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Sabine Mühlinghaus and Samuel Wälty

Endogenous Development in Swiss Mountain Communities

Local Initiatives in Urnäsch and Schamserberg

This paper explores endogenous development as a strategy for Swiss mountain communities. Endogenous development refers to self-determined participatory development based on regional needs and the use of endogenous potentials. Data from 2 case studies, Urnäsch and Schamserberg, show that endogenous development cannot be detached from its national and global context and that local initiatives evolve as a continuous interplay between internal and external factors. The main benefits of endogenous development are within the social and cultural realm: it raises people's awareness of local problems, promotes community bonds, and fosters local identity. These effects are important because they increase the quality of life. Indirectly, they can have an effect on economic development because they motivate people to stay in their communities and become involved in local activities. Regional policy should thus pay more attention to endogenous development by promoting participation, local initiative, and social capital.

Keywords: *Regional development; local initiatives; mountain communities; regional policies; Switzerland.*

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Introduction

The economic and political context of rural development in Switzerland is currently undergoing transformation due to accelerated structural change of the economy, the results of the World Trade Organization round in Uruguay, European integration, stagnation in the Swiss tourist industry, and the reorganization of Swiss agricultural and regional policies. Growing budgetary restrictions in the public sector and increasing pressure in favor of economic liberalization and market integration diminish the scope for subsidies and thus call for new concepts in regional policy. Could endogenous development be such a new concept?

This article explores endogenous development as an approach for Swiss mountain communities, with a special focus on local initiatives as the main strategy for its realization at the local level. What factors influence the emergence and success of local initiatives? What are the benefits of local initiatives? How should and could endogenous development be promoted? These are the main questions considered in case studies of 2 Swiss mountain communities (Figure 1). Urnäsch and Schamserberg are very different in size, economic structure, and tradition as well as in development activities, which makes it possible to distinguish between case-specific elements and elements of a more general nature. Open-ended interviews with local residents and elected officials were the main method used in the investigation. In addition, representatives from other mountain communities and experts were interviewed.

The first section discusses the origin and definition of the endogenous development approach. This is followed by 2 case studies. Then determining factors as well as benefits and limits of local initiatives are explored and the implications of these findings on regional policy are analyzed. A concluding section discusses the role of this approach in regional development.

Endogenous development

The principal aim of traditional regional policy was and is to increase market integration of rural communities. This aim has been pursued largely by subsidizing the construction of basic infrastructure and through establishment of new firms. Due to persisting development problems in many peripheral regions, this policy has increasingly been criticized since the late 1970s. In the same period, theories and experiences from endogenous strategies in developing countries were transferred and adapted to the context of industrialized countries.

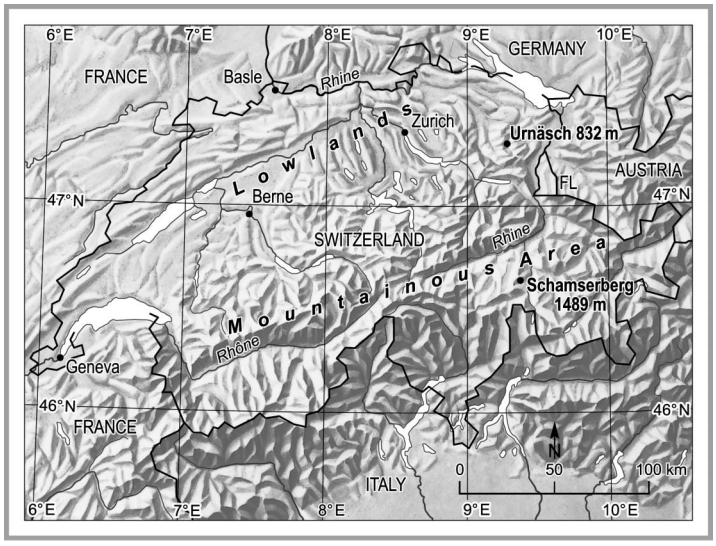

FIGURE 1 Urnäsch (47°17'/9°18') and Schamserberg (46°37'/9°28') served as case study areas; they are both situated in Switzerland's mountain area. (Map by authors and Andreas Brodbeck)

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FIGURE 2 The village of Urnäsch (altitude 832 m) is located in the canton of Appenzell. Threatened by loss of local jobs, Urnäsch hopes to maintain its political independence by promoting tourism and attracting commuters. (Photo by Sabine Mühlinghaus)

These reflections have resulted in alternative concepts of regional development in industrialized countries. An analysis of relevant literature reveals that there is no widely accepted definition of the term "endogenous development." Likewise, the concept lacks clearly identifiable theoretical roots. Generally, it is associated with the following characteristics.

Endogenous potentials: The approach assumes that potentials and abilities exist that have not been recognized in traditional regional policy. Endogenous development is based on the mobilization of these potentials. Endogenous potentials can be defined as the totality of development opportunities in a limited space and time; they include natural resources as well as human skills and social abilities.

Regional economy: In an early discussion, the concept included the idea of selective dissociation, assuming that the economic development of peripheral regions is not compatible with their market integration. Under contemporary circumstances, however, this objective seems unrealistic, and recent literature recognizes the open nature of the local economy. Nevertheless, endogenous development still aims to increase regional economic autonomy in order to reduce a region's dependence on external influences. Measures for achieving this aim include enhancement of intraregional cooperation, substitution of imported products and services, and export of competitive goods.

Sustainable development: Endogenous development is not restricted to economic aspects. Its aim is to treat economic, ecological, and social issues equally.

Participation: Endogenous development is self-determined and refers to local needs. The participation of the local population in political decisions and processes is thus an essential feature of the approach.

Regional identity: Endogenous development is more likely to be successful when people are able to identify with the region they live in. Regional identity attaches people to places and motivates them to become involved in community activities. Furthermore, it contributes to creating a group identity that in turn generates a feeling of belonging and promotes communication and collaboration.

Local initiatives are defined as innovative and collaborative activities that take place under local control and for the benefit of the local population. They are a form of direct participation, as local residents themselves become actors and initiators of projects. Local initiatives are considered to be the most important strategy for realizing endogenous development at the local level

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TABLE 1 Employment rate by sector in Urnäsch in 1995 and evolution since 1985. National employment rates for Switzerland are given for comparison.

	Urnäsch		Switzerland	
	1995	1985–1995	1995	1985–1995
Primary sector	15.0%	–27.1%	3.3%	–4.6%
Secondary sector	38.6%	–22.7%	30.3%	–10.2%
Tertiary sector	46.5%	19.6%	66.4%	19.5%
Total number of jobs	918	–8.5%	3,670,291	7.8%
Textile industry	14.3%	–38.5%	1.0%	–47.9%

since they encompass its essential characteristics: they are participatory, allow the use of endogenous potentials, contribute to strengthening the regional economy, and enhance regional identity. For this reason, the 2 case studies were primarily focused on local initiatives.

Endogenous development in mountain communities: Two case studies

Urnäsch: From industry and agriculture to tourism and commuters

Urnäsch (Figure 2) is a community with 2370 inhabitants (1998; all numbers were calculated by the authors on the basis of data from the Swiss Federal Office for Statistics [BfS 1986, 1992a,b, 1998]). The textile industry continues to be a principal provider of jobs. In spite of a marked decline, it still accounts for 14.3% (1995) of the community's total employment. Of even greater importance is the agricultural sector, employing 15% of the working population (versus 3.3% in Switzerland). However, agricultural employment has also decreased drastically in recent years. As a result, the total number of jobs decreased by 8.5% between 1985 and 1995 (Table 1). Local residents fear that this loss of jobs will lead to a continuous drop in population and might endanger the community's political independence. The only chance they see for future development is to expand tourism and to attract new residents who commute to larger towns for work.

A wide range of activities attests to the local residents' willingness to try and shape the community's future. Local initiatives have a long tradition in Urnäsch. As the community's financial situation is precarious, a number of tasks that are carried out elsewhere by communities have been taken over by private individuals and groups. Examples of such initiatives are the local ski resort and the museum of local customs and craft. Both are owned and run by private associations and survive only because of their voluntary members' unpaid labor input. Recently, the project "Urnäsch—mitenand vorwärts" ("Urnäsch—moving ahead together") has stimulated numerous local activities. During an initial 1-week workshop in 1996, a team of external counselors and university students interviewed local families about their ideas and visions for their community; they also organized discussions with groups and school classes. On the last evening, the results were presented to the public and groups were formed to focus on realizing particular ideas. Many initiatives originated in this workshop, for example, a culture club, a village café, and groups for the promotion of tourism and economic development.

In Urnäsch, local initiatives have yielded remarkable results in terms of promoting communication and collaboration as well as raising community consciousness, solidarity, and a sense of local identity. However, some local initiatives aimed at improving the economic situation have achieved little success so far. It is proving difficult to change the community's economic situation through local activities, although the local residents' main concern is the decreasing number of jobs. This results in a discrepancy between the needs and aims of the local population on the one hand and the effects that endogenous development has been able to achieve on the other.

FIGURE 3 A view of Patzen, one of the 5 rural communities that make up Schamserberg, which lies at an altitude of 1489 m in the canton of Grisons. (Photo by Sabine Mühlinghaus)

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FIGURE 4 A billboard sketch at the entrance of the village names the members of the cooperative of organic farmers Lohn in Schamserberg. (Photo by Sabine Mühlinghaus)

Schamserberg: Surviving on Alpine agriculture?

Schamserberg has 390 residents (1998) in 5 independent communities (Figure 3). Almost 60% of Schamserberg's working population are farmers. With the ongoing reorganization of agricultural policy, mountain farmers, once heavily subsidized, now receive less state support. Today, direct payments without price support and sales promotion account for 39% of the gross income of mountain farmers, whereas the figure is 15% for farmers in the lowlands (BLW 2001). Consequently, most of them constantly worry about their continued existence as farmers. In order to obtain higher prices and more subsidies, many of them have turned to organic farming and sell an important share of their produce directly to customers outside the region. Most residents of Schamserberg agree that the promotion of tourism is important for the region. However, the plan of constructing a small ski resort in upper Schamserberg has triggered a bitter conflict and divided the population. Supporters of the scheme see the ski resort as the only chance for the region's future, while opponents argue that it will never be profitable and will merely destroy a valuable untouched environment.

In accordance with the region's economic structure, many local initiatives concern farming. Examples are a cooperative society of organic farmers (Figure 4), an association of farmers' wives selling home-made produce at regional markets and on order, and a cooperative society planning the construction of a regional slaughterhouse. Some initiatives in Schamserberg have succeeded in creating additional income and new economic opportunities. As a consequence of the conflict about the planned ski resort, however, there is no shared concept of the region's future. This renders the realization of new ideas difficult. In addition, almost the whole population of Schamserberg makes its living from agriculture and is therefore dependent on subsidies from the federal government. The communities themselves depend on cantonal budgetary assistance and voluntary donations. This lack of self-generated financial resources reduces the local power to influence the region's future and creates a feeling of inadequacy, which leads to frustration and resignation.

Determining factors in local initiatives

Analysis of the interviews carried out in Urnäsch and Schamserberg revealed that the emergence and success of local initiatives are influenced by the following 4 groups of factors (see Figure 5).

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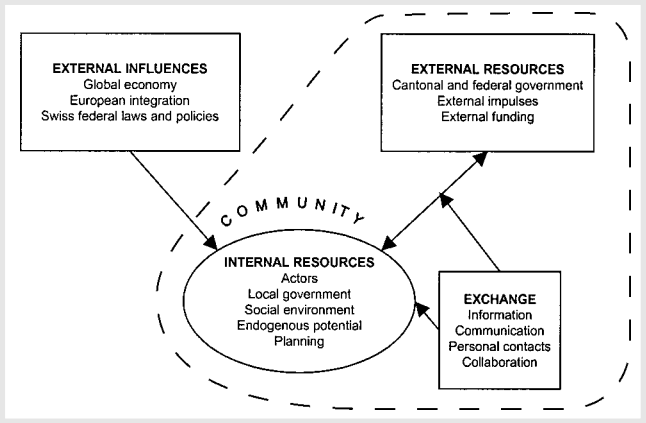
FIGURE 5 The 4 groups of factors that influence local initiatives and the interplay among them.



Internal resources

Internal resources can be considered as the origin of endogenous development. Much depends on the individuals who initiate and carry out local initiatives. It is crucial for them to have innovative and feasible ideas, the necessary knowledge, and useful contacts. Initiatives in Urnäsch and Schamserberg have shown that often a single person, typically a returnee, assumes leadership. Returnees have the advantage of being familiar with local circumstances. With the experience they have gained elsewhere, they often bring back new impulses for local development. Furthermore, it is important that actors are accepted and supported by the local population. In general, the attitude of the population toward change and innovation as well as their ability and willingness to become active and collaborate have a broad impact on the prospects of endogenous development.

Endogenous development requires the active involvement of both local officials and voluntary actors. The contribution of voluntary actors to local development is essential because communities often have neither the financial nor the personal resources to do much more than what is absolutely necessary. In turn, the prospects of success increase when voluntary actors receive financial and organizational support from the local council. The project Urnäsch—mitenand vorwärts is a good example of close collaboration between voluntary actors and local officials. Initiated by the community council, it has triggered numerous voluntary activities and its realization is accompanied by regular meetings between voluntary actors and council members that ensure a continuous exchange of information.

Many local initiatives could not be realized or had to be abandoned due to a lack of suitable infrastructure. Likewise, excessive demands on time and money can prevent people from participating and thus doom a project to failure. Taking such limiting factors into account from the beginning of the planning process can avoid frustration and unnecessary efforts.

External influences

The local economy of mountain communities is strongly influenced by external factors. In Urnäsch, the decline of the textile industry as a result of growing worldwide competition is responsible for the dismal economic situation. In Schamserberg, bleak economic prospects are mainly due to reorganization of national agricultural policy. Because these external influences can hardly be altered by local actors, they set the limits of endogenous development—a situation that often creates a feeling of helplessness among the local population.

External resources

The case studies showed that local initiatives can only be realized with external support in terms of funding, counseling, and information. Such external resources can be considered as part of an endogenous process as long as they are instigated by local efforts.

External public or private funding is often indispensable because the financial resources of most mountain communities are very limited. Solutions to financing problems can be found if actors have innovative and creative ideas as well as good connections to people within and outside the region. This has been demonstrated, for instance, by the enlargement of the museum of local customs and crafts in Urnäsch, which was funded by a generous private donation from outside Urnäsch and by sales of a local artist's paintings to visitors of the museum.

Financial backing is not the only advantage of external support for endogenous development. Outside assistance can be an opportunity for a region because external actors occupy a neutral position and are not involved in local conflicts. Additionally, outside assistance may provide local actors with lacking know-how and information.

Exchange

Besides internal and external factors, communication and exchange of information proved to be particularly important within the community as well as between the community and external actors. Communication within the community improves coordination of activities and is the basis for collaboration and exchange of experience and knowledge. Information about local activities increases local acceptance and the local population's willingness to participate. Exchange of information with other initiatives and regions often stimulates new ideas and encourages people to become involved.

Personal contacts facilitate communication and exchange of information. They increase acceptance and facilitate the tapping of financial resources as well as support from public or private organizations, both inside and outside the community. Additionally, person-

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al contacts are often a significant source of motivation for local actors; being among friends may be just as important as the aim and content of a project.

Endogenous development and social capital

Communication, collaboration, and the local population's willingness to accept change and participate in local initiatives proved to be particularly important for the functioning of the endogenous development process. These abilities refer to a group's social capital. Social capital has been recognized as an important determinant of local economic development by a number of authors. Social capital arises from interactions among people. It consists of networks, norms, and trust, facilitating coordination and cooperation for mutual benefit. Social capital makes it possible to achieve goals that, in its absence, cannot be attained or attained only at higher costs. As social capital creates a sense of belonging and promotes cohesion and solidarity, it increases the local residents' willingness to become involved in community activities and their ability to cooperate. Social capital thus facilitates the realization of local initiatives while these, in turn, contribute to further generation of social capital due to the concomitant increase in interactions among people.

Benefits and limits of endogenous development

The economic limits of endogenous development are apparent. Because the local economy of peripheral communities is strongly influenced by external factors, particularly in mountain regions, it is difficult to improve the local economy and employment situation by means of local activities. The main effects of endogenous development are thus within the social and cultural realm. The case studies showed that endogenous development has an impact on the local social milieu. It raises people's awareness of local problems, stimulates the local population to think about the community's future, promotes local bonds, and fosters local identity. These effects are not easily measured or noticed, and therefore they are often underestimated. Nevertheless, they are important because they increase the quality of life. They can also have an indirect impact on local economic development in so far as they attach people to places and encourage them to become involved in local development activities.

Endogenous development and regional policy

Many local problems have a global cause and cannot be solved exclusively at the local level. Endogenous development thus requires external support. Switzerland offers good prerequisites for endogenous development because its political system grants far-reaching financing and decision-making powers to cantons and communities. This fosters participation and local initiative. Additionally, Swiss regional policy is based on a decentralized regional structure. Fifty-four regional offices play an important role in supporting participation and cooperation. The Regio Plus program established in 1995 offers new opportunities for endogenous development by providing funding for innovative projects and new forms of collaboration.

Several additional measures could more effectively contribute to promoting endogenous development. Greater attention should be given to education and community capacity building because they can foster self-initiative and self-organization. Local actors should also have easy access to outside advice at little or no cost. Furthermore, exchange of information and experience among actors within a region and between different regions should be supported. The promotion of social capital is another approach to encouraging endogenous development. For this purpose, social events such as village fairs, local markets, cultural or sporting events as well as all kinds of voluntary associations such as sport clubs, neighborhood associations, or choral societies at the local and regional levels should receive financial or organizational support.

The network of regional offices is an ideal institution to take over such tasks because they can act as intermediaries between local, external, public, and voluntary actors. They should thus be encouraged to increase their efforts in promoting endogenous development and be allocated more public funding for this task. In general, regional policy should attach greater significance to social and cultural effects, as the case studies have shown their importance in the endogenous development process.

Conclusion

The emergence and success of endogenous development depend on 4 groups of factors (Figure 5). While endogenous development originates from internal resources, its realization is not possible without external resources. Communication, exchange of information, collaboration, and personal contacts have proven important within the community as well as between the community and external actors. The limits of endogenous development are set by external influences.

Although Switzerland offers good prerequisites, endogenous development requires external resources in order to improve living conditions in peripheral communities and regions. Regional policy should thus support local initiatives with funding and advice, promote participation and social capital, and enhance exchange of information, collaboration, and communication.

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As a strategy, endogenous development has the potential to improve living conditions in underprivileged communities. Nevertheless, it cannot replace traditional strategies of regional development because its economic impact is limited. Successful local initiatives can, however, strengthen community consciousness and trigger a process of empowerment and emancipation. This helps peripheral communities to better express and defend their interests and wishes and derive greater benefit from traditional exogenous development measures.

To increase the quality of life in peripheral mountain communities, it is thus essential to combine endogenous and exogenous models of development as well as to use local social capital in order to tap external resources and finances. Further investigations into suitable and effective ways of realizing this objective are necessary. It is certain, however, that such a combination can only be successful if endogenous development is not interpreted as an inward-looking strategy but rather as an approach that uses endogenous potentials in order to strengthen peripheral communities' competitiveness in national and international systems of exchange.

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