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Creolization redux : the plural society thesis and offshore financial services in the British Caribbean

Argues that the connection between political fragmentation and offshore financial services illustrate an increasingly common vision of the political and economic future among leaders of the British Caribbean who seek to carve out a place for their countries and territories in the new global economy. Their success is based on standing outside regional federations and providing services to parties wishing to conduct business between or around economic blocs.

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CREOLIZATION REDUX: THE PLURAL SOCIETY
THESIS AND OFFSHORE FINANCIAL SERVICES
IN THE BRITISH CARIBBEAN

It is in the strictest sense a medley, for they mix but do not combine. Each group holds by its own religion, its own culture and language, its own ideas and ways. As individuals they meet, but only in the market-place, in buying and selling. (Furnivall 1948:304)

Events that take place in the British Caribbean rarely make it to the *Los Angeles Times*. Recently, however, an article about Nevis appeared on the first page of the *Times*' "World Perspective" section. Titled "Island of Nevis' Itch to Secede Shocks Region of Ministates," the article reports that some Nevisians want out of their fourteen-year alliance with neighboring St. Kitts. It quotes Prime Minister Denzil Douglas's concern that independence for Nevis will mean further fragmentation in a region already highly disunified. According to Douglas,

The real world is coming closer together, getting together in mega-blocs because of the challenges being faced by states today with the globalization of the world economy and trade liberalization. [...] It is unfortunate that the Caribbean region, as marginalized as it is at present, is now finding itself with the possibility of fragmentation, thus further marginalizing the area and making it appear to be unstable. (Darling 1997:A5)

The article also reports that one of the reasons Nevisians seek independence is to further the island's promotion as an offshore financial services center: Nevis "has been more successful at attracting international

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bankers” than St. Kitts, but the federal government “puts stumbling blocks in the way of [its] attempts to develop activities such as [...] offshore financial services” (Darling 1997:A5).

My argument in this essay is that the connection between political fragmentation and offshore financial services illustrates an increasingly common vision of the political and economic future among government and business leaders in the Anglophone Caribbean who seek to carve out a place for the West Indies in the new globalizing economy to which Prime Minister Douglas refers. In that vision, Caribbean jurisdictions’ success in the global economy comes not through their participation in regional trading blocs or transnational agreements like the North American Free Trade Agreement (NAFTA). Rather, their success comes about through standing outside such regional federations, as “islands” between emerging blocs, providing offshore financial services to parties wishing to conduct business between or around such blocs. In this vision of the future, Caribbean jurisdictions will engage in a kind of “global positioning” (McMichael 1996), offering themselves up to global capital as unique niches for capital flows and international finance at the boundaries of major regional trading blocs. Political fragmentation is advantageous, in this vision, because it allows for many jurisdictions to compete with one another and to develop specialized services for global investors.

The goal of this essay is not to reflect on the potential economic impact of political fragmentation coupled with offshore finance, however. I am not interested, here, in whether this is a viable vision. Rather, I am interested in what the logic linking the creation of new jurisdictions to offshore finance can tell us about notions of identity and culture in the “offshore Caribbean” (Maingot 1993). Island jurisdictions that have successfully marketed themselves as offshore financial service centers – the British Virgin Islands, the Cayman Islands, the Bahamas, and Bermuda, to name the more familiar ones – have done so by stressing elements of an imagined “British” heritage, and usually emphasize their British *legal* heritage. At the same time, they also stress their *unique* legal and regulatory apparatuses: each island, because of its own unique laws, has something special to offer the global investor.

My contention is that the combination of an imagined past with a “global positioning” vision of the future compels an ironic re-reading of M.G. Smith’s famous “plural society” thesis. In the global positioning vision, instead of separate “ethnic” groups existing within island societies, each maintaining its own institutions, here separate *islands* would stress their “institutional” (read legal and regulatory) uniqueness, and would come together “only in the market-place” of international capitalism, to

offer up their laws to prospective investors. What are we to make of Caribbean political leaders and savvy marketers who desire jurisdictional autonomy from wider federations, like that of St. Kitts-Nevis, and who emphasize their “Britishness” and craft legislation for new kinds of investment arrangements? And what are we to make of a vision of the Caribbean’s future in which Furnivall’s definition of the plural society quoted above would start to look like a political reality, but clearly not in a manner he foresaw?

OFFSHORE FINANCE IN THE CARIBBEAN

Offshore finance trade publications list the following Caribbean islands as offshore financial service centers or tax havens: Anguilla, Antigua and Barbuda, Aruba, the Bahamas, Barbados, Bermuda, the British Virgin Islands, the Cayman Islands, Curaçao, Grenada, Montserrat, St. Kitts-Nevis, St. Martin, St. Vincent, the Turks and Caicos Islands.¹ Many of these jurisdictions, of course, are not full-fledged “service centers,” with accountancy, legal, and financial offices and workers ready to help businesses and individuals conduct their affairs “offshore.” Rather, most are simply jurisdictions with tax codes that favor foreign investment. Some do so merely by offering lower corporate tax rates than the United States, the United Kingdom, and other countries, and so are true “tax havens.” Others, however, actively market themselves as offshore financial service centers and have encouraged banks and accountancy firms to set up shop within their territories. They have also crafted legal and regulatory apparatuses to enable certain kinds of specialized services unavailable “on-shore,” or to enable special kinds of “investment entities” like offshore trusts and “international business companies” – mostly of the “brass-plate” variety. Notable examples here are the Bahamas, Bermuda, the British Virgin Islands, and the Cayman Islands (Gallagher 1990; Roberts 1994a, 1994b; Maurer 1995b).

Mainstream economists tend to evaluate offshore finance in terms of its benefits to the tax revenue base of offshore jurisdictions (see Hines & Rice 1994). They do this, however, based on the erroneous assumption that offshore financial service centers make money by encouraging direct foreign investment, by taxing corporate earnings, or, by creating local jobs. Economists measure the impact offshore financial services have on tax havens in terms of foreign money that “stays” and generates revenue either by being directly invested in local infrastructure or services, or by contributing to a country’s tax base. While tax revenue is an important

part of the income contributed by offshore investors, as in the Bahamas (Ramsaran 1984), and while the construction of infrastructure through direct foreign investment does contribute to the gross domestic product of places like Bermuda and the Caymans, most Caribbean governments make money from the fees that they charge for their services, not from taxes they collect.

In the British Virgin Islands, for example, individuals or corporations can create an "international business company" (IBC) domiciled in the BVI for a one-time incorporation fee of US\$300 and an annual licensing fee of US\$300. Such IBCs usually exist for a short time only, generally for the duration of a particular transaction a company wishes to conduct "off-shore," and are then dissolved. Dissolutions are announced in the local newspapers, whose back pages are always full of "Voluntary Liquidation" notices:

International Business Companies Ordinance, 1984
Cape Blanche, S.A.
In Voluntary Liquidation
Notice is hereby given that
CAPE BLANCHE S.A. has been
dissolved and struck from The
Registry of Companies.
For and on behalf of International
Liquidator Services Limited, Liquidator.
sgd: International Liquidator Services, Ltd.

Many such companies come into and go out of existence over the course of a week, and so the revenue generated from fees can become considerable. In 1992, out of a total BVI government revenue of US\$54 million, the offshore financial services sector contributed US\$21 million, outstripping tourism (Meyers 1993; Maurer 1995b:227).

Since I am concerned with emerging discourses of identity and heritage in Caribbean offshore centers, I will not here review the variety of business practices – legitimate and illegitimate – that go on in tax havens (on "legitimate" uses, see Maurer 1995a; on "illegitimate" uses, see Maingot 1993, 1995). But because I believe that these emerging discourses depend on certain features of the global political economy that led some Caribbean islands to become tax havens, I will briefly discuss the place of offshore finance in the international financial system.

After the end of World War II, the United States, through the Marshall Plan of 1948-52, put itself in the position of lender to Europe and Japan, in part to redevelop these war-ravaged places but also to contain the Soviet sphere of influence (Helleiner 1994; Strange 1994; Cerny 1994). Chinese

and Soviet interests, meanwhile, fearing U.S. seizure of their assets in U.S. banks, transferred their deposits in dollars to European banks. This net flow of dollars into Europe created the "Eurodollar market," as currency traders and bankers in Europe sought borrowers for their dollars outside of the sphere of U.S. regulation.

By the end of the 1950s, economic recovery in Europe and Japan and rising U.S. military expenditures turned the United States into a debtor nation. U.S. multinational corporations increased the net flow of dollars out of the country, European and other countries engaged in competitive deregulation to attract dollar investments, and, as a result, by 1970 the number of dollars held outside of the United States was equal in terms of value to the amount of gold in the U.S. gold reserves. With the increase in U.S. deficits, more dollars abroad, and the rising ratio of dollars to gold, investors began to worry about the declining "credibility" of the U.S. dollar, and a subsequent run on U.S. gold, as holders of dollars would seek to cash them in. In response to this situation, President Richard Nixon in 1971 "closed the gold window," devalued the dollar, and effectively ended Bretton Woods (Strange 1994).

Oil-producing countries drew even more dollars away from the United States during the OPEC oil price rise – brought on, in part, by concerns over the "credibility" of the dollar – and as a result, the Eurodollar market swelled with new "petrodollars." European banks found eager borrowers in Third World countries embarking on development schemes based on import substitution or export production (but rarely both). President Ronald Reagan's attempts to tighten U.S. control over the supply of dollars in the world made such loans less profitable to Eurodollar lenders, who raised interest rates, in part generating the Third World debt crisis.

The period 1970-90 can be characterized as a period of competitive deregulation of the world's financial markets.² Many states set themselves up as offshore financial centers, rewriting their banking and finance regulations to cater to flexible accumulation strategies and to the Eurocurrency markets.³ Ramesh Ramsaran's relatively early study of the role of the Eurocurrency markets in fostering the Bahamas' offshore sector demonstrates clearly the connection between Eurodollars, U.S. deregulation, the end of Bretton Woods, and the rise of the Bahamas as a banking and insurance center. The number of foreign bank branch offices and foreign-owned subsidiary banks in the Bahamas increased from 25 in 1967, to 119 in 1971, to 156 in 1978 (Ramsaran 1984:270).

At the same time, deregulation in the United States in the 1970s and the United Kingdom in the 1980s also led to new kinds of financial instruments. In the 1970s, the United States ended rules governing stock

brokers' commissions; this led to increased competition among brokers, who attempted more speculative and innovative investment mechanisms. A key regulation encouraged the growth of both new financial instruments and offshore finance: the Federal Reserve's Regulation Q of 1986. Regulation Q "prohibited [U.S.] banks from paying interest on deposits with maturity of less than thirty days" (Jorion 1995:31; see Chorafas & Steinman 1994). This, in turn, made securities more attractive than loans against bank deposits, and so boosted the securities market.⁴ It also made the Eurocurrency market more attractive than onshore investments, and so boosted offshore finance (Roberts 1994a, 1994b).

Susan Roberts (1994a:237) argues that these "changes in the international financial system cannot be understood except as operating through [...] distinct spaces" such as Caribbean offshore centers. She concludes that offshore financial centers are not peripheral to international finance, and that post-Fordism cannot be understood without reference to these spaces. Post-Fordist flexible production strategies have gone hand in hand with flexible financing, made possible by regulatory change in the major banking centers, the rise of non-bank financial entities, and the development of offshore centers as nodes in capital networks necessary to the financing of multinational production and business. These capital networks have also expanded as a result of increasing disparities of wealth around the world. Extremely wealthy individuals seek out private banking services, corporations seek out means of getting capital to transnational arms of their operations quickly and efficiently to finance just-in-time production strategies, and individuals and corporations alike seek out means of insulating profits and assets from taxation, nationalization, or sudden exchange rate changes. In describing these networks of capital, one must also mention the contribution of capital from illicit trade in drugs, arms, microchips, compact disks, and more mundane goods (Maingot 1995). In the "real" and "shadow" economies of international finance, the Caribbean has been anything but marginal.

"TRUST" AND REPUTATION

My concern, here, is primarily with the cultural correlates of offshore finance, an area only tangentially explored in other research on Caribbean offshore finance (Ramsaran 1984, 1989; Maingot 1993, 1995; but see Roberts 1994a, 1994b), yet discussed somewhat in research on other financial centers, like London's financial district, "the City." In his study of the City, Nigel Thrift (1996) argues that the inherently volatile post-

Bretton Woods financial system has necessitated increasing emphasis on personal relationships and cultural markers of “trust” among financial specialists. Uncertain exchange rates, new forms of financial instruments like derivatives, and flexible financing have made the world of international finance more complicated and less tangible to those who work in it. Thrift argues that increasing emphasis on trust helps financial service workers to continue their work in spite of these changes. The need for enhanced trust in financial services has led to two strategies for conjuring it up: one based on surveillance and control of employees, and the other based on “relationship management” and “work on the self” to attract clients’ trust (Thrift 1996:307). The former takes place through such practices as telephone call monitoring, where supervisors have computer screens that tell them which employees are on the phone and can tap into people’s conversations without warning, and “desk audits,” where supervisors can inspect employees desks without notice. These are not new practices.

The latter strategy, “relationship management,” *is* new. Before the 1970s, Thrift argues, trust could be assumed as a matter of course: all London financial district workers and their clients came from the same social background, and possessed the same gender, race, and class attributes, as well as educational credentials, fashion sensibilities, and tastes. During the 1970s, the huge expansion and flexibilization of finance opened doors to women and non-whites, and the end of the gold standard broke the presumed stability of international money. The City’s response has been to work at building relationships of trust rather than merely assuming them. Thrift (1996:320-21) summarizes, “trust now has to be constituted through work on relationships, not read off from signs of trustworthiness. [...] The City no longer looks for signs of trust; it constructs them.”

It is this work of constructing trustworthiness, I believe, that has led to an emphasis on (Anglophone) Caribbean jurisdictions’ “British” heritage. British Virgin Islands’ offshore finance marketing brochures tout the islands’ “Anglo Saxon common law heritage,” and emphasize the territory’s colonial ties to Britain. Susan Roberts notes that the Caymans similarly market themselves as a stable, and above all a British, jurisdiction. As she quotes from a piece of promotional material:

The Islands enjoy stable government having no racial or political problems. [...] The Islands have not sought independence despite pressure from her Caribbean neighbours and the UN. They have instead shown their firm determination to remain a British Crown Colony. (Cayman Insurance Managers’ Association, quoted in Roberts 1994a:108)

The assertion of Crown colony governance is particularly interesting here, since the Caymans are not a Crown colony but maintain local legislative autonomy (like the BVI). Presumably, however, "Crown colony" resonates with investors' desires to find a "stable" and "trustworthy" place to hide their money: the crown conjures up images of royalty, permanence, whiteness, and wealth – and colonialism, in a kind of "imperialist nostalgia" that evokes a supposedly simpler time where borders were clearly drawn and colonies were ruled by the firm but fair hand of the British Crown (Rosaldo 1989). Roberts (1994a:108) writes that the Caymans successfully market "correlates of their colonial status, such as that Britain is responsible for the defense and external affairs of the Islands, that the law is based on English common law and that English is spoken."

The British Virgin Islands' promotional literature is virtually identical to that of the Caymans. The Financial Secretary of the BVI, quoted in a *Euro-money* (1989:49) insert, remarks, "This is an offshore centre that is not for everyone. But it is for those who want to do legitimate business in a stable environment, a British dependency based on Anglo Saxon common laws." He continues, "We jealously guard and protect the reputation we have carved out for ourselves" (*Euromoney* 1989:49). And the former Chief Minister, in stressing the islands' "conservative" approach to offshore finance, explains, "We may have been too conservative at times for some people's taste. But, we want to make sure everything we do does justice to and enhances the reputation of the Territory" (*Euromoney* 1989:49).

Enhancing an offshore jurisdiction's "reputation" has often meant down-playing or denying conflicts within these territories. As Roberts (1994a:108) notes for the Caymans, "[t]he publicity materials of both the public and private sectors of the Caymans emphasize the Islands' political stability and racial harmony. Past disputes [...] and present-day discussions of constitutional change are not mentioned." Similarly, the former Minister for Natural Resources and Labor and current Chief Minister of the BVI is quoted in *Euromoney* (1989:51),

Well, I'm proud to go to any conference and say we're a British Dependent Territory. That link with Britain is always there, and our people appreciate its importance. If I wanted to lose my council seat immediately, all I would have to do is encourage independence. We have the assurance of Great Britain that they will stand by us and assist us. That's especially important in maintaining the excellent reputation we have. Our people are very strong on law and order. And the resources, for example, of Scotland Yard are there for us.

Unlike many other countries, we don't have political parties or trade unions. The people know what they want and don't want. They're independent-minded and practical. They know that more development and

British Dependent Territory status, especially in the financial services sector, helps to shift some of the burdens from them. They have no desire to give that up.

One of this minister's main political rivals expressed much the same sentiment in a letter in a *Financial Times* special insert on the BVI's offshore sector, in which he discussed the unanimity among political and business leaders on the issue of providing a stable and sound offshore jurisdiction. Writing about the passage of the 1984 International Business Companies Ordinance, he notes:

There was no issue of importance on which there was disagreement between the government and the members of the financial community in the Territory and those with whom they do business outside; and there was such a measure of agreement by the Government and Opposition benches in the Legislative Council that a major innovative ordinance of some technical complexity and 119 sections was enacted unanimously by the House.

He concludes his letter, now clearly addressed to the international investor:

So, if you would like a secure home for your money, administered by responsible people in a stable community and denominated in a major international trading currency, you may well have no better choice than the BRITISH VIRGIN ISLANDS. (Romney 1985:13)

An advertisement for the BVI Tourist Board in the same *Financial Times* insert drives home the message: "Come experience the Caribbean, that is still British" (British Virgin Islands Tourist Board 1985:15).

The political stability and popular unity the ministers laud does not come easily, however. At present, it is maintained by harsh immigration and citizenship laws that define citizenship in terms of descent and that deny children of immigrants rights to land and work. Fully half of the population of 18,000 do not have citizenship rights. The political "stability" the ministers tout thus depends on excluding large numbers of people from voting. Meanwhile, as I have discussed elsewhere, changes in citizenship law that denied citizenship to children born of immigrant parents on BVI soil also conveniently worked to shelter other British subjects from BVI tax laws. In 1981, citizenship law changed; in 1984, the International Business Company Act was passed (Maurer 1995c).

The BVI discourse on "untrustworthy" immigrants is echoed in World Bank rhetoric about the untrustworthiness of people who keep bad

accounts. In a world where procedural norms are supposed to guarantee market stability, a person or firm or government that does not keep to strict accounting standards is morally suspect. Of particular concern to the World Bank are institutions and governments that can't quite seem to figure out how to do double-entry bookkeeping – that hallmark of capitalist rationality (Weber 1958; Carruthers & Epseland 1991). According to the World Bank (1996:139), teaching people in “transitioning” economies proper “market-related skills and business know-how” – like “international accounting standards” – is the key to resolving such problems and strengthening trust. What are deeply culturally specific requirements of capitalist societies with political consequences – convertability into one scale of value, double-entry bookkeeping, accounting as a practice of knowledge, etc. – are here written as universally applicable, rational, common-sense “know-how.”

Good accounting skills help bolster “reputation,” the key element in the success of an offshore financial center. In working to develop their reputation, BVI offshore promoters highlight the territory's accountancy standards: “We're not providing just a bucket shop operation here [...]. We have all the ancillary operations involved in administration, accounting and trusts” (*Euromoney* 1989:52). And, offshore promoters imply, they expect the same high standards of the institutions that incorporate in the BVI: “We're laying quite a bit of importance upon attracting banks of high calibre” (*Euromoney* 1989:53). “[W]e want no part of any shady dealings whatsoever” (*Euromoney* 1989:50).

Guidebooks to offshore investing often link reputation not just to a scandal-free history, but also to technical expertise. Arnold Cornez, in his *Offshore Money Book* (1996:42), writes,

The soundness of your OS [offshore] structure is only as good as the professionals who create and currently manage it ... Look for an educated workforce; an abundance of fairly priced, qualified attorneys, banking facilities, chartered accountants, asset and portfolio managers, consultants, company managers and trustees is essential.

He also advises seeking out long-term residents of tax havens: “They don't want to lose their work permits and become exiles, so they are more likely to be trustworthy” (Cornez 1996:42). “The Question of Trust” (p. 23) is central to going offshore, Cornez writes, and the number one guideline for evaluating offshore locations is the “general reputation or quality of the tax haven” (p. 36).

In sum, the tangibles and the intangibles of “reputation” – from chartered accountants to “British traditions” – are the focus of marketers of offshore jurisdictions.

CREOLIZATION REDUX: THE PLURAL SOCIETY REVISITED?

In his cyberpunk science fiction novel, *The Diamond Age*, Neal Stephenson (1995) creates a world of flexible citizenship and elective “tribal” membership. The nation-state is over, replaced by a worldwide network of computers and nanotechnology that keeps business moving, and by tribal “enclaves,” gated city-states linked through information technology into conglomerates-cum-“nations.” Every tribe specializes in a particular enterprise. Some are relatively self-contained, but they are not necessarily localized. People carry their tribal membership with them wherever they go, and often that is enough to protect them; especially if they are members of the more prestigious and technologically advanced tribes, such as the “Neo-Victorians.” In Stephenson’s world, the Neo-Victorians are individuals who have chosen to create stability and islands of calm for themselves in this complex and often violent world by embracing the ethos of nineteenth-century English upper-class culture. They are completely at home with high-tech, however, and integrate ultra-sophisticated nanotechnological inventions with the objects of everyday Victorian life – such as “young ladies’ primers.” Stephenson’s world is also inhabited by people who have fallen through the cracks and are unable to gain entry to any tribe. They live outside the protected enclaves, in massive slums polluted by centuries of toxic dumping.

Stephenson’s Neo-Victorians bear many characteristics of successful offshore private bankers, who provide the world of stability their clients long for. Lyn Bicker’s survey of private banking in Europe reveals that “image” is of overriding concern to “high net worth individuals” seeking financial services:

The established players trade on their reputation, history and connections. With pedigrees of two or three hundred years, a number of the traditional Swiss private banks, for example, have long been the confidantes of the rich and influential, and maintain their solid reputation assiduously. (Bicker 1996:3)

The pedigree metaphor even crops up in advertisements for private banking services. One, published in *The New Yorker*, sports images of pure-bred, high-status dogs (a King Charles spaniel, a Shar-pei), and reads,

"Careful breeding is important in portfolio management as well" (Union Bank of Switzerland 1996).

What are we to make of a discourse that emphasizes pedigree in the creole Caribbean? The assertion of a sort of "neo-Victorianism" among colonial and post-colonial Caribbean subjects who forge notions of sovereignty and distinctiveness from markers of colonial Britishness renders neo-Victorianism somewhat ironic. As noted earlier, maintaining colonial ties to Britain has been crucial to offshore jurisdictions like the BVI and the Caymans. Investors feel that British tax havens are "safe" havens, not liable to be rocked by political turmoil or revolution. Britishness also connotes whiteness, which may soothe international investors who seem to be mainly North American, European, or Far Eastern.

Historically, of course, the anthropology of the Caribbean has been concerned with the dynamics of creolization. Creolization has been taken to refer to a blending of cultural elements from putatively separate and distinct cultural wholes. Some elements of Caribbean nationalist discourse similarly have relied on a story of culture-mixing, telling a tale of Caribbeanness forged in centuries of contact and cultural blending. Other elements have taken up the plural society thesis, envisioning Caribbean nations made up of mosaics of separate ethnicities, each with its own institutions, traditions, and cultural forms.

Regardless of the status of the nationalist or anthropological claims about the emergence of creole societies in the Caribbean, the emerging marketing and political discourse surrounding offshore finance seems to disarticulate the blending of cultures in creolization rhetoric and to posit a time "before" creolization. The assertion of Britishness in offshore finance discourse effects a kind of "creolization redux." The word "redux" was originally a medical term used to refer to the return of a diseased organ to its original state. The dis-ease of creolization may be a source of pride to some Caribbean nationalists and a topic of study for anthropologists. But it is terrible marketing strategy in a world that depends so much on "trust" and illusions of stability and calm. In marketing Britishness, and stressing British legal traditions, those involved in promoting offshore finance attempt a redux – a "return" to a fictitious original state, "before" creolization, of "British" culture in the Caribbean.

M.G. Smith's plural society thesis held that Caribbean societies were composed of conflicting ethnic groups that were institutionally distinct but held together by the power of a dominant group. His position was criticized, rightly, as echoing a Caribbean elite ideology that justified elite rule (Bryce-Laporte 1967; Robotham 1980). The creolization redux of offshore finance puts forward a different vision of Caribbean society. Like

the plural society thesis, however, this vision also rests on assertions of separate institutional structures of conflicting groups held together – epistemologically but not politically – by a dominant entity. Here, the “groups” are entire islands, not sub-segments of island societies. And the “dominant” element that holds the islands together in one epistemological space is the idea of a “Britishness” that assures “trust.” In this logic, each island must develop its own institutions in order to attract offshore investment. Political fragmentation makes sense, for it enables each island to create its own investment laws and market its distinctiveness on the international market. Offshore investors do shop around for different services, and like to diversify their offshore operations in several jurisdictions at once. Asserting the separateness and uniqueness of each island, while also asserting the islands’ British heritage, may thus seem to be a reasonable approach to crafting political and economic futures. “The Caribbean,” in this vision of the future, is a “pluralistic” place where investors can pick and choose from among many different institutional arrangements, all of which are backed by relationships and images of “trust” and “Britishness.”

CONCLUSION

What I am calling creolization redux is, of course, wonderful marketing strategy. It constitutes the markers of trust that international investors are looking for when they seek out specialized financial services offshore. In the globalizing political economy of the late twentieth century, creolization redux allows Caribbean peoples to market their niches in a world where jurisdictions that attract money, not countries that produce goods, are likely to defer the pain of structural reform and “neoliberalism,” at least in the short run.

Offshore finance offers new possibilities for understanding law, state, market, and person. Clearly, it also reinvigorates and recreates the state in its role as law-giver (Helleiner 1994). It generates new inequalities, and helps construct “old” national identities. Yet there exists a nervous uncertainty that has the potential to erode the “traditions” on which offshore finance supposedly rests. How is one to tell whether those one deals with are “truly” reasonable, “truly” trustworthy? Offshore jurisdictions invest many advertising dollars in bolstering their “trustworthy” reputation. Defining trust entails denying trust to some individuals by constituting them as inherently untrustworthy. As it excludes some and enriches others, creolization redux lends a fiction of stability to international finance.

The Caribbean in this “global positioning” vision of the future may indeed come to resemble Neal Stephenson’s science fiction scenario. As these islands detach themselves from – or are denied entry into – large political economic entities, and as they attempt to stand “outside” regional blocs, they become like Stephenson’s enclaves. These “islands” in a global network constitute a shopping-mall of jurisdictions for international capital, a haven of a new kind of “pluralism.” It remains to be seen how much of this vision will be put into practice, by whom, in whose interests, and to what effects.

NOTES

1. Ginsberg 1991; Cornez 1996; see also Maurer 1995a:126-27 for a comprehensive list of world offshore financial service centers.
2. This is the same period to which David Harvey (1989) and others trace post-Fordist production strategies: niche marketing, just-in-time production, and flexible specialization.
3. By this time other currencies besides U.S. dollars were traded outside their countries of issue.
4. This was especially the case for the market in financial instruments based on securities that are pegged to periods of time, such as “futures,” “options,” or, broadly, “derivatives” – any security pegged to the value or future value of other securities.

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