

A strengthened Swiss financial centre

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For Switzerland as a whole, the war had a paradoxical financial effect. The Historical Dictionary concludes that the Swiss financial centre emerged from the conflict strengthened.¹ Sébastien Guex, in his article on the Swiss financial centre, argues that the First World War and the long period of monetary and political instability that followed in Europe enabled Switzerland to rise to the rank of an international financial centre. The total assets of Swiss banks, which had amounted to 26 per cent of those of the French banks in 1913, reached 73 per cent in 1929. In the same period the market share of foreign insurance companies in Switzerland fell from 34 per cent to 3 per cent.² Guex identifies the main factors as the country's military non-involvement, a strong currency, low taxation, political stability and banking secrecy.

In Ticino these national trends met a local banking system that was being rebuilt. As Chapter C.IV describes, the canton founded the Banca dello Stato del Cantone Ticino in 1915, while the Union Bank of Switzerland took over the Banca Svizzera Americana in 1920 and the Swiss Bank Corporation and the Schweizerische Kreditanstalt had already established themselves in Chiasso and Lugano before the war. The conditions for the influx of Italian capital in the 1920s therefore existed by 1920: a State bank with a public guarantee, branches of the national banks, the Banca della Svizzera Italiana with its Italian connections and a frontier population that knew how to move goods and money across the border.

Indicator Figure Source year Retail price index (1914 = 100) 230 1918
Foreign deserters in Switzerland 25,894 May 1919 of whom Italians 11,818
May 1919 Swiss bank assets as share of French 26 % → 73 % 1913 → 1929
Lugano population / foreign share 14,988 / 43.6 1910 %

Sources: Historical Dictionary of Switzerland, articles "Guerra mondiale, Prima", "Diserzione", "Piazza finanziaria" and "Lugano (Gemeinde)", as cited in the footnotes.

1 Notes

1. Fuhrer et al., "Guerra mondiale, Prima" (above): "la piazza finanziaria uscì rafforzata dal conflitto". ↩
2. Sébastien Guex, "Piazza finanziaria", in DSS, version of 27 September 2017, <https://hls-dhs-dss.ch/it/articles/045549/>. ↩

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