

European Deindustrialisation – The Swiss Special Sauce ch

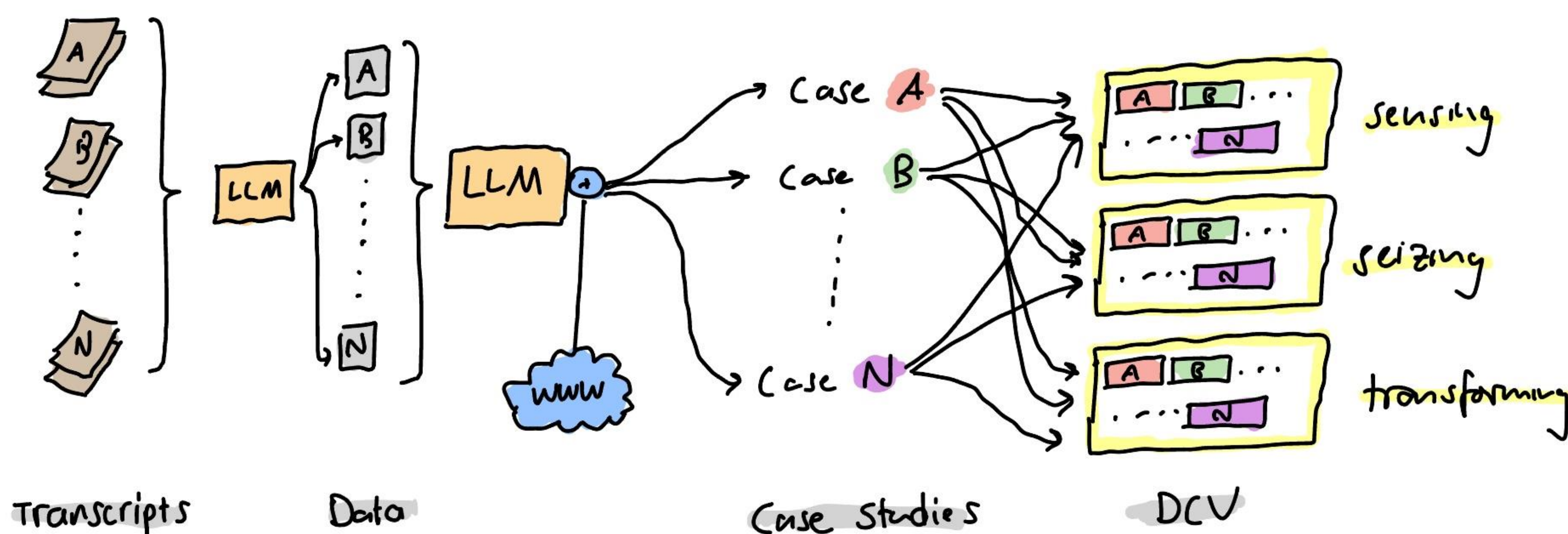


Figure 1: Mixed-Method Methodology

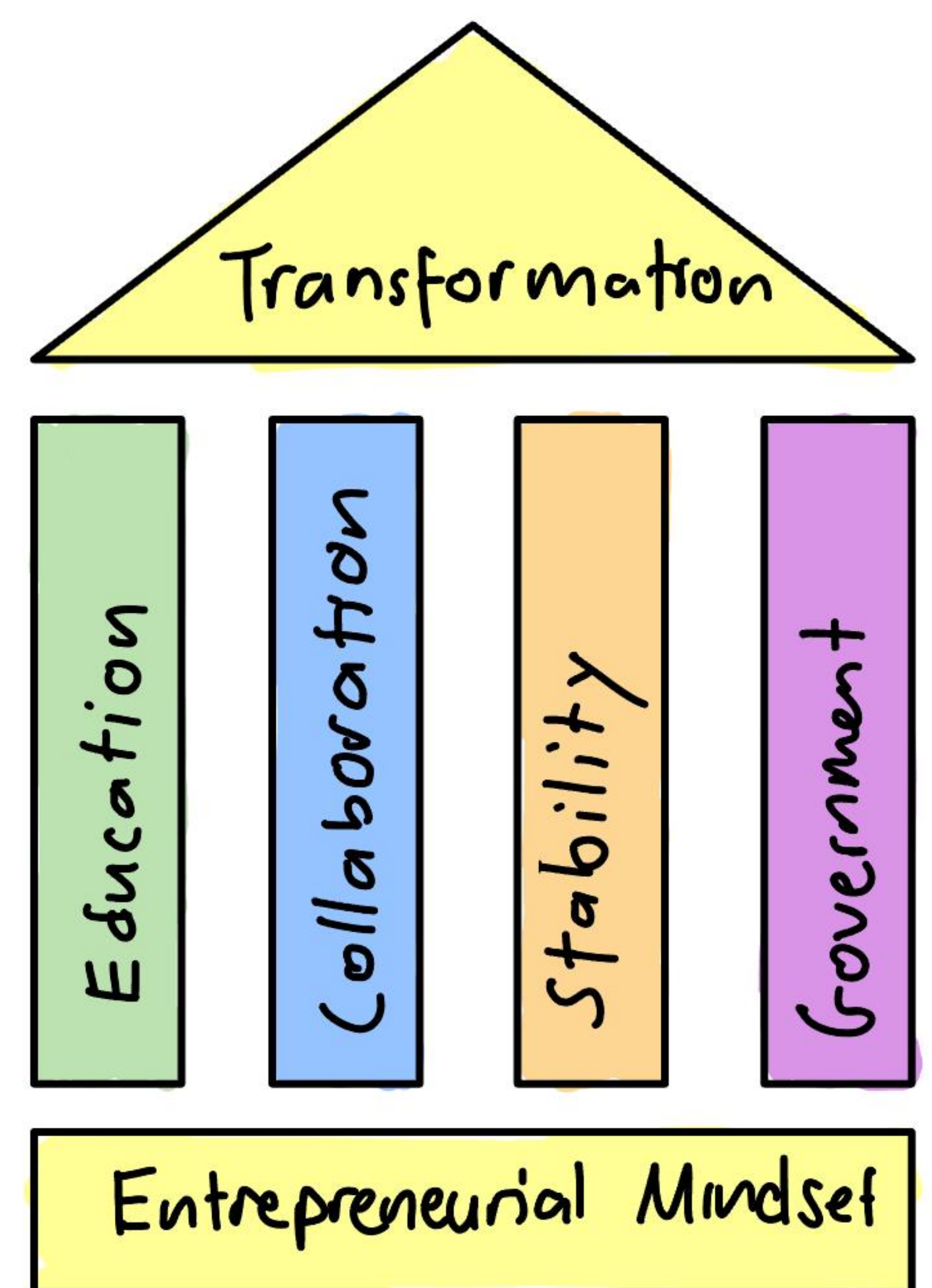


Figure 3: The "Special Sauce" Model

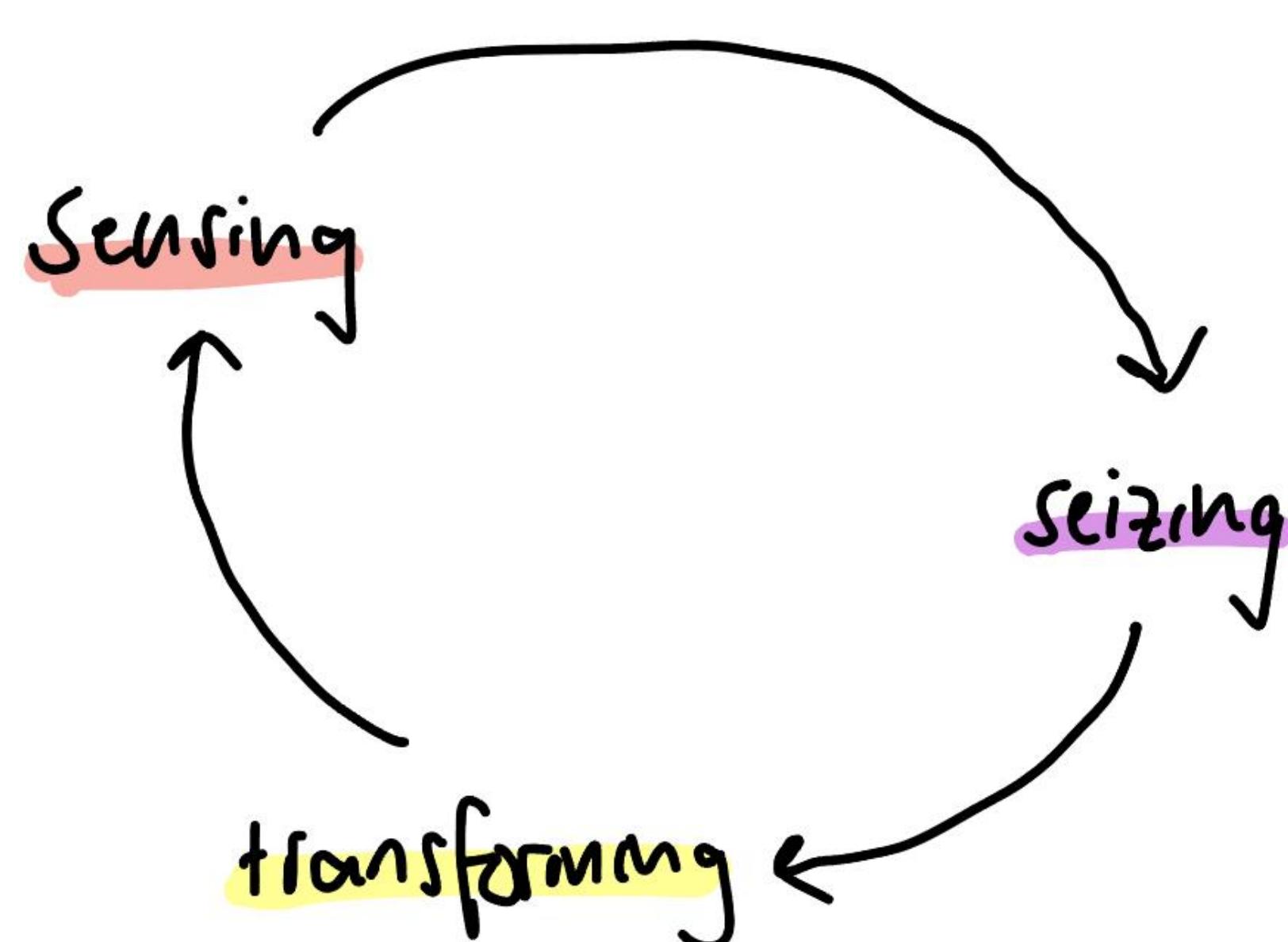


Figure 2: Cyclical Nature of DCV

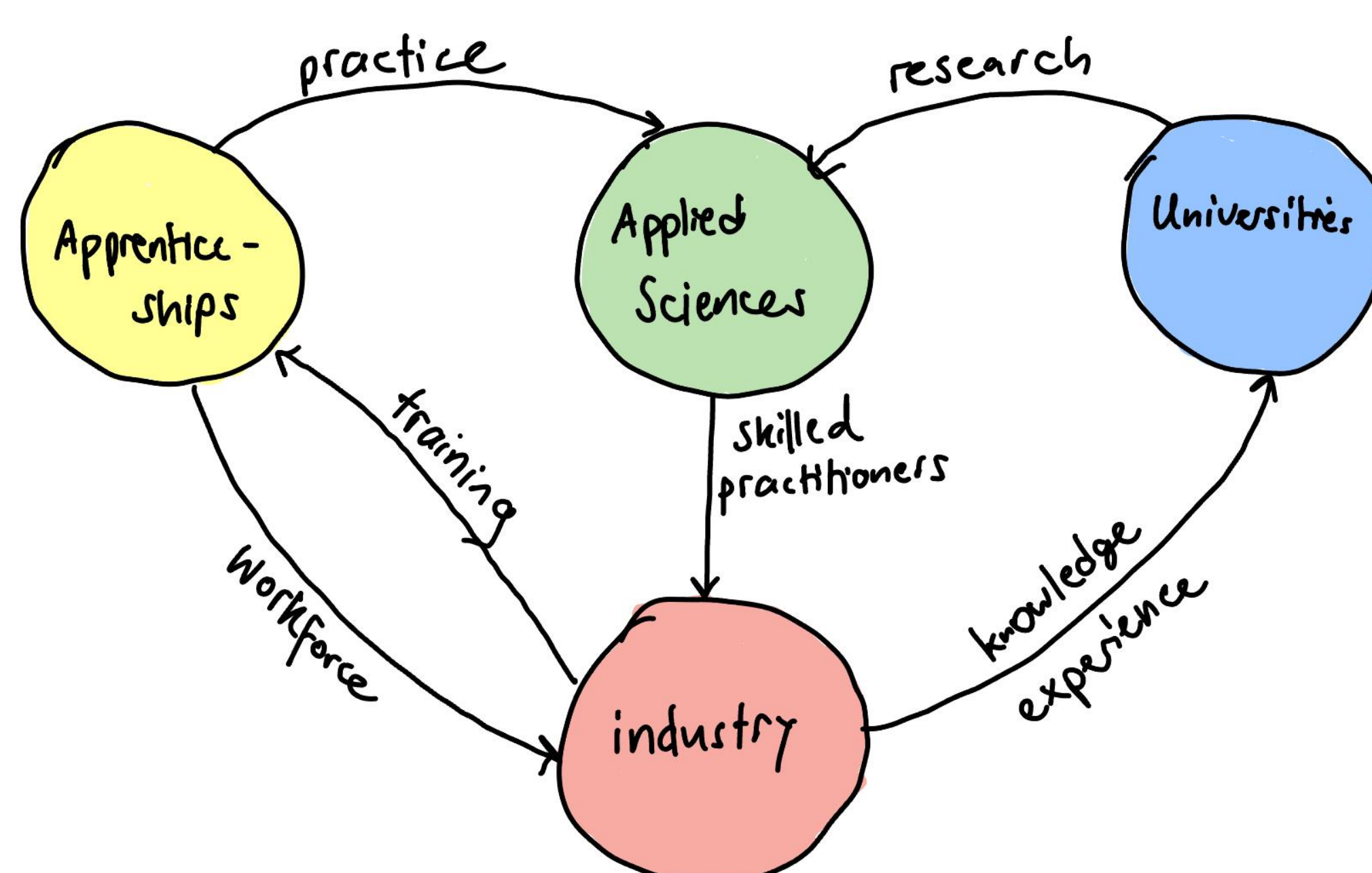


Figure 4: Dual Education System

Problem

It has long been known that Europe is in manufacturing decline, as seen in the UK (Donnelly et al., 2016; Kitson and Michie, 2014; Statista, 2024). In season two, episode nine of the British automotive television show "Top Gear", the presenter Jeremy Clarkson says: "Why can't we- in Britain, the country that gave the world the jet engine, penicillin, the telephone- make our own small car? German labour costs are off the scale, and they can make (VW) Polos and Lupos". He is right in the fact that German labour costs are high, but not quite as high as those in Switzerland - a country that has remained impressively resilient in the face of European deindustrialisation, a small expensive country that still exports trains and watches worldwide (Jaberg, 2024). This thesis aims to explain this phenomenon by interviewing Swiss businesses to find "special sauce" that may be adapted to other economies through cutting-edge qualitative methods supported with artificial intelligence (AI).

Methodology

Answering the question "How does Switzerland sustain economic resilience and foster transitions in its industrial and business landscape, despite the global trend of deindustrialisation?" requires employment of a mixed-method approach (Figure 1), combining qualitative case study analysis grounded in interview data through the lens of Dynamic Capabilities View (DCV, Figure 2).

Findings

The findings identify Switzerland's "special sauce" as a capacity for continuous industrial transformation, driven by an ecosystem of four key elements (Figure 3): a high-quality dual education system fostering industry-academia collaboration (Figure 4), a strong culture of collaboration enabling deep synergies, enduring politico-economic stability supporting long-term planning, and supportive government policies promoting innovation and adaptability. Underlying these components is a strong, established culture of entrepreneurship providing the willingness and courage to tackle change head-on.

Switzerland's "transforming" capabilities allow its firms to navigate challenges such as high labour costs, a strong Swiss franc, and geopolitical uncertainties while sustaining competitiveness in global markets.

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