

The Strange Case Of Italy's Bankrupt Casino

Written by Administrator
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A picture taken on July 23, 2017 shows the casino of Campione d'Italia, an Italian enclave ... [+] surrounded by the Swiss canton of Ticino on the edge of lake Lugano. / AFP PHOTO / Fabrice COFFRINI (Photo credit should read FABRICE COFFRINI/AFP via Getty Images)

AFP via Getty Images

The casino of Campione d'Italia is a very well-known casino in Italy. It is also a quite unique place, for one reason: a few years ago, in 2018, it went bankrupt. For about three years, between 2018 and 2021, a Tribunal's decision shut it down, with heavy consequences for the town that hosts it. The story of the Casinò di Campione was recently recounted in a [podcast](#) by the Italian author Lorenzo Faggi, named *La fabbrica dei soldi* (the Money Factory), produced by the Italian online daily newspaper Il Post.

The story in a nutshell

The casino of Campione d'Italia was founded in 1917. To date, it is still one of the biggest in Europe. The town where it is based, Campione d'Italia, is an exclave (opposite of 'enclave') of Italy, meaning a patch of Italian territory inside Switzerland. The casino, 9 floors high, faces directly the Lugano lake. For decades, during the 1900s, it acted as a real attraction, a weekend destination for thousands of players.

On July 27th, 2018, a decision of the local court made it shut down for bankruptcy: the debts it had accumulated were too high to be repaid. In the podcast, Faggi recounts how the closure was as unexpected as it was brutal, for the clients as well as the citizens. One of the key characteristics of the casino of Campione, in fact, is that the town's life was directly dependent on the gaming house, not least because the casino employed hundreds of the town's inhabitants. Out of the €90 million (\$91.000) per year in revenues produced by the company in the years prior to the closure, up to €41 million (\$41 million) were destined to the city administration's coffers, covering for 90% of all the city expenses. When the casino shut down, out of the 600 employees, not a single family in the town of Campione, which counts just about 2,000 inhabitants, was unaffected. This provided for an especially exceptional and delicate situation, which also explains why the closure had such dire consequences.

The beginning of the story: how the casino was born

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Faggi recounts how, originally, Campione was a fishermen's town, not being in the position to develop any industry, wedged as it is between a mountain and a lake. Yet, when Lugano and the neighboring Swiss towns started growing economically at the end of the 1800s, the Italian government realized there was a need to change. Therefore, in the second decade of the 1900s, the casino was erected. One of the theories is that the casino was founded in order to be a spy station during WWI, provided that wealthy, upper-class members of society, supposedly also involved in the high war ranks, would visit it. The fact that the casino was shut down for a decade after the war seems to support this argument. Between the 1905s and the early 2000s, the casino saw its brightest age. On its 9 floors, between two restaurants and a party hall with a wonderful view over the Lugano lake, players would dedicate themselves to playing the French Roulette, Fair Roulette, the traditional Trente et Quarante, but also Black Jack, Punto Banco, Caribbean and Russian Poker. Moreover, concerts and other kinds of performances would entertain swirls of elegant people while they were not at the gambling tables. Every weekend, the small town would welcome up to 3-4,000 foreigners to animate its nights: as a result of this vivacity, the town acquired the title of the "Italian Las Vegas".

The reasons behind the crisis

The author recounts how there were several reasons behind the crisis of the casino. Among them, for instance, there was the huge maintenance cost due to the numerous personnel: 490 employees, plus 100 civil servants. Despite several cost-cutting plans being implemented over the years, mainly involving salary reductions among workers, the efforts to contain losses were not enough to prevent the closure. A role was played by some unfortunate investment decisions by managers, and also a heavy impact was generated by the entry of other players in the market, such as the beginning of online games and Virtual lottery slot (VLT) machines. These started becoming much more common across Italy, being installed in cafes, making gambling far more widespread and technological. Why did they not try to adapt?, asks the author during his investigation. The reason, it is explained, is that casinos would not be able to keep up with the exponential growth of these technological novelties and their related revenues, which could reach 12 billion euros a year in marketing expenses alone. They were figures which casinos could not compete with.

What is more, over the years a fundamental cultural, societal change started taking place: the habit of gambling began to shift from an upper class, wealthy exclusive to a game the poorer members of society would play, trying to find some kind of economic redemption in a society (and a country) where social mobility has been drastically cut over the years, preventing people from accessing any real possibility to change their social status. In 2019 online and VLT gambling collected 110 billion euros a year; casinos were only left with crumbs.

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The reopening

The reopening of the Campione casino took place in June 2021, almost 3 years after the shutdown, in January 2018, when the Como general court had sentenced its insolvency. When the shutdown had happened, leaving 600 people unemployed, protests had exploded in front of the city hall. But in the spring of 2019, the Italian Court of Appeal overturned the decision, sentencing the closure as illegitimate. The new decision was then confirmed by the Supreme Court in June 2021. Despite the economic problems, bankruptcy was seen as the least advisable option to see creditors repaid. Hence, the casino was reopened, though in a much more contained form. This way, 174 people were able to work again.

In 2019, three Italian casinos (Sanremo, Saint Vincent, Venice) produced less than €200,000 million (\$202,000 million). With the beginning of the pandemic, the situation for gaming houses has worsened. The reopening of the casinò di Campione does not appear to be going to change the market, but supposedly it would help the town in the long run. From January 26th, 2022, therefore, the casino is open again. The CEO Marco Ambrosini explains that its future is one of entertainment, more than compulsive gambling. [Recent reports](#) talk about 700 players per day, increasing over the weekends.

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