New Highlander Entrepreneurs in the Swiss Alps

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Introduction

Many mountain regions in Europe are facing economic decline and depopulation. As a result, few entrepreneurs contribute economically and socially to these communities. For economic regeneration, innovative and entrepreneurial actors are needed, and several studies have shown that entrepreneurship contributes to the development of peripheral regions (Labrianidis 2006; Meccheri and Pelloni 2006; Akgün et al 2011). However, entrepreneurs are not easy to find in peripheral mountain regions, and those who are willing to take the risk of professional independence have to deal with economic constraints such as labor shortages and long distances to urban centers (Stathopoulou et al 2004; Baumgartner 2011). Therefore, migrants who move to mountain regions with the intention of establishing or operating a business can contribute positively to this peripheral region’s economic and social development. In this article, we refer to such migrants as “new highlander” (Bender and Kanitscheider 2012) entrepreneurs, because they have moved from urban or peri-urban lowlands to mountain regions to establish or operate a business.

New highlander entrepreneurs may contribute in various ways to mountain regions: They are usually well educated; they maintain connections with family, friends, and colleagues elsewhere; and they have financial capital. Their ties to urban places help to integrate the peripheral economy into national and international markets (Bosworth 2006). Bender and Kanitscheider (2012) identified 7 types of permanent migration into the Alps and called these migrants “new highlanders.” These migrants vary in age and motive for migration and hence influence mountain communities in different ways. There is little research on their economic contributions to mountain communities and even less on their social contributions. This exploratory study aims to help fill that gap, with a focus on the characteristics of new highlander entrepreneurs, the ways they exploit opportunities, their entrepreneurial strategies, and their social and economic contributions.

Theoretical framework

Since the 1990s, mountain regions in the European Alps have experienced increased in-migration (Bender and Kanitscheider 2012; Gløersen et al 2016). For centuries, young people out-migrated from these remote, high-altitude regions, a process that resulted in brain drain and the consequent social and economic destabilization of traditional communities. In recent years, however, people of various ages and backgrounds have migrated into these mountain regions; of particular interest are those with an urban or peri-urban lowland background. Sometimes
called “urban refugees” (Steinicke et al 2014), they settle permanently—and some also work—in mountain regions. This differentiates them from other amenity migrants, who only live part-time in their new locations.

Studies of new highlanders have focused primarily on amenity migration (Moss 1994; Perlik 2006; Bender and Kanitscheider 2012). Scholars have classified different types of migrants who move to mountain regions in the Alps and noted that most of them migrated because of the amenities found in these regions. Several studies of this phenomenon have classified the migrants and described the physical changes they induce in mountain communities (Leffler et al 2014; Steinicke et al 2014). Besides the amenity focus, migration from urban to mountain areas can also be considered in the context of counterurbanization. Studies of this phenomenon in Switzerland, however, have not had an explicit mountain or entrepreneurship focus (Schaeffer 1992; Kahsai and Schaeffer 2010).

Especially in sparsely populated areas, entrepreneurial in-migrants can have significant economic and social impacts. Migrants who turn to entrepreneurship not only earn income for themselves, but they also create jobs (Akgün et al 2011). They generally possess financial capital and are well educated and connected to urban centers (Bosworth 2006), and they create vital urban–rural linkages. Ideally, through these pipelines, new highlander entrepreneurs introduce new knowledge, which in turn may lead to innovations. Moreover, businesses in peripheral rural environments can transform economic constraints associated with those environments into economic assets: “The paradox is that it is the left-over qualities such as tradition and underdevelopment, those very characteristics that made it peripheral in the first place, which are recreated and consumed in this entrepreneurial reconstruction” (Anderson 2000: 92). The unique aspects of peripheral regions can help entrepreneurs distinguish themselves from their urban counterparts, and this may turn into a key competitive advantage.

Context and method

This study focused on new highlander entrepreneurs who had migrated from urban centers to peripheral mountain regions in the Swiss canton of Grisons. They had neither been born nor raised in the area (ie were not returnees) and either established a business in their new mountain home or took over an existing one. Semi-structured interviews were conducted between January and March 2014, asking about participants’ motivation to migrate to the mountains and establish a business, the entrepreneurial process, their social and economic contributions, and their connections to urban areas. We used snowball sampling to identify entrepreneurs who fit our criteria. Community business registers were consulted, and local economic developers were contacted. Internet-based research and personal contacts allowed us to gain additional information about potential interview partners. During the search, we sought an even geographic distribution in the canton and a representative mix of economic sectors.

In total, 20 new highlander entrepreneurs were asked to participate in the study; 15 agreed to be interviewed (Table 1). Most participants had come to the mountain regions in the Grisons from other parts of Switzerland, 3 had migrated from Germany, and 1 had migrated from Sweden. Ages ranged from 33 to 74 years, thus representing a wide range of economically and socially active individuals.

The interviews were transcribed, and the data were analyzed using qualitative content analysis with the software MAXQDA. Earlier results of this study were published in the German geography journal Geographische Rundschau (Meili and Mayer 2015).

The canton of Grisons is situated in the southeastern part of Switzerland (Figure 1); more than 90% of the area is located at 1200 m or more above sea level. Travel to urban centers from the peripheral mountain areas in Grisons is long; the economy is dominated by tourism and agriculture. Depopulation took place between 2000 and 2012, particularly in remote alpine valleys that have been identified as peripheral rural areas by the Swiss Federal Office of Spatial Development (ARE) (ARE 2013; BFS 2014). On the other hand, areas that have urban characteristics and are well connected by trains and roads to the main urban centers of Switzerland have experienced in-migration (see Figure 1). Nevertheless, peripheral mountain areas are not without potential because they are mostly rich in natural resources like water and forests as well as beautiful Alpine landscapes.

This study had several limitations. Since we used an exploratory approach, the results cannot necessarily be generalized to other cantons and countries. In addition, since there are no reliable data on who exactly is a new highlander entrepreneur, we had to use snowball sampling to identify them. Our sample was rather small, but we are confident that it covered a wide variety of new highlander entrepreneurs. We also cannot draw conclusions on the economic success or profitability of participants’ businesses, since this was not the focus of our interview questions. Despite these limitations, an exploratory approach is an important step toward understanding this new and unexplored phenomenon.

Characteristics of new highlander entrepreneurs

New highlander entrepreneurs differ in their personal and professional backgrounds, entrepreneurial approaches, and ages. In the small sample on which this exploratory study was based, we identified 4 general categories:
1. Young and independent entrepreneurs were childless and unmarried when they decided to migrate and establish a business. They dreamed of becoming self-employed and having new experiences. 5 of the 15 study participants fell in this category.

2. Entrepreneurs with a family already had children and were looking for a new place to live and work. They, too, desired self-employment, but they considered the risks carefully in light of their family responsibilities. They were willing not only to take on the risk of establishing a new business, but also to trade the family's familiar environment for a completely new one. 4 of the study participants fell in this category.

3. Entrepreneurs starting over migrated and established a business because they wanted a new beginning and were attracted to the natural amenities of the mountain region where they settled. They were on average older than other new highlander entrepreneurs and typically childless. As a result, they had a wider range of work experience and were fairly independent. Moreover, they had financial savings to invest in their projects; 3 of the study participants were part of this category.

4. Locally established entrepreneurs were already living in the region when they decided to become entrepreneurs. Most originally migrated to the region because of a job opportunity; 3 new highlanders interviewed for this study were locally established entrepreneurs.

Reasons for leaving urban areas (so-called push factors) were of little importance for the decision of new highlander entrepreneurs to migrate. Entrepreneurs in categories 1, 2, and 4 stated that they basically liked their life in the city but were looking for new challenges:

"I did not think, ‘I have to go,’ that everything is bad and not worth staying."

(organic farmer, Lavin)

These results are congruent with Perlik’s (2006) finding that urban conditions in Europe are currently not bad enough to induce amenity migration. Thus, for those new highlanders who are drawn to mountain regions primarily because of the entrepreneurial opportunities, other reasons must be important for their decision to migrate.

New highlanders in category 3 differed in this regard. Their decision to leave the city was carefully considered. This is not surprising, as they sought a new beginning, having worked in a stressful job or experienced other life stresses. They did not move to the mountain area to pursue economic success, but rather to live a quieter life.

For most new highlander entrepreneurs, pull factors played a more important role than push factors. The chance of professional success and independence

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**TABLE 1** Characteristics of new highlander entrepreneurs interviewed for this study.

<table>
<thead>
<tr>
<th>Entrepreneur type</th>
<th>Sector</th>
<th>Business type</th>
<th>Employees</th>
<th>Founding year</th>
<th>Age at time of founding</th>
</tr>
</thead>
<tbody>
<tr>
<td>Young and independent</td>
<td>Agriculture</td>
<td>Organic farm</td>
<td>seasonal 1</td>
<td>2003</td>
<td>30-40</td>
</tr>
<tr>
<td></td>
<td>Manufacturing</td>
<td>Blacksmith</td>
<td>full-time 2</td>
<td>2002</td>
<td>30-40</td>
</tr>
<tr>
<td></td>
<td>Services</td>
<td>Architectural office</td>
<td>full-time 8</td>
<td>1973</td>
<td>20-30</td>
</tr>
<tr>
<td></td>
<td>Tourism</td>
<td>Bike sales and instruction</td>
<td>part-time 3</td>
<td>2013</td>
<td>30-40</td>
</tr>
<tr>
<td></td>
<td>Tourism</td>
<td>Hostel, bar, and care</td>
<td>part-time 11</td>
<td>2008</td>
<td>20-30</td>
</tr>
<tr>
<td>With a family</td>
<td>Agriculture</td>
<td>Organic farm</td>
<td>seasonal 1</td>
<td>1980</td>
<td>20-30</td>
</tr>
<tr>
<td></td>
<td>Agriculture</td>
<td>Organic farm</td>
<td>full-time 1</td>
<td>1987</td>
<td>30-40</td>
</tr>
<tr>
<td></td>
<td>Services</td>
<td>Dental practice</td>
<td>part- or full-time 10</td>
<td>1997</td>
<td>30-40</td>
</tr>
<tr>
<td></td>
<td>Tourism</td>
<td>Hotel</td>
<td>part- or full-time 12</td>
<td>2007</td>
<td>40-50</td>
</tr>
<tr>
<td>Starting over</td>
<td>Services</td>
<td>Computer support</td>
<td>0</td>
<td>2009</td>
<td>40-50</td>
</tr>
<tr>
<td></td>
<td>Tourism</td>
<td>Restaurant and hostel</td>
<td>part-time 2</td>
<td>2009</td>
<td>50-60</td>
</tr>
<tr>
<td></td>
<td>Tourism</td>
<td>Restaurant and camp house</td>
<td>part-time 2</td>
<td>2003</td>
<td>60-70</td>
</tr>
<tr>
<td>Locally established</td>
<td>Agriculture, services</td>
<td>Dairy</td>
<td>full-time 6</td>
<td>2011</td>
<td>50-60</td>
</tr>
<tr>
<td></td>
<td>Services</td>
<td>Weaving workshop</td>
<td>0</td>
<td>2004</td>
<td>50-60</td>
</tr>
<tr>
<td></td>
<td>Tourism, services</td>
<td>Pottery workshop</td>
<td>0</td>
<td>1990</td>
<td>50-60</td>
</tr>
</tbody>
</table>

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a) Person doing community work in order to fulfill their compulsory national service.
especially attracted young and independent entrepreneurs and those with a family.

I wanted to be self-employed. Then it occurred to me that Guarda revived their blacksmith workshop... They were looking for someone and I thought: ‘Why not?’

(blacksmith, Guarda)

Thus, the lack of suitable economic, infrastructural, and physical conditions in the city led many new highlander entrepreneurs to migrate and to establish their business in mountain communities. Another key attraction for many entrepreneurs (in all categories) was the ability to fill a certain niche with their business. The owner of a bike shop remarked, for example, that the next bike shop was 25–30 km away. Moreover, the physical conditions and infrastructure, particularly for tourism-based businesses, provided key advantages for entrepreneurial activities. For example, a group of young

FIGURE 1  In- and out-migration, Canton of Grisons, 2000–2012. (Data source: BFS, 2014; cartography by Alexander Hermann; base map © swisstopo)
Swedish entrepreneurs stated that they opened their hostel in the mountain region because of the good conditions for freeride skiing, a form of skiing outside marked slopes.

People who were already locally established when they became entrepreneurs also originally migrated not because of amenities but primarily because a good job became available. One interviewee, who had moved to the mountains many years prior to establishing a business, noted the reason for migrating was an interesting job offer. Such migrants found an opportunity to establish a business after having gained crucial knowledge, connections, and experiences during the time they had already lived there.

The amenity perspective on migration into the Alps emphasized by Perlik (2006) and Bender and Kanitscheider (2012) cannot fully be applied to the new highlander entrepreneurs we interviewed. Most migrated because of a business opportunity. However, in some cases, the business opportunity was an outcome of the amenities. Such new highlander entrepreneurs can be called “amenity-led migrants” (Moss 2006).

Discovering and exploiting opportunities

In order to discover and exploit opportunities, an entrepreneur must have specific characteristics and attitudes (Shane 2003). The ability to recognize information, as well as the entrepreneur’s educational and professional background, can be crucial for discovering a business opportunity. Opportunity costs and psychological factors like risk aversion also influence the entrepreneurial decision. New highlander entrepreneurs saw a market gap and wanted to take a chance at filling it. However, the ways by which they discovered these gaps varied.

Young and independent entrepreneurs’ hobbies, as well as their previous work experience, helped them see the potential for a business.

I explored the region as a mountain bike guide. Therefore I visited the Keschhütte [an alpine lodge] several times, and I was in Davos and in Lenzerheide. Thereby I noticed that between Lenzerheide and the Keschhütte some bike infrastructure was missing—an accommodation catering to bikers, a shop for buying a bicycle tube. I found it a pity, because Grisons is a mountain canton for mountain bikers.

(bike shop owner, Bergün)

Professional and private contacts helped entrepreneurs with a family to discover business opportunities.

The former dentist [the predecessor with whom I completed my traineeship] asked me already then whether I would like to open a dental practice. They said that there is a lack of dentists here.

(dentist, Ilanz)

Entrepreneurs starting over had in common that they moved with a certain idea in mind and refined it continuously. To do so, they analyzed local needs and potentials. This way, they were able to discover the business opportunities by themselves.

We did not come as those from the lowlands with a finalized concept, but with open ears. With open ears and open minds, we simply tried and looked ... where the strengths and weaknesses are and what the chances and pitfalls of this location are.

(guesthouse owner, Schuders)

Locally established entrepreneurs were already living in the area and familiar with local business conditions, and thus could estimate the potential themselves. They generally also had help from local contacts. Although the majority of the interviewees established a business in a professional field other than their previous one, their previous professional background and experience helped them discover the opportunity and estimate its risks.

The natural qualities of the mountains and the peacefulness of the peripheral region were also seen by some of the new highlander entrepreneurs as having economic potential. This supports the claim of Anderson (2000) that the characteristics of peripheral areas can be transformed into economical potential. As a result, the economic value of the periphery is increasing. Nevertheless, since the periphery is a social construct, cultural shifts are required in order to profit from its characteristics.

When asked about the economic success of their businesses, most interviewees expressed uncertainty. The opportunity costs were especially high for entrepreneurs with a family, who had abandoned a well-paid urban job, an aspect they thought about before the decision was made.

The question was how a family with 4 children—at that time between 6 and 13 years old—can change its home... And also the question, how I can leave a well-paid management position ... and become self-employed.

(hotelier, Lavin)

In contrast, young and independent entrepreneurs took financial risk more lightly because they did not have to support a family and were more comfortable experimenting.

We simply had an idea and wanted to implement it. We planned a little.

(hostel owner, Disentis)

Well, I thought, I’m here now and if it goes well, I will stay.

(architect, Breil)

I said I would try it for a year. I did not have a family.

(blacksmith, Guarda)
For entrepreneurs who were starting over or locally established, the wish to pursue a new career and the passion for their projects were the main reasons they decided to take the risk. In sum, the new highlander entrepreneurs discovered opportunities primarily through personal interests, contacts, and professional experience.

Entrepreneurial strategy

The new highlander entrepreneurs chose similar strategies, regardless of their personal characteristics and circumstances. They generally considered opportunities carefully and with a strong awareness of the conditions specific to the mountain communities. Once the decision to exploit the opportunity was made and financial capital was acquired, new highlander entrepreneurs adjusted their strategies to the specific local circumstances. As stated before, most of the interviewed entrepreneurs were initially unsure about the profitability of their business. Therefore, they had to pay attention to the demand and needs of potential customers and adapt the products and services to local circumstances (the demand, the suppliers, and the local culture). Some expanded their location, while others launched new products.

You arrive and think that you will make this new and that new and in the end it does not work. First you have to work on the basics, that’s important... I built the dairy after a while, for instance. It did not exist before. Then, I also began to grow artichokes and opened the bistro with my wife.

(organic farmer, Lavin)

Most new highlander entrepreneurs created jobs. However, hiring suitable personnel is a challenge. The mountain communities have low population density and a lack of young and adequately educated people. The entrepreneurs agreed that it is difficult both to hire locally and to recruit staff willing to move to the area from another location.

It is very, very difficult to find suitable employees. Not only because they need to like to work in a hotel or in this industry but also because, at the same time, they have to be willing to live here.

(hotelier, Lavin)

Locally established entrepreneurs may be less affected by this limitation than others, because expanding the business (which would drive the need for more employees) is less important. For these entrepreneurs, quality of life and the ability to live and work in the region are more important than expanding the business.

For new highlander entrepreneurs who do seek to recruit employees, connections to cities can be helpful. Such center–periphery networks can also be used for sales and marketing and as source of new knowledge and ideas. Given the importance of such networks for innovation (Bathelt et al 2004), they can also benefit the entire region. However, maintenance of these rural–urban networks takes effort (Fuller-Love et al 2006). The 4 types of new highlander entrepreneurs differed regarding the strength of their networks. Young and independent entrepreneurs and those with families possessed the strongest connections. Entrepreneurs who were starting over or locally established had weaker connections, probably because they had moved to the periphery much earlier. Entrepreneurs in the first 2 categories said they were actively looking for exchanges with partners in cities and invested time and money in that effort; this was less true for the latter 2 groups.

Contributions of new highlander entrepreneurs

New highlander entrepreneurs contribute socially and economically to their mountain communities; in other words, they are embedded in them. Every interviewee was both personally and professionally involved in the local community. Many held a political office, and all participated in local clubs or associations, which resonates with the literature on the civic engagement of migrant entrepreneurs (Paniagua 2002). Some interviewees accepted a public office for which it would have been difficult to find another candidate—often a problem in mountain regions—thus helping to sustain village life, particularly those aspects associated with voluntary efforts.

Civic engagement by new highlander entrepreneurs is not without contention, as some local inhabitants are afraid that newcomers may gain too much power in this way. Nevertheless, these entrepreneurs are important resources for mountain villages, which are often in danger of losing their vitality due to out-migration. Village life may be sustained through the engagement of the entrepreneurs, and in turn, entrepreneurs and their businesses can benefit by becoming more embedded locally.

You have tasks if you want to be integrated in a village. You have to accept offices... I was in the cantonal church council for 12 years and I was president of the miniature golf club and treasurer of the tennis club, despite the fact that I played neither of these sports.

(architect, Breil)

Moreover, the businesses of the new highlander entrepreneurs are vital to the village economy and its social life, often providing needed services and making possible activities that have symbolic value in communities that have experienced decline and neglect—reopening old restaurants, creating new meeting places, or ensuring supplies for the population.

We are an artery for the village. Lavin—the Hotel Piz Linard—was always important. The local assembly (Landsgemeinde) was held...
In addition, new highlander entrepreneurs support other local businesses and try to make use of their services and products.

Everything we buy, we buy from here. We buy meat from a local farmer…. We buy cheese and butter from the alp.

(restaurant owner, Schuders)

New highlander entrepreneurs, especially the young and independent and those with families, also generate local employment. The 9 companies in our sample that belong to these 2 categories created 48 full- and part-time jobs. In contrast, the 6 companies of entrepreneurs who were starting over or locally established created only 10 full- and part-time jobs, and 6 of these were created by 1 locally established entrepreneur. The other 2 locally established entrepreneurs operated in the arts and crafts sector and did not have the financial capacity to employ staff. As reported before, the priority for entrepreneurs starting over is not the growth of the business but the quality of life.

Conclusions

Most new highlander entrepreneurs interviewed for this study were unlike traditional amenity migrants who migrate for quality-of-life reasons. The new highlander entrepreneurs we interviewed migrated for various reasons. They are entrepreneurially active, engage with their local communities, and contribute to the economic and social life of their chosen locations. Entrepreneurs starting over came closest to resembling the conventional concept of an amenity migrant.

Interviewees differed in terms of their personal circumstances, ways of recognizing and exploiting opportunities, financial resources, and economic and social contributions (Table 2). This study differed from many studies of amenity migration, which focus on 1 type of migrant. Studies of migration dynamics in mountain regions need to take into account that migrants are not all retired people seeking natural amenities and similar attractions, but also young and independent people, people with families, and middle-aged people looking for a change. Mountain communities may benefit from this in-migration in various ways, but they also have to be prepared to welcome and integrate the newcomers and to meet their needs. Given the diverse backgrounds of the new highlander entrepreneurs in the canton of Grisons, their needs may vary from childcare and education to health care services.

Although the new highlander entrepreneurs in our sample have found opportunities to become self-employed in mountain regions, the economic circumstances in these areas are special and demand exceptional entrepreneurial strategies. Thus, it seems that
new highlander entrepreneurs possess a certain pioneering spirit, because their undertaking requires them to risk both their professional future and, as newcomers to mountain communities, their social acceptance. They also have to deal with unique local sociocultural circumstances and embed themselves in their chosen communities. In this regard, they develop strategies to use the advantages of the periphery and work with its disadvantages.

As a result, new highlander entrepreneurs have the potential to actively influence the development of the periphery and shape its future. Each of the interviewed new highlander entrepreneurs attached importance to community activities, and most had pursued a public office. Due to the low population density in peripheral regions, new highlander entrepreneurs can therefore contribute significantly to their chosen communities. Their urban networks can also help to shrink the gap between rural and urban areas and connect peripheral producers to national or international markets.

Entrepreneurs may play an important role as change agents in mountain communities. Strategies such as the Euromontana’s (2013) Toward Mountains 2020 and the European Parliament’s (2016) Resolution on Cohesion Policy in Mountainous Regions of the EU have identified small- and medium-sized enterprises as important drivers of mountain economies. Also, they pay attention to entrepreneurial innovations and opportunities that are present in mountain communities. Without entrepreneurs, however, these opportunities will not be exploited. Thus, such strategies should focus on the contexts and frameworks in which entrepreneurs can operate most successfully in mountain regions.

Rural and mountain policies can support new highlander entrepreneurs in 3 ways. First, it is essential to maintain the basic conditions needed for business creation in peripheral regions (eg infrastructure and connection to urban markets). Without them, even new highlander entrepreneurs cannot turn economic potential into profit. Second, it is necessary to involve new highlander entrepreneurs in regional economic development activities and connect them to other companies or organizations in the region. This way, the regional economy can be stimulated by new inputs, and significant networks can be built. Third, even though a specific promotion program for new highlander entrepreneurs is not necessary, support programs for entrepreneurs in general might be important to stimulate new business dynamics regardless of their location. If new highlander entrepreneurs find a viable environment in which to live and work, if they are integrated in development activities, and if they can take advantage of public policies in support of new business development, these entrepreneurs will find that mountain regions are viable locations despite their many disadvantages.

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