

Geneva capital and industrialisation

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The first half of the nineteenth century saw the rise of industrialisation in Switzerland. Mechanised cotton mills developed in eastern Switzerland, the machine industry was born in Zurich and Winterthur, and watchmaking was gradually mechanised in the Jura. The capital required came largely from the entrepreneurs themselves and from the merchants of their region.¹

Geneva took part in this movement to a more limited extent. Its industry remained dominated by the Fabrique, which modernised slowly, and by precision workshops. Over the course of the century the city also developed engineering and scientific-instrument firms, which drew on its scholarly tradition.² Geneva's bankers financed some of these enterprises, but a large part of their capital remained directed towards international investments and wealth management.

This orientation distinguishes Geneva from Zurich and Basel, whose banks developed in close connection with industry. It contributed to the specialisation of the Geneva financial centre in wealth management, which the following chapters describe. It also fed the criticism voiced by James Fazy, who reproached the Geneva bankers for neglecting local economic development. This debate on the balance between international finance and the local economy runs through the entire history of the financial centre.

1 Notes

1. Dictionnaire historique de la Suisse (DHS; Historical Dictionary of Switzerland), art. "Banques": the private bankers of the large cities (in Geneva the d'Aubert, Mallet and Thellusson families, in Zurich the Meyer and Escher families) had an international payments network and placed capital in European and American government loans; savings

banks multiplied from the Bernese “Dienstenzinscassa” of 1787 onwards (132 institutions in 1840, mainly in the industrial cantons); cantonal banks were created in Bern (1834), Zurich and St Gallen (1837), Basel and Vaud (1845); the Banque générale suisse (1853) and Crédit suisse (1856), on the French model, mobilised domestic savings to finance the railways and the nascent large-scale industry. ↩

2. Dictionnaire historique de la Suisse (DHS), art. “Société genevoise d’instruments de physique (SIP)”: company founded in 1862 by the Geneva scientists Auguste De la Rive and Marc Thury for the manufacture of scientific instruments; diversification from 1870 under Théodore Turrettini (hydraulic motors, refrigeration plants, electricity meters, precision rules); jig boring machine developed in 1921; up to 1,600 employees in 1969; acquired in 2006 by the StarragHeckert group. ↩

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