Funding the Future

Looking for Plan B: What Next for Island Hosts of Offsh...

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The latest edition of The Round Table (theCommonwealth Journal of International Affairs) has a focus on small states and includes a paper by Dr Mark Hampton (University of Kent) and TJN's John Christensen. Mark and John have been working together on their research into tax havens for many years and their latest paper explores the development options for small island tax havens in the light of sustained international initiatives against offshore secrecy.

Titled "Looking for Plan B: What Next for Island Hosts of Offshore Finance" the paper uses path dependency theory to explore the extent to which small island economies - Jersey is used as a case study - are able to shape their destinies in face of extensive state capture and limited development options. Although we cannot make the full paper available online, here is the abstract, and the entire paper is available for download here.

As the synopsis says:

This paper examines offshore finance centres and tax havens that are hosted by small island economies (SIEs). In many cases, hosting offshore finance has been a lucrative activity for SIEs since the 1960s in terms of employment (direct and indirect) and overall contribution to GDP and government revenues. Despite the scale and reach of the global offshore economy, at present many SIE hosts face an unsettled future in light of significant international pressure from nation states, international organisations such as the EU and OECD and, increasingly, from civil society in both the developed and less-developed world. Given the economic importance of hosting offshore finance for many SIEs around the world, the development options facing many island jurisdictions are discussed. The paper poses the fundamental question: what has changed since the major initiatives around the year 2000? Then the situation facing many SIE hosts, the changing global political economy and their shifting negotiations and alliances within it are discussed.

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