneurs.
4.2 Their businesses
The median time between moving to Switzerland and starting a business is 4.5 years with the longest timespan being 29 years and the shortest already 4 years before moving. The business age ranges from zero to 13 years, with an average age of 3.28 years. Cumulatively, 78% of businesses are 5 years old or younger. 9% of businesses are at least 10 years old. The start-ups are small and only four companies have employees. On average, the women work 30.2 hours per week, with 48% working full-time on their start-up.

Reasons for starting a business. The motives for starting a business are dominated by the desire for self-realisation (83%), the assertion of one’s ideas (76%), independence (70%), and flexible time management (63%), followed by the ambition to set an impetus for social change (48%), as illustrated in Error! Reference source not found.

It is worth noting that better income as a motive for becoming independent is significantly higher among Brazilian female entrepreneurs than among Switzerland-based founders in general. For 39% of Brazilian female founders in Switzerland, a better income is very important, for another 19% it is important; whilst a study from 2020, looking at the motives of Swiss founders overall, finds that only 12% rate a better income as a very important motive, for another 29% it is important (Meyer, & Meyer, 2020, p.23).

The motive of continuing a family tradition is higher among Brazilian female founders (27%) than among Switzerland-based founders overall (11%) (Meyer, & Meyer, 2020, p.23). Also, the desire for greater reputation and recognition through business venture is significantly higher in the Brazilian female founder community (76%) than in the Swiss population as a whole (39%) (Meyer, & Meyer, 2020, p.23).

Moreover, for a cumulative 45% of Brazilian female founders the lack of official recognition of their Brazilian education in Switzerland motivated them to start their own business. These figures are consistent with the fact that self-employment constitutes a way out of an unsatisfactory job situation for 35% and a way out of threatened or actual unemployment for 31%. In comparison, only 24% of all Switzerland-based founders use self-employment as a way out of actual or threatened unemployment (Meyer, & Meyer, 2020, p.23).

![Figure 2: Importance ratings of reasons for becoming self-employed.](image)

**Figure 2: Importance ratings of reasons for becoming self-employed.**

Link to Brazilian culture. As depicted in [Figure 3](image), 46% of business ideas exhibit a strong link to Brazilian culture, 28% do not, 26% of founders neither agree nor disagree with this statement. 39% of founders state that
their customers are mainly from within the Brazilian community in Switzerland, 26% disagree with this statement, 35% neither agree nor disagree.

| My business idea has a strong link to Brazilian culture or life | 8%  | 20% | 26% | 22% | 24% |
| My company's customers are mainly within the Brazilian community in Switzerland | 9%  | 17% | 35% | 19% | 20% |

Figure 3: The businesses’ link to Brazilian culture.

**Challenges.** The main challenge for Brazilian female entrepreneurs in Switzerland is market entry, i.e., marketing (44%). The second most common challenge is finances (17%), including lack of investment and initial financing, challenges with financial planning, cash flow, currency devaluation, and occasional losses incurred due to a lack of experience with administrative matters in Switzerland. Business growth, language barriers, a lack of recognition, and time constraints pose a challenge for 9% of founders respectively. 28 additional challenges were mentioned by a maximum of 3 women each.

**Support.** Entrepreneurs were asked what kind of support they would appreciate; multiple answers were possible. As shown in Figure 5, marketing and networking are mentioned by 31% and 20% of the founders respectively, followed by administrative support (11%), business development support (9%) and legal support (9%).

Figure 5: Support gaps in the Brazilian female entrepreneur community.

**Success.** Women were also asked to rate the success of their business in terms of (a) financial and (b) personal satisfaction. It is worth noting that in terms of financial success, the spectrum ranges from very unsuccessful to successful, with the majority (56%) rating their financial success as neutral, neither successful nor unsuccessful.

In addition, the founders were asked whether they could live from their business. Only 7% can live from their business, while 59% of the founders cannot live from their business financially. 15% neither agree nor disagree that they earn enough money to live from their business. Nonetheless, only 9% of entrepreneurs would give up their business if they were presented with a good job offer, while 43% would not. The remaining 48% are undecided.
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"I am earning enough with my business to live from it"

<table>
<thead>
<tr>
<th>Strongly agree</th>
<th>Agree</th>
<th>Neither agree nor disagree</th>
<th>Disagree</th>
<th>Strongly disagree</th>
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<tr>
<td>2%</td>
<td>11%</td>
<td>22%</td>
<td>37%</td>
<td>28%</td>
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Figure 6: Proportion of Brazilian female entrepreneurs earning enough to live from their business.

Overall, personal satisfaction with being an entrepreneur is very high (89%). Only 11% of entrepreneurs rate their personal satisfaction as neutral, and none of the women rate their personal satisfaction as less than neutral. The vast majority, 57%, rate their personal satisfaction as successful and 31% as very successful. Personal satisfaction exceeds financial success and the founders’ ability to live off their business.

<table>
<thead>
<tr>
<th>How do you rate your business success?</th>
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<tr>
<td>Financial success</td>
</tr>
<tr>
<td>4%</td>
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<tr>
<td>13%</td>
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<td>11%</td>
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Figure 7: Business success of Brazilian female entrepreneurs in Switzerland.

5. Discussion

The results show that Brazilian women entrepreneurs’ businesses are small and most have no employees other than themselves. Only a small number of women can make a living from their self-employment. Mittmasser (2022), who interviewed 34 migrant entrepreneurs in Switzerland, also found that only a minority were able to make a living from self-employment. This seems to be a problem for many minority groups.

One third of the women had been entrepreneurs before, which is higher than in the Swiss population (Meyer & Meyer, 2020). They were most active in Brazil, but also in Portugal and Spain. As the Global Entrepreneurship Monitor shows, Brazil is a very entrepreneurial country. Brazil ranks first in terms of entrepreneurial intention, with 53% of adults intending to start a business (GEM, 2023). 17.2% of women in Brazil are already entrepreneurs, compared to 6.3% of women in Switzerland (GEM, 2023). The lack of jobs is the main reason for self-employment in Brazil. The fact that more Brazilian women entrepreneurs have been active before can therefore be explained, at least in part, by these factors.

Self-realisation, implementing one’s own ideas, independence and flexible time management were identified as the main motivators. These push motivations are similar to those of Swiss entrepreneurs and are also confirmed by other studies (Baycan-Levent & Nijkamp, 2011; Dheer, 2018; Meyer & Meyer, 2020). However, some motivations differ from the Swiss average, which may be related to structural factors. Firstly, better income is a key motivator. While Mazzarol (2021) showed that female minority entrepreneurs are less likely to be motivated
by money than men, this study shows that money is an important reason. It can be linked to the other structural challenges, that act as pull motivators. These are the lack of recognition of their Brazilian education, a way out of an unsatisfactory job and actual unemployment or the threat of it. Research has confirmed that female migrant entrepreneurs generally face these constraints, especially in the first generation of migrants (Baycan-Levent & Nijkamp, 2011; Nkrumah, 2016; Dheer, 2018; Surangi, 2022). These factors show that the Brazilian women have difficulties in finding jobs in Switzerland and try to earn a living through self-employment.

Marketing poses the greatest challenge (44%) and constitutes the area in which Brazilian women entrepreneurs seek support the most (31%). While marketing is a major challenge for any entrepreneur, there may be specific reasons for migrant entrepreneurs. Firstly, a lack of local language skills can be a barrier to effectively communicating marketing messages (Sithas & Surangi, 2021). This does not seem to be a major reason for the survey population, as only 9% listed language barriers as a challenge and most speak one of the local languages. This is to be expected though, as the average length of stay in Switzerland is quite long. Secondly, a lack of knowledge about local markets, customs and how to approach customers is unique to migrant entrepreneurs (Mittmasser, 2022). Thirdly, access to local networks may limit the access to clients. Thus, female migrant entrepreneurs face several additional challenges compared to native entrepreneurs.

Finance is the second biggest challenge, at 17%, the other challenges are very spread out. Surprisingly, legal challenges are not often mentioned. This is a factor that is usually difficult for migrants to deal with. Most of the Brazilian female entrepreneurs came to Switzerland for love or family reasons and presumably have support in handling these issues. The diversity of the challenges faced by the Brazilian female entrepreneurs’ community attests that it is difficult to design generic support services and that individual coaching could be more effective and should be added.

Networking is very important for the Brazilian female entrepreneurs in Switzerland and one of their main support needs. A study by Neila (2014) on female entrepreneurs from the US and Brazil showed that networking is equally important for both groups to generate business; but networking to create a sense of belonging and togetherness is much more important for the Brazilian women. We can assume that the much more collectivist culture of Brazil is reflected in this factor. Switzerland has a similar individualistic culture to the US and for many respondents in our study, networking among Brazilian women was important. It can therefore be assumed that the social part of networking is also important for the group studied, as it is more difficult for them to find it locally in Switzerland.

The use of networks is also an important strategy for growing the business and overcoming inequalities. The surveyed businesses have strong ties to the Brazilian culture and community. The literature confirms that female migrant entrepreneurs have strong ties to communities and family members and that their minority communities are crucial for business success (Piperopoulos, 2012; Sithas & Surangi, 2021). Hence, connecting with people from the same minority appears to be an important coping strategy for entrepreneurs.

Most women came to Switzerland for love and family and not for entrepreneurship, yet the desire for recognition is an important motivator for becoming entrepreneurially active, much higher among Brazilian female entrepreneurs than among Switzerland-based entrepreneurs overall (Meyer, & Meyer, 2020). Not only are Brazilian female entrepreneurs driven by the desire for recognition, for 9% the lack of recognition constitutes a challenge. This could be an indication that the majority are gaining a higher reputation through their business. This is further supported by the high level of personal satisfaction founders experience with their businesses.

As shown, most women cannot make a living from their self-employment. This is also reflected in the success of their businesses. Only a small number of women are financially successful. By contrast, personal satisfaction is very high. Entrepreneurs achieve their motivations of self-fulfilment, the realisation of their own ideas and independence, however not a better income.

6. Implications and conclusion

This study focused on a specific area of entrepreneurship that is mostly neglected in media and politics. The results show both the importance of immigrant women’s entrepreneurial activities (in terms of integration, financial aspects, and personal satisfaction) and the challenges they face. There is a need for the media to present a more diverse picture of Swiss entrepreneurship and for policymakers to address the specific needs of migrant entrepreneurs in their support activities.

Supporting organisations that focus on migrants (such as the Swiss section of Grupo Mulheres do Brazil in this case) are very important. Based on our findings, we see the following opportunities for such organisations:
• **Marketing**: Offering marketing support is essential. Sales and marketing training and individual coaching shall be key elements of such support.

• **Individual coaching**: Given the wide range of backgrounds from which women start their businesses, and the diversity of challenges and support needs that this brings, individual support through coaching seems appropriate and expedient.

• **Challenging current business models**: The results showed that market entry is the key challenge for many founders. One reason for this could be a weak value proposition. Many of the women questioned said that their business model has a strong link to their Brazilian culture. This can make their offering unique, but it may be more suited to the needs of their diaspora than to those of potential Swiss clients. Therefore, the business models should be critically reflected.

• **Networking with non-migrant groups and initiatives**: Strengthening the network within one’s own diaspora is as important as with people outside of one’s own diaspora. Therefore, we recommend joint activities with other start-up organisations and initiatives. These joint activities are also an opportunity for the many "traditional" start-up organisations and initiatives to gain access to the growing number of migrants.

This study has several limitations. Firstly, it focuses on only one minority group, which does not allow comparisons between different groups or over time. Secondly, only active women were surveyed. Failed and/or prospective entrepreneurs were not included.

Based on the findings and the limitations, several directions for future research were identified. A qualitative survey to explore motivations and challenges in more depth would be interesting. Conducting a similar survey with different minority or female migrant groups can show where similarities and differences are, to shape support offerings better. A longitudinal study, following these entrepreneurs over time, may also provide interesting insights.

### References


