

# Cultural Resources and Regional Development: The Case of the Cultural Legacy of Watchmaking

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**ABSTRACT** *Cultural resources are today the object of considerable attention in regional economics. Ground for new forms of innovation these resources have given rise to numerous works aiming at understanding the emergence and organisation of culture based economic activities and at identifying the role of these activities in regional development and urban planning. The objective of this article is to explore the way in which resources, and in particular cultural resources, are incorporated into production processes on the one hand, and the consequences on the resources of doing so on the other hand. Becoming an economic resource, a cultural “object” (symbol, image, cultural heritage, traditional know-how, etc.) becomes embedded within commercial relationships. The question we address here is what are the causes and consequences of this commodification of culture for the production systems, the customers and for the local communities which put a certain number of their constitutive elements into play.*

Cultural resources are today the object of considerable attention in regional economics. Ground for regional competitive advantage (Colletis & Pecqueur, 1994), new ferments of innovation and economic expansion, these resources have given rise, in regional economics to numerous works aiming at understanding the emergence and organisation of culture (creative) based economic activities and at identifying the role of these activities in regional development issues such as competitiveness and urban planning (Camagni *et al.*, 2004; Lazzeretti, 2004; Pecqueur, 2000; Costa, 2004).

Developing a territorial and institutional approach of resources, this paper aims at contributing to these works by understanding the relation (interrelation) between cultural objects and production systems. Considering culture as the specific way in which a community understands the world and is thus understood as a community, as well as the way in

which the community defines itself in comparison with others and communicates with them, then what is a “cultural resource”? In what way(s) can a cultural “object” become an economic resource? Are these resources production factors like the others, or does their cultural “nature” give them particular properties? By questioning the way cultural objects become resources—that is how symbols, images, cultural heritage, traditional know-how and practices are commodified—we wish here to go beyond the economic “production factor” approach of resources which mainly focuses on resource allocation and production organisation issues (be they territorialised/embedded or not). Becoming an economic resource, a cultural “object” becomes embedded within commercial relationships. What are the causes and consequences of this commodification of culture for the production systems, the customers and for the local communities which put a certain number of their constitutive elements into play?

These questions of course resonate with the debates on the articulation between culture and economy<sup>1</sup> (as vigorous in economic geography as absent in economy), more particularly on the forms and effects of culture’s commodification. The institutional and territorial approach of resources used here to analyse this process sympathises with Jackson’s wish to “try to demonstrate the value of an approach that transcends conventional dualisms between ‘the cultural’ and the ‘economic’, drawing out the links between production and consumption and making connections between a variety of scales from the local to the global (. . .)” (Jackson, 2002, p. 5).

Adopting a regional development perspective, the first part of the paper presents the institutional and territorial approach chosen here. This approach is structured around both the question of resources construction and that of their allocation/appropriation. It seeks to explain the way in which objects (knowledge, know-how, cultural heritage, materials, artefacts, raw material) become, at some time and in some place, economic resources. That is become linked to some economic production processes through a relation which is not a one-way process: the production system and its customers influencing the objects and, in turn, their own reproduction. When these objects are cultural, this relation process also establishes a link between a local community (which cultural objects, symbols, are incorporated into production) and its markets/customers. This link is no longer simply a commercial, functional or technological one, but is also a form of cultural communication.

This link, however, is characterised by instability. The objects (often carefully selected by the community) thereby commodified enter into the interplay of perceptions held within the community and the market. Communication established with the latter is by nature reductive, and might transmit a message about the community becoming increasingly stereotyped. The economic and commercial nature of these exchanges, reinforced by market expansion, shall favour standardisation within production. Nevertheless, some examples have shown that culture commodification (into tourist products) could bring cultural revitalisation (Krystal, 2000; Nash, 2000). The effects of commodification must then be carefully analysed as they can be contrasted.

The central issue in these dynamics relies on the way in which the community reacts when it is confronted with the “insertion” of some of its constitutive elements within commercial relations, which force threatens to remove any “authentic” cultural component, i.e. any component that defines the specificity of a community and its capacity to enter into communication with others. These issues shall be addressed in the second and last part of the paper, presenting the case of the watchmaking production system in the Swiss

Jura from 1985 to the present. During this period watchmakers have focused on the cultural components of their products rather than their purely technological and economic properties. By doing so they could recreate value, and thus cope with the deep crises they encountered in the 1908s and keep their leading role in the international market and in the economy of the region. Analysing the way cultural components have been incorporated into the watch production system shall give us indications on how the commodification process took place and on its consequences on both the production system and the concerned community.

## The Notion of a Resource

### *Imposed or Constructed Resources? The Standard and Institutional Approaches*

Schools of thought within economics diverge in their way of conceptualising resources. Table 1 presents the two approaches.

Neo-classical approaches consider that resources exist independently of production. They are imposed. They are homogenous and consequently mobile, and can be deployed in other production processes depending on the evolution of the related prices. In this case, the resources are reified: they exist in their own right, independently of the relations among the players and independently of the production processes. They are perceived as a stock whose contour is defined. We speak in terms of “factor” (capital, labour, ground) that is made available in a way that is exogenous to the production process and constitutes a boundary. The entrepreneur may make a choice among the various technologies available. These technologies are, however, equally exogenous and imposed. The central question to which this approach seeks a response is how to allocate the existing resources in an effective way, given the objective that is defined. The scarcity of the resources is pre-supposed, and constitutes the keystone of the reflection.

A second, so-called constructivist approach, considers the resources as being constructed, meaning they are not imposed once and for all, but are relative and evolutive. According to Raffestin (1980), a resource is a relation between an actor, a practice (mediatised through work) and a material. “Without practice, the material remains purely an inert ‘imposition’ and its properties are latent. Without practice, the material is not revealed as a field of possibilities: without any practice there is no relationship,

**Table 1.** Two approaches to the notion of resources

|                           | Given   | Constructed                                |
|---------------------------|---|--|
| Perspective               | Stock   | Process                                    |
| Contour                   | Defined   | Flux                                       |
| Quality                   | Reified   | Relational                                 |
| Role                      | Imposed   | Opportunity                                |
| Pre-supposed              | Imposed technology                              | Evolutive technology                       |
| Problematic               | Scarcity, allocation, optimisation              | Innovation, development                    |
| Relation to the territory | Extensive predation, nomadism                   | Anchoring and intensification, circulation |
| Type of approach          | Neo-Walrasian, neo-classical, neo-institutional | Institutionalist, evolutionist             |

*Source:* Drawn up by Kebir & Crevoisier (2004).

no rapport with the material and thus no production” (p. 204).<sup>2</sup> In this context, practice evolves in time and space. It is based on accumulated knowledge and on knowledge that emerges by means of action. In this approach, there is prior reflection to the productive action concerning what will be produced, how, etc. And following the action, once the process is completed, new questions are raised. Innovation plays a central role here. What constitutes, or will constitute, a resource will depend not only on what is imposed at the outset and in the future, but also on the intentions and perceptions of the actors, and at the forefront of which features the entrepreneur. “Resources are not fixed and finite because they are not natural. They are a product of human ingenuity resulting from the creation of technology and science” (De Gregori, 1987, p. 1247). To innovate, it is necessary to imagine opening up a field of possibilities, which supposes transforming our conception of objects. Innovation and the creation of new resources thus frequently go hand in hand. This second approach to resources is that of the institutional and evolutionist schools.

Under these conditions, how should the resource’s integration within the territory be defined? Following the same approach as above, it is possible to distinguish two concepts: that of the hunter-gatherer and that of the cultivator. The hunter-gatherer, at the peak of the food pyramid, hunts down his prey. Each prey needs a vast grazing territory. Consequently, the hunter-gatherer needs to travel from place to place when he has exhausted the resources in a given area in order to find enough prey. His integration within the territory is thus characterised by extensive predation, and by nomadism, in line with the concepts by Zimmermann (1998) and Chanteau (2001).

The second model is that of the cultivator. One or several levels lower in the food chain, the cultivator makes do with the produce of the land. He needs a much smaller space to meet his needs. The population density is much higher. His relation to the territory is characterised by anchoring, which permits him to work the land and, progressively, to improve his assets. The apprenticeship that takes place on a local basis gradually leads him to differentiate himself from the neighbouring regions and to develop exchange. The circulation of goods, persons and capital is the other side of anchoring. Anchoring has thus made possible the emergence of processes such as towns, exchange and writing. It has also led to the considerable development of what we today call cultural heritage.

Because of their relational nature, and as in any constructivist approach, resources occupy, yet also constitute, their own space and time. This space and time is the result of the interaction between the resource in question and the context in which it develops. To put this sequentially, the processes that define a resource take place starting from a territory that initially constitutes the matrix of these relations (for example the presence of a mountain and the intention of the inhabitants to use this for attracting tourist income). The same process then produces an *imprint* on the territory (for example the construction of cable cars, ski lifts). This imprint in turn becomes the matrix of subsequent development (for example the creation of a ski school), and so on.<sup>3</sup>

Resource management thus exists on two levels. The first is the matrix territory (imposed, constructed in the past) and the second, the imprint territory (in the process of construction). Here and now, the economic processes are linked both to the heritage of the past and to the present capacity on the part of the society and the entrepreneurs to make projections for the future. The difficulty is thus to integrate these two territories in accordance with the evolution of the production system on the one hand, and with the intrinsic cycles of the objects/cultural resources on the other.

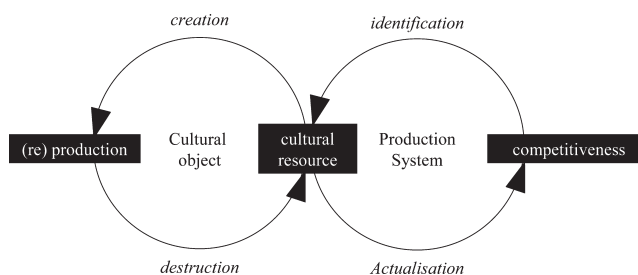
### *Cultural Resources*

In order to cope with the difficulties mentioned here above and to articulate both levels of resource management, we shall adopt an institutional and territorial approach of resources (Kebir & Crevoisier, 2004; Kebir, 2004) according to which resource is understood as a relational process between an object and a production system. The link (the resource) is created when an intention to produce is projected onto the object in question (with this, I can produce that) (Kebir, 2004). According to this approach, the resources constitute a process that links the objects and a production system. They partake of a vision of the (material and cognitive) environment that is based on what can be useful for development, or could be useful, or is not useful. From this perspective, a cultural resource is an object (for example an area of knowledge, a building) linked to a production system, whether by making use of it within a type of production—actualise it—or by a simple intention projected onto it by certain actors within the production system (Figure 1).

This approach to resources is inspired by institutional approaches (Ayres, 1943; De Gregori, 1987; Hunker, 1964; Zimmermann, 1951) and by the work of Raffestin (1980). It is also in line with the so-called “patrimonial” approach (Ollagnon, 1984; De Mongolfier & Natali, 1987) according to which if the space above all constitutes a living environment, “it is the economic and social activity that transforms this living environment into a resource, at a specific moment and for a given period, allocating it to one or several specific types of use” (De Mongolfier & Natali, 1987, p. 171).<sup>4</sup>

From this perspective, the cultural resources can be defined as all elements of a cultural nature that can potentially serve a purpose, or be useful, within a production process. This means all those cultural objects identified as capable of becoming integrated within a process whereby goods or services are produced.

In Figure 1, the circle to the left brings together the material or intangible “objects”, i.e. all cultural components present in the living environment (e.g. know-how, knowledge, written heritage, cultural legacy). The prevalent logic in this circle is that of the creation and destruction of cultural objects. These all have highly varying “life cycles”. For example, knowledge creation, works of art, or the shaping of landscapes are the result of different processes within a society that each involve a specific set of actors. The striking aspect of cultural objects is that they are the result of logics that are largely extra-economic. An interest in cultural resources thus supposes considering other logics that exist in the society such as: political, social, cultural and natural. The process of destroying these objects is also highly varied: knowledge disappears along with those in possession of it, constructed cultural legacy or landscapes are subject to physical or chemical wear



**Figure 1.** The resource as a process

and tear, not to mention wars, changes in land attribution or pressure from real estate development.

It is the production system that designates all the actors involved in identifying and implementing the resource with a view to producing goods or providing services (e.g. companies, research and training centres, public institutions) (Kebir, 2004). It also designates all the relationships maintained by these actors both within and beyond the system (Németi & Pfister, 1994). The production system is thus constituted by the relationships between the technology, the markets, the productive capital, the know-how, the technical culture and forms of representation (Crevoisier & Maillat, 1989). It constitutes, in fact, the place where the resources are identified and actualised. It is in the production system that the intentions relating to the production are born. These intentions evolve according to the perceptions and images of the production system and the environment in general<sup>5</sup> by the actors concerned. This system is where the resources are actualised, for it is here that they are used, transformed, applied; where they actually enter into economic production and become assets. The prevalent logic here is that of the production of goods and services. It is subject to the competitive pressure of the economic context.

Objects and production systems have an effect on each other. The activities of the production systems affect the objects, and the objects influence the development of production systems. They interact or co-evolve (Norgaard, 1994). In this sense, the relationship is not a neutral one.

The cultural objects can be destroyed (e.g. by forgetting, depreciation, demolition) or created (e.g. by apprenticeship “on the job”, applied research, composition) via the implementation process. The identification of a new need (cultural need) can lead to the creation of objects (museum, orchestra, theatre, research centre). The destruction of objects modifies the field of possibilities, which affects the identification process, and so on.

Innovation plays a central role. It determines what constitutes a resource and what no longer does. It transforms the intentions and perceptions of the actors, among whom the entrepreneur is at the forefront. As an apprenticeship process, innovation makes it possible to open up the field of possibilities and transforms one’s perception of objects. It thus participates considerably in the processes of creating and identifying resources (De Gregori, 1987; Raffestin, 1980).

The link between object and production system not only evolves according to its internal dynamic, but also to the context in which it occurs. Interconnected, objects and production systems are also related to other systems such as ecosystems, social systems, other objects, competing production systems. A cathedral can, at the same time, be a place of worship (ecclesiastical system), a local activity centre (local community system), a tourist attraction (tourism production system), and a striking monument (world cultural system). These diverse relations will affect the object that is the cathedral to varying degrees. Everything depends on the way it and the production system will become integrated (or fail to do so) and adapt (or fail to do so) to the signals they perceive. If the cathedral were to be no longer maintained or renovated, its attractiveness to tourists could be diminished. Inversely, if the influx of tourists were to increase, the cathedral could lose its attraction (depredation, congestion).

A resource is not established once and for all. It is an adjustment, an ongoing rearticulation of the relation between an object and a production system that is driven by change. It unites two elements that have differing rhythms, spatialities and logics that are at times complementary (when objects and production systems mutually strengthen each other)

and at others antagonistic (they impose constraints on each other). The evolution of a resource goes hand in hand with the coupling phases (creation of a link, a resource) or uncoupling ones (rupture of the existing link, lack of economic interest in the object) or inversely recoupling (constitution of a new link based on the same object or production system): all of these phases transform resources into objects and vice-versa (Kebir & Crevoisier, 2004).

The relations between cultural dynamics and the economic system have recently considerably evolved. During the Fordist period, what we understood by “culture” was widely a source of contestation of the economic system. In other words, economic development and cultural development were more frequently opposed than integrated. Culture development meant creation and liberation, whereas economic development signified routine, the replication of standardised products and enslavement by the accomplishment of behaviour that was made routine. During the 1970s and 1980s, but also today, it is above all techno-scientific knowledge that is considered to be the key resource behind development. This is a highly particular form of culture that shall give rise to a renewed convergence between research and training institutions and the economic system. In parallel, and in an increasingly intense way today, the various forms of artistic and cultural expression are perfectly integrated within economic development, both concerning the production of industrial goods (e.g. fashion, books, design, multimedia) and services (e.g. cinema, sport, tourism) (Boltanski & Chiapello, 1999). They are no longer sales arguments but often constitute the very substance of economic exchange. Beyond scientific and cultural knowledge and art, it is also our “life experiences” that are today becoming the fundamental cultural resources from which the economic system develops new services and new products (Rifkin, 2000). The relations between culture and production are gaining in depth, with ever greater sections of the former being encompassed by the latter. It is in this perspective that we shall observe what has taken place in the Swiss Jura Arc.

### **Proximity and Dynamic of the Resources in the Watchmaking Industry**

This second section is centred on the evolution of the watchmaking production system from 1980 to date. Based on the concepts developed above, we seek to: identify, in retrospect, what we term the cultural resources; show the way in which these have, at various times, been identified and then mobilised within the production system; show how they modified the perception of this system and of the producing regions on the part of their customers, and how this view in turn imposed its evolution on the production system and modified the production of the cultural objects concerned; and finally, to address the way in which the regional community positions itself towards the commodification of objects that are specific to its culture.

#### *From a Standard Product to a Means of Defining Social Status*

At the beginning of the 1980s, the watchmaking production system in the Swiss Jura Arc had undergone a major crisis. Within 10 years, two-thirds of the related jobs had been lost. The technological transition had taken place there, but the products were in direct competition with those from Japan and Hong Kong while being much more expensive. The emergence from the crisis was to take place over a few years thanks to a radical transformation of the product. Until then, the essential characteristics of a Swiss watch were its precision and its

reliability. With quartz, precision was taken for granted and the cost of such a clock movement was low. As for reliability, this also reached a high level as of the end of the 1970s.

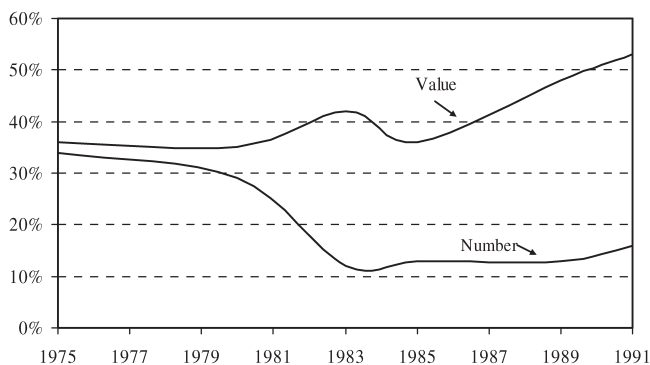
The evolution of the product thus took place via the renewal or the introduction of new characteristics: aesthetic qualities and a cultural content. Regarding aesthetics, it was at this time that watches were marketed in every possible type of material (such as metal, plastic, wood, stone), and in all possible shapes (watches as pendants, brooches, fob watches) and all colours. The designers became the major actors within design and production. They came either from the region or, to an increasing extent, from the international centres of fashion and design (mainly Milan and Paris). One of the characteristics of Swiss watchmaking at the time was the decline and virtual disappearance of watches with digital dials and a return to those with hands, which lent themselves to numerous variations. This bore witness to the abandonment of a purely utilitarian, technological, low-cost production in favour of implementing a different path to that taken by the competition.

Concerning the cultural content, the watchmaking product became associated with symbols, images, cultural heritage, and became a means of communication. The watch, above all a utilitarian object, incorporates various significances from the consumers' point of view. It becomes a way of reflecting the values and messages of fashion and of luxury. Specialists in marketing, image concepts, sponsoring, advertising and marketing methods began to appear. The watch became an object to be shown, to state one's identity. For consumers, it thus became a means of distinguishing social status.

A sharp drop in the number of watches exported to the world's markets took place as of the early 1980s. In terms of value, however, the figures remained stable and then increased regularly, in a market that was continuously expanding (Figure 2).

The average price of the Swiss product was multiplied several times during this period thanks to radical innovation.

How was such a transformation possible? The process took place in a highly decentralised way, and via numerous companies. A large number of these firms were created in order to market a single collection. The entire period is thus characterised not by planning, but by trial and error, by imitation/differentiation. For instance, the Swatch was initially designed to be a disposable product. It was only subsequently that the idea to vary the colours and designs of the plastic case and dial was born, and that this industrial product, one that paradoxically was perfectly simple to reproduce, became a collectors' item.



**Figure 2.** Evolution in the number and value of Swiss watches exported to the world's markets  
*Source:* Piottet (1988) and Federation of the Swiss Watch Industry (1991)

This process has not, strictly speaking, led to the mobilisation of cultural resources in the Swiss Jura Arc region in order to incorporate them within watchmaking products, with a few notable exceptions.<sup>6</sup> However, it did create the connection between the production system and the principal cultural dynamics of consumption at an international level. In this sense, it permitted this region to become reintegrated in a universality—a place it had lost over the preceding decades. Evidence of this was the presence of this industry and its brands in all the leading magazines of the planet, and at prestigious cultural and sports events. As of this point, the investments focused massively on communication and image. In the Swiss Jura Arc, this process took the form of prestigious industrial premises being constructed, designed by internationally renowned architects: buildings that also served to promote the brand's image.

### *The Renewal of the Mechanical Watch*

A further process emerged in parallel with that described above: that of the renewal of the mechanical watch. During the Fordist period, the labour force followed a marked process of dequalification. The standardisation of the products and above all of the production processes, and the increased precision in the manufacturing of the components, progressively rendered the traditional skills of design, craftsmanship and fine precision work outdated. These skills were no longer used, and thus no longer taught at training establishments. At the beginning of the 1970s, the International Watchmaking Museum was inaugurated as the depository of a material and cultural legacy believed to be the victim of modern industry. Around 1980, a few enthusiastic entrepreneurs, fascinated by the micromechanics of watchmaking, took it upon themselves to inject new life into this tradition. These somewhat marginalised individuals were forced to investigate the region's archives, its museums and its companies to retrieve the plans, the shapes and the spirit of the traditional craft. They also mobilised what remained of the living memory of former designers and craftsmen who had been trained during the 1930s.

The success of the mechanical watch, based on the appeal of the clock movement and the complications,<sup>7</sup> on the attention to detail and the complexity, and on tradition and perfection, was astonishing. It brought forth a notion that was characterised by the interplay, or even the perfect alignment, of cultural values and economic resources: the know-how. The know-how embraced many factors at once: cultural technique, lifestyle, production, and using advertising to communicate. Beyond the watchmaking product itself, the know-how was the principal factor that would both represent the community of the producers and appeal to the customers. As of this point, numerous individuals arrived from abroad to train in the region, becoming integrated within this system.

From the cultural resources point of view, the renewal of the mechanical watch was exemplary. It was based on resistance on the part of enthusiasts who strove to bring an extremely ancient technical and aesthetic tradition back to life, in the place where it developed. It mobilised historical legacy, technique and aesthetics, and on both a material and a human level, in a highly intensive way.

This success rapidly brought imitators in its wake, with varying effects on the production system and the region's cultural resources. The traditional companies began to re-open their archives, reconstituting the collections of former models. Most brands also set up itinerant exhibitions or company museums, these latter usually installed in historical buildings close to their factories and workshops—and all this intended to indicate their

historical anchoring. This process, however, was not simply one of bringing the past back to life. It rapidly gained autonomy, and completely new brands and companies emerged, proclaiming their roots in the most ancient tradition . . . yet created simply for the purpose of taking advantage of the trend. The brand and company Blancpain is a good example of this phenomenon. The brand, ancient but inactive for decades, was bought from what is now the Swatch Group by one of the group's former employees who had decided to set up his own business. The project was above all centred on a marketing concept. Very quickly, the company was able to recruit well-qualified employees and to develop products in the top sector, with aesthetically attractive designs and highly refined, extremely well-profiled marketing. Its prowess regarding timepieces with complications served to further strengthen its image. The success it achieved was considerable, and the company was ultimately bought by the Swatch Group. This example shows that, in certain cases, making use of regional cultural resources does not take place to their detriment, but can contribute to their further refinement.

In other cases, however, the results are different. Little by little, the economic machine is triggered. Many companies, including larger ones, sought to make use of the formula and to expand their opportunities. Larger series were produced in parallel with the smaller ones. A massive move to producing components in South East Asia took place. Clichés began appearing in communication. The imagery used in advertising revived the “farmer-watchmakers” and the production in the isolated, snow-covered valleys of the Jura, and more and more former models of watches were successfully resuscitated.

To date, however, this process within the industry did not prevent the “luxury” sector for mechanical watches from developing. This sector, paradoxically, has remained dynamic and innovative. A veritable race to perfect the mechanical clock movements and to demonstrate prowess regarding complications has begun: a race wherein wealthy consumers anxious to obtain such products spend fortunes. Competition by major industry, which obviously renders the product and the message it conveys less exclusive, is as yet serving only to stimulate the refinement process.

During the 1990s, this know-how increasingly involved the creation of a *mise en scene*, and not only in advertising and in luxurious publications that were both cultural but—in a highly discreet way—also for publicity purposes. The most prestigious manufacturers began inviting their retailers, and then the buyers of the prestige items, to visit their museums and workshops. The organisation of such visits was the subject of great care. At the leading firms, the operations were explained to visitors by the relevant employees. The competence of the individuals and of the entity as a whole, arranged as a *mise en scene* and explained to individuals who often came from extremely distant cultures and countries, became cultural resources that were directly highlighted to the visitors, without taking the exclusive form of a presentation of the product, or of publicity. This reveals the fact that the authenticity of these resources was being maintained. In fact, the skills in question are the attributes of the producers, and without any doubt an essential factor contributing to their identity and to the functioning of their community. As such, they were also being presented not to anonymous buyers but to visitors who were physically present and, in principle, interested in gaining a better understanding of this community and its attributes. Visits to the workshop were somewhat few and far between, however, since they disturbed production. On the other hand, certain companies welcomed several thousand visitors per year to their museum or their demonstration facilities.

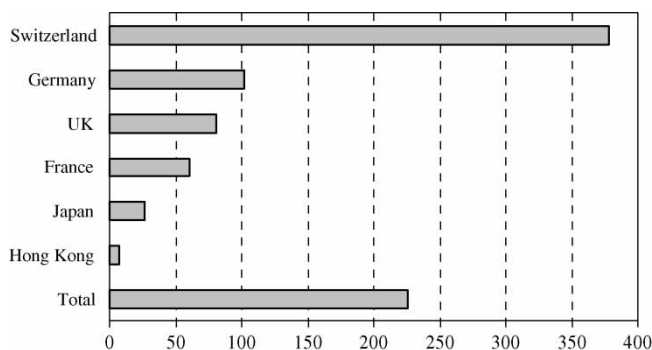
### *Concentration of the Industry and the Role of Intellectual Property*

In the top and luxury sectors of the mechanical range, a dynamic balance thus exists to date between the mobilisation and refinement of the regional cultural resources on the one hand, and their valorisation or trivialisation thanks to industrial production on the other. The first process appears in the average price of a Swiss watch compared with that of European and Asian competitors (Figure 3).

The development of the second process is confirmed by the concentration of the most prestigious brands within four main groups, i.e. Rolex, which is the exclusive owner of its own brand, plus three groups owning several brands (Figure 4).

The mechanical watch, whose highly specialised technology seemed doomed to extinction, is once again of interest to practically all manufacturers, including and above all the largest groups. As of 2001, it has represented a greater value than that for quartz watches among Swiss exports, and 58% in 2003 (Figure 5).

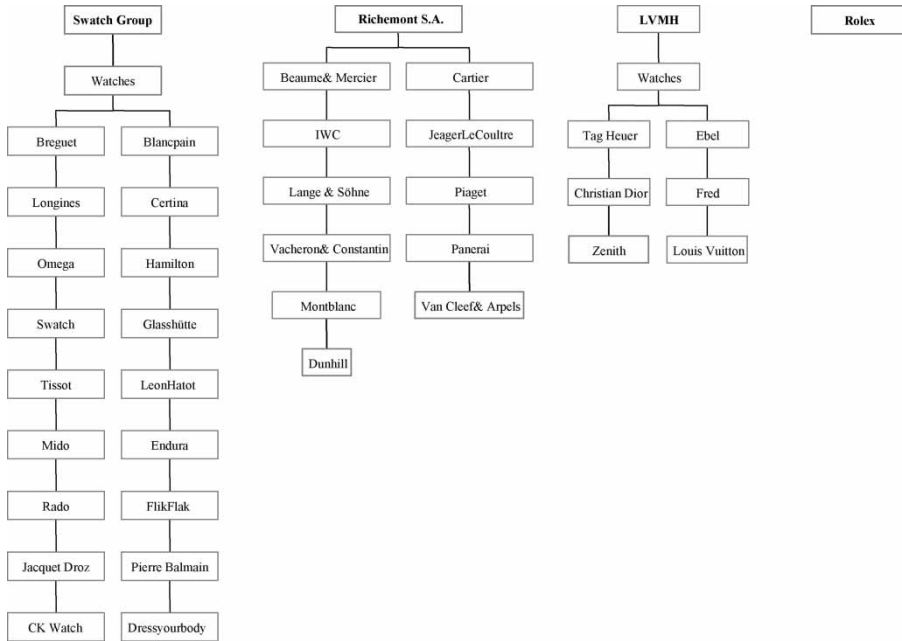
Competing foreign industries are also joining the race. We are seeing skeleton watches or tourbillon escapements manufactured by the Japanese appearing on the market. The traditional location where mechanical watches are made is thus no longer the exclusive home to its production. To date, however, the competition from abroad has never succeeded in gaining ground on the markets with products of this kind. In the minds of the consumers, these products remain associated with a country—Switzerland—and with certain regions—in particular Geneva and the Swiss Jura Arc. “Swiss made” and “Geneva” are moreover the only geographical appellations that are protected and internationally recognised for industrial products. If the cultural content of watchmaking products has not become completely trivialised as a result of imitation by low-cost producers, this is not, therefore, because of the difficulty in copying the products but also, and above all, because of the policy of intellectual property and of the international control of it. All the major watchmaking groups now possess their own intellectual property department. It is no longer primarily the patents—that protect the technological innovations—but rather the brands and above all the designs and models that fill the watchmakers’ intellectual property portfolios. The number of models registered by the Swatch Group is estimated at over 50,000.<sup>8</sup> This provides an idea of the investments made and above all of the efforts undertaken to control the market. Alongside the groups’ policies,



**Figure 3.** Comparison of the average price for an exported watch in 2003 (in Swiss francs)

*Source:* Based on a document by the Federation of the Swiss Watch Industry (2004)

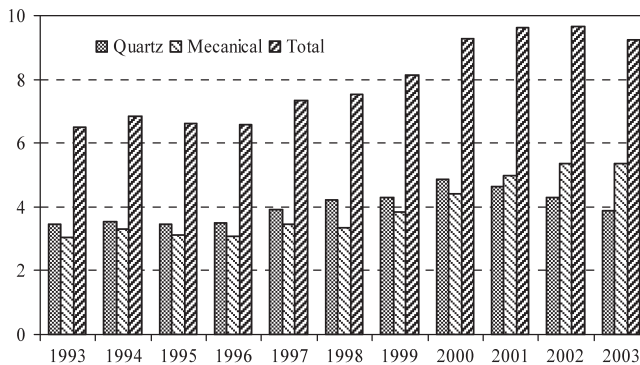
*Note:* CHF 1=approx. EUR 0.66



**Figure 4.** The main concentrations within watchmaking activities (simplified version)

Source: Based on a document by the Federation of the Swiss Watch Industry (2002)

Note: Only the groups' main companies and brands active in watchmaking are reflected here. The components industry is not included



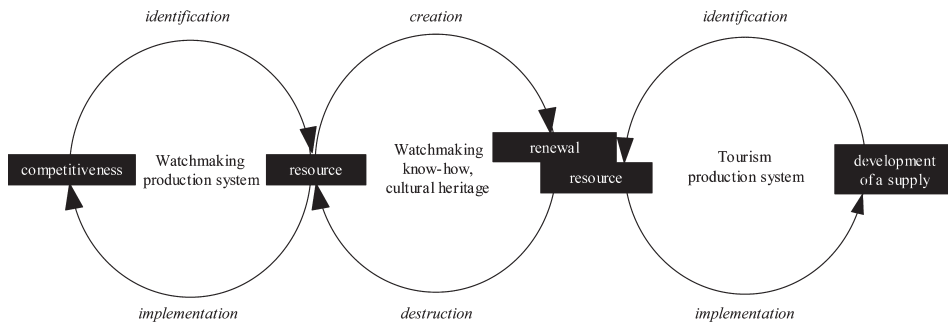
**Figure 5.** The growing importance of mechanical watches in Swiss watchmaking exports (in CHF billion)

Source: Created using statistics from the Federation of the Swiss Watch Industry (2004)

the Federation of the Swiss Watch Industry is setting up means of identifying and instigating legal proceedings against counterfeits, on a world level.

#### *Watch Valley: Tourism in the Watchmaking Region?*

Do watchmaking traditions (know-how, cultural heritage involved) constitute regional cultural resources or are they the companies' property? The launch of the "Watch



**Figure 6.** The *Watch Valley* project, or the development of a new way of using watchmaking know-how

Source: Kebir & Crevoisier (2004)

Valley” project opens up a new way of using watchmaking skills. In parallel to “classical” industrial use, a new form of use—that of tourism, this time—is developing (Figure 6).

Towards the end of the 1990s, a project for regional promotion structured around the watch emerged. The origins of the idea were attributed to a leading figure in the region, linked to the watchmaking business. He saw the watch as the common denominator of a composite region lacking in unity and visibility. Feedback from the tourist promotion sectors led to a first concrete product: the “Watchmaking Route”, consisting of a tourist itinerary presenting various museums (public and private) located between Geneva and Basel, with a detour via Zurich.

A few months later, the concept of *Watch Valley*, created by a firm of consultants from outside the region, was launched by the tourist offices of the Swiss Jura Arc that gathered specially for this project. The concept aims to give the region an international-level profile by creating a tourist destination focused on the topic of watches. Via the promotion of *Watch Valley* such as joint promotion aimed at foreign tour operators and development of specific products (e.g. day tours with a visit to a museum and a nature site), the intention is to characterise and specify a tourist ensemble in order to position it on the international market. Although the Swiss watch is widely known, there is far less awareness regarding the fact that the manufacturing of these watches is concentrated in one region.

The *Watch Valley* products presented to date have been welcomed by international tour operators. Within the region, however, the process appears to be a more difficult one. The actors within the watchmaking production system are in general distancing themselves from the concept. They have some doubts regarding the project’s relevance. The sector is thriving, so they do not consider it necessary to strengthen the links between tourism and watchmaking and do not see that it has any particular potential, whether in terms of product distribution or marketing, for example. The watchmaking companies are somewhat reluctant to carry out joint operations of this kind, for obvious reasons of competition. The result, therefore, is that the watchmakers are on the whole against the idea. The official position of the Federation of the Swiss watch industry (FH—the trade association uniting the watchmakers) was at the time of the survey (2001) clearly opposed to the project. The know-how was essentially created and passed on by the training system in the region. It is in the hands of the region’s companies and employees. To date, however, it has been made use of by the companies on an individual level. Identifying watchmaking know-how as a

regional resource whereby it is no longer the exclusive prerogative of the watchmaking companies thus constitutes a rupture within the dynamic of this resource.

The stated ambition of *Watch Valley* is to create synergies between the “old” and “new” ways of using the resource, and to develop the largest possible overlap between the “old” and “new” markets. This is no easy task, since both the tourism and watchmaking markets are segmented and correspond to images that are not well aligned or are even fully incompatible.

From the dynamic of cultural resources and regional development point of view, the *Watch Valley* project raises the following question: after having incorporated numerous cultural components within the watchmaking product whose source is in the region but also beyond it, does this project constitute an additional phase in increasing the cultural content of the watchmaking project? The most prestigious watch manufacturers have already partially integrated these tourist services in their product by inviting their customers for on-site visits. They did not wait until a project on a regional scale was developed. However, they are also able to benefit from service offered by tourism. In the case of luxury hotels, for instance, one can see a clear example of complementarities: the two main hotels in the region are exhibiting watchmaking products and belong, in one way or another, to actors close to the watchmaking industry. By making use, for example, of the marked routes, the commentaries on places of interest and the documentation, the watchmaking actors can enrich the services provided for their customers. Inversely, however, what is the contribution of these actors to the tourism project? From a historical point of view, the answer is obvious: the cultural legacy of watchmaking appears as a sub-product of the watchmaking industry. Concerning the *Watch Valley* project, the answer is less clear. In fact, the actors are interested as long as the project permits each company to enrich its services. Since the customers attracted by the tourism elements and those who come to the area via the companies are not necessarily the same, it appears difficult to establish a structure appropriate to both. The result is thus that various customer segments are developing, for whom the relative emphasis on the watchmaking product or on tourism varies: in parallel to certain areas where the cultural content of the product is becoming enriched, new and exclusively tourism services are also appearing.

It is becoming increasingly evident that tourist facilities in the area can develop without the input of the watchmakers, by mobilising the public resources (museums, architecture). Eventually, could a wider campaign be imagined, linking watchmaking customers to a regional tourism project? This is the question.

The attitude of the population is equally marked by resistance, or at least on the part of those who have spoken out during public debates. The know-how is perceived by the population as an identifying element and one of regional “expertise” . . . but not as a tourism resource. Although the idea of federating in order to sell the region jointly does not meet with opposition as such, the expression *Watch Valley* is criticised by various local milieus for several reasons such as: the area is not about watches alone; the Swiss Jura Arc is not a valley; the term is an English one that the locals do not identify with; it was difficult to do away with the region’s image of one that was devastated by the watchmaking crisis of the 1970s and ‘80s so it is a bad idea to return to it. All this reflects the difficulties for a part of the population to use certain components of the identity and the cultural legacy of watchmaking. It also reveals the central role of the watchmaking legacy within regional identity. The degree of opposition varies from place to place but it has not yet condemned the project, which is for the moment mainly directed

abroad: the aim is to conquer the international market. Nevertheless, and in order to placate those who objected, the slogan “Watch Valley” has been completed by the phrase “pays de la precision” (the land of precision), and the accent is placed on the former or latter portion depending on the circumstances.

## Conclusion

Analysing the relations between regional development and cultural resource is no easy matter. In this article, we have restricted ourselves to handling the question of cultural resources and their mobilisation within the production system on a regional scale. By using an institutional and territorial approach of the resource we reconstituted the main relationships between the watchmaking production system, the customers of this system, and the region of the Swiss Jura.

The boundaries to the approach being set, we can attempt to draw a certain number of conclusions regarding the relations between cultural resources, production systems, and regional development.

Firstly, the cultural resources constitute an increasingly significant economic issue for regional communities of all types (rural, urban, metropolitan, etc.) as they become major components of value production. Secondly, those communities capable of using some of their essential components in order to innovate succeed in preserving or increasing their revenue. This development is not exclusively a commercial one, but is also a form of cultural communication and of positioning towards the exterior. Thirdly, the economic system, and in particular large companies, rapidly appropriate formulas that work. They invest, exploit, and appropriate them by various means—one method of doing so today relies on the use of intellectual property law. This results in an increase in the number of series and the opening of new markets. Salaried relations and standardisation are introduced between the producer’s community and customers. The case of the development of the mechanical watch, however, has revealed that certain factors make it possible to preserve, for a while and for certain segments, a degree of authenticity of the cultural resources and in the relationship with the customers. In other words, the role of know-how and of certain companies’ cultural heritage in the regional community has been preserved. This since it was perceived as an economic resource *vis-a-vis* the customers who are more and more becoming visitors. An inter-cultural relationship continues to develop together with the commercial relation, with varying degrees of ambiguity. Fourthly, the local communities thus find themselves subject to two forces. On the one hand, their cultural legacy and their contemporary culture can become significant economic resources. On the other, the commodification of certain components within their culture could, as an extreme but nevertheless possible consequence, turn into a folkloric spectacle: a transformation into a type of Disneyland or a living museum. In other words, if the second force shall become predominant, the community could lose its own dynamic and fall apart. Faced with this danger, certain communities can be seen resisting, with varying degrees of determination and success to the intrusion of the economic forces: by protecting certain precise objects or more generally by resisting any form of economic utilisation of their cultural heritage. Opening up new economic circuits, the *Watch Valley* project, for example, is confronted with such cultural and identity resistance. It is also confronted with appropriation issues by powerful economic actors. The stake now is to know whether the regional community shall find the strength to take advantage of their cultural

resources while continually re-inventing new ones and preserving their revenues and their specificity.

This stake raises the underlying issue of the interplay between specificity and universality, which are either in opposition, complementing, or destroying each other. Do these questions arise in the same way in other contexts? That is what we are suggesting here, given that, on each occasion, these processes shall take on context-specific forms.

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## Notes

1. See for example the debates on the cultural turn in geography (Crang, 1997; Castree, 2004; Hadjimichalis, 2001).
2. Our translation.
3. This way of stating the problem of resources and innovation is very similar to that of technological creation (Kline & Rosenberg, 1986; Gaffard, 1990). It raises the question of innovation and resources based on heritage on the one hand, and a projection of the entrepreneur's project for the future on the other.
4. Our translation.
5. In this sense, we are distancing ourselves from the hypothesis of perfect rationality that implies full alignment between the information (that emerges from the environment) and the reality of this environment. The perceptions and the forms of understanding are crucial when identifying what is a resource and what is not.
6. At the time, the brand Ebel underwent considerable renewal on the basis of the slogan "The architects of time", and a well-profiled line of products from the design and marketing points of view. This idea was linked to the work of Corbusier, one of whose first buildings in La Chaux-de-Fonds is this company's public relations centre.
7. Mechanical complications are functions added to the basic time provision, such as chronometer, the phases of the moon, bells, additional time zones, etc.
8. Source: World Intellectual Property Organization.

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