This paper explores the manufacture of jewellery in Birmingham’s established jewellery quarter. The focus is on identifying and exploring the factors that lie behind the continued existence of this industry in Birmingham. The paper begins by exploring the production processes that are used in Birmingham to create jewellery. These consist of a complex mix of craft- and ‘factory’ based production processes. Key to the survival of this industry has been the development of local training establishments (a Centre of Excellence), provision of business support (incubation scheme), an established place-based reputation for jewellery production, and a relatively flexible production system.

Central to the survival of the industry, however, has been the development of product-based competitive advantage constructed around creativity, customization and design. Surviving jewellery firms have moved away from competing on price towards non-price based competition. This has meant that they have withdrawn from designing jewellery for mass production and, instead, are concentrating on high value added customised jewellery. This has important implications for intellectual property rights (IPR) in this industry as expensive customised designs do not require IPR protection. There are, however, longstanding IPR issues that still need to be addressed. Traditionally, jewellery was designed and manufactured in Birmingham but finished and assayed in London. This worked against the Birmingham jewellers as the London retailers purloined the design reputations of the Birmingham firms, and German manufacturers purloined their designs. This unequal relationship continues to occur. It provides Birmingham jewellers with a short-term advantage, but a persistent long-term disadvantage – they do not build place-based reputational capacity.

The context for this paper is a concern with developing new accounts and theories that explain the role manufacturing contributes to the economies of the member states of the European Union. The focus is on the creative knowledges that manufacturing firms draw upon to ensure that they are able to compete by designing and manufacturing products in high cost locations. The paper is based on twenty-five five-to-face interviews with jewellery firms that have been undertaken over the last 12 months.