

Sub-elites as fiduciary gatekeepers of global elites: A fiscal anthropology of the Cayman Islands and offshore financial industry

by

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Abstract

The Cayman Islands facilitate some of the largest international financial flows. Despite international pressures, they continue to service international networks of corporations and wealthy elites unperturbed. Few ethnographic studies of offshore financial centers exist because of the private nature of their professionals who uphold strict codes of confidentiality. This thesis describes the sub-elite professional operators of the Cayman Islands and explains the Island's transition from a modest maritime economy to one of the most powerful finance-based economies in the world. In exchange for material success, the Cayman Islands has sequestered its indigenous populations' identity in favour of a stronger, prestigious and more unified identity as an international offshore financial center. Through ethnography, I delineate how sub-elites have carefully orchestrated the Islands' development to their interests and manipulated its political economy, in part by de-legitimizing Caymanian political assertions, therefore silencing their voices, undermining their citizenship, and de-legitimizing their claim to their Island's own self-governance.

Keywords: Caribbean elites; Durable inequality; Sub-elites; Offshore financial center; Caribbean; Cayman Islands

Dedication

This thesis is dedicated to Professor Robert Anderson and Adam Holbrook. My work in this field would not have come to fruition without your pedagogical support. Thank you for recognizing my academic potential.

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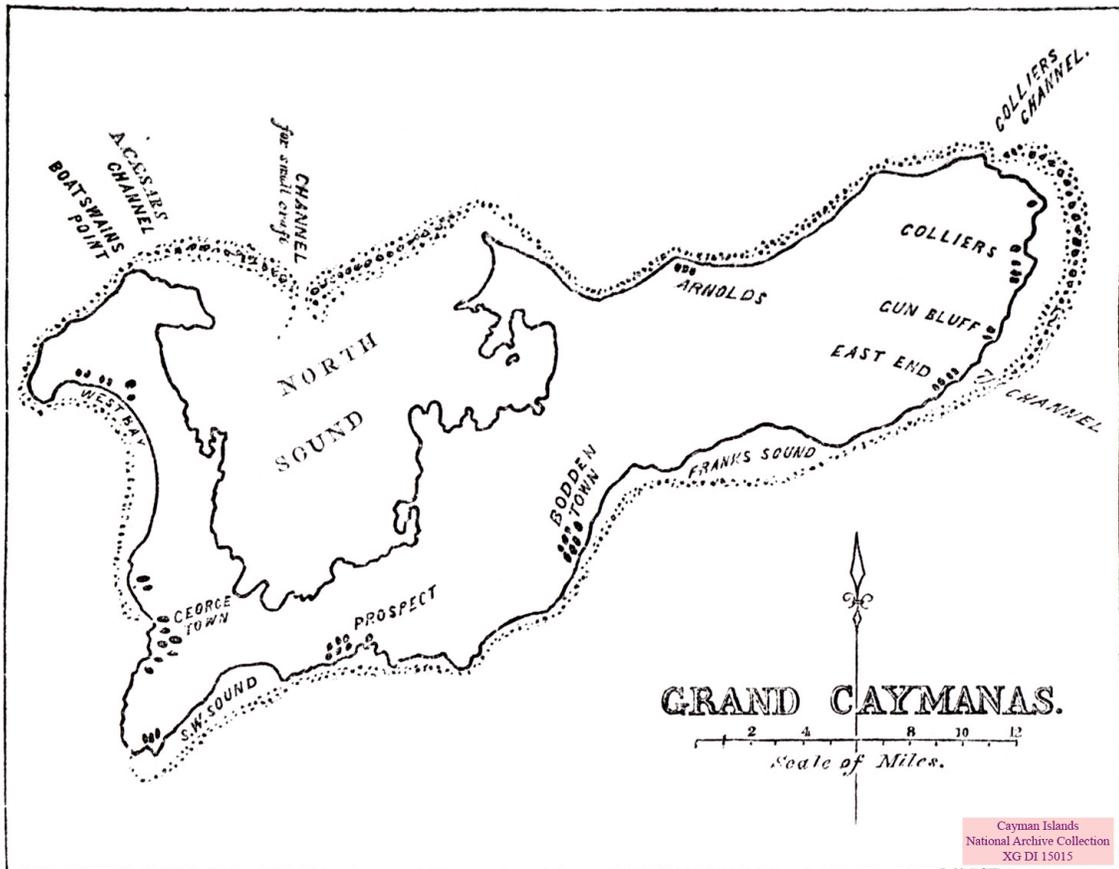
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Introduction

1.1. Background

There has been a resurgent interest in offshore financial centers for their role in the facilitation of marginally licit and illicit financial flows through aggressive international tax planning, formation and domiciling of corporate structures, and international wealth management practices. This interest has developed increasing momentum since the financial crisis of 2008 and has now developed into several concerted movements by developed and developing countries to monitor and curb the flow of illicit financial flows. Some of this momentum has been a result of the 2008 financial crisis followed by the governmental bail-out of corporate banks, global movements such as Occupy Wall Street, and the push by civil society organizations to put tax evasion on the forefront of public policy debates. This has resulted in the 2013 meeting of the G8 and the Organization for Economic Cooperation and Development (OECD) making the decision to direct their focus on tax avoidance and evasion through the use of offshore financial centers. The political and economic climate has compelled heads of state and international bodies such as the OECD to address the systemic problem of tax avoidance and evasion in order to narrow the scope of evasive practices with the hope that lost tax revenues from capital flows flow back to governments and their citizens.

This series of events has re-invigorated the global “witch hunt” of tax evaders and those who facilitate them. As a result, pre-existing, antagonistic conceptions of tax havens were heightened. These tax havens are geographically distinct, popularly conceived of as located in the Caribbean, and serve as easy scapegoats for mass media and governmental critics alike. Therefore, the world has become acutely focused on offshore financial centers (OFCs) as the primary site in the fight against tax evasion. Fuelled by mass and popular media, alleged tax havens around the world have become

easy and increasing scapegoats. Exacerbating this scrutiny, has been a series of media publications (most recently the March 2013 Cook Islands tax data leak by the International Consortium of Investigative Journalists) leading to widespread public uproar on the use of Caribbean offshore financial centers (Dubinsky et al, 2013; Ryle and Guevara, 2013). In spite of increased attention and dialogue on Caribbean OFCs, very little is known about the expatriate and indigenous populations who call such places their homes.

1.2. Research questions

While tax avoidance and evasion are not new phenomena, media frenzy, which antagonized offshore financial centers, has overlooked those actually living in these centers. We therefore know little or nothing about how the people living in offshore financial centers like the Cayman Islands are affected by this new scrutiny, nor about how they explain and justify their actions, make their decisions, and rationalize the consequences of being a space for international financial transactions. Similarly little is known about the wealthy exogenous elites who “use” these havens simultaneously as a “home base”, about how they justify their actions, how they view the countries they so occupy, and how they sustain these narratives. My work addresses this blind spot, by describing and exploring two groups of people in the Cayman Islands: Indigenous Caymanians and exogenous expatriates who hold two dominant perspectives which are nationalist and internationalist in their respective orientations. Rather than seek independence, the Cayman Islands have used their colonial affiliation as a British Overseas Territory to attract and maintain a finance industry to their Island. That colonial affiliation, however, confers no special mobility rights. The elites attracted to the Caymans have choices of where they live while for the indigenous Caymanians choice is extremely limited.

This research will attempt to answer the question of the extent to which the indigenous population has been influenced by the exogenous global elite. More specifically, this thesis explores elite influence in the Cayman Islands and ultimately the consequences of elite narratives as told through the voice of the financial industry.

Furthermore this thesis explores the influence of elites through the detailed study of what I delineate in Chapter 3 as “sub-elites”, professionals who serve to bridge the gap between Caymanians’ nationalist and the global elites’ internationalist interests. I do this by looking at the techniques, stories, and justifications used by elites in persuading Caymanians of the benefits of elite patronage *vis-à-vis* the development of the financial industry in the Cayman Islands. I also look at how Caymanians have built a narrative that allows them to justify and maintain this relationship with the financial industry despite increasing evidence (Shaxson and Christensen, 2013) that the trickle-down effect from the billions in capital flows through the Cayman Islands, is just that, a trickle-down, not a river of economic benefit directly to the indigenous population.

This research seeks to deepen our understanding of how cultural narratives are built up and sustained in unequal power relationships, using communications and anthropological tools to study international finance, taxation, and the legal regulations that enable elites around the world to use the Cayman Islands financial industry.

1.3. Methodology

My research methodology borrows from the fields of communication, fiscal sociology, and Caribbean history and anthropology to understand the social, cultural, political and economic values of Cayman Islanders, both the local and expatriate communities. I focused on the patterns and experience of migration, communication, and integration of individuals to the Cayman Islands in order to understand how norms and values are imported to the island and reproduced and modified there. I used an ethnographic approach, living among the various communities and interviewing members of the local, expatriate, governmental and business communities.

1.4. Definitions

When I refer to Cayman Islanders, I am referring to any individual with a physical presence in the Cayman Islands. When I refer to Caymanians, I am referring to those

people who self-identify themselves, or are identified by other Cayman Islanders as either born or naturalized as a Caymanian. Many Caymanians are particular about distinctions regarding citizenship. There are both “real Caymanians” and “paper-Caymanians”, meaning those who have either naturalized, or have through a number of reasons, not been considered a “true Caymanian.” This term is subject to intense debate as the island has no recorded history of having an indigenous population. The Cayman Islands are also referred to by historians and Cayman Islanders alike as either: The Caymans, Cayman, or The Cayman Islands therefore may be interchangeably cited by such authors to mean the same thing.

1.5. Summary of chapters

Chapter two will introduce the conceptual landscape of this thesis with the introduction of a set of actors and their tools: elites and their sub-elites, and durable inequality. I make a case for the study of sub-elites and connect their work to the perpetuation of not only durable inequalities amongst their sub-ordinates, largely the middle class, but also themselves. Chapter three places elite actors and sub-elite actors in context with an example drawn from the work of economic sociologist Brooke Harrington and her study of the Society of Trust and Estate Planners whose profession both produce the means of economic stratification but also create the professional networks to ensure their work is legitimated. Chapter four looks at the histories of the Cayman Islands as told through the lens of political economists, Caribbean anthropologists, legal scholars, the financial industry and Cayman Islands Government. These histories inform us of ideological orientations that not only reveal their purpose to serve elite interests, but also how if left unchallenged, can become embedded as uncontested local knowledge to be consumed and regurgitated for generations. Chapter five is a selection of ethnographic field notes made over a one-year period of time in the Cayman Islands. It looks at local and enduring debates amongst Caymanians and expatriates, and challenges the normative values of Cayman Islanders made against Caymanians. I also look at some core issues and debates surrounding the indigenous population and if they connect to global debates surrounding the Cayman Islands. Chapter six looks more closely at elite, sub-elite and expatriate values in the Cayman

Islands. It advances Charles Tilly's conception of durable inequality by looking at the specific categories that create and lock-in unequal distribution of opportunity and access, and linking it to elite and sub-elite theory. Chapter seven concludes with observations, overarching themes and a summation of my experience in the Cayman Islands.

Chapter 2. Durable inequality and elites: The conceptual landscape

Determining the most suitable theoretical framework with which to study the political and economic socialization processes of the Cayman Islands was no easy feat. I sought to find something clear, pragmatic, and reproducible in the study of other offshore financial centers. Convoluted theories and frameworks can leave scholars in a state of cognitive fatigue; sometimes before they get to the site of analysis. Warming up with complex and inaccessible language followed by ideological and epistemological jujitsu, scholars can be left confused and frustrated well before the application and analysis portion of the work. While I acknowledge that this is sometimes a necessary complexity of scholarly pursuits, it greatly discourages scholars like myself from experimenting with the theory or advancing the dialectic. If the academic's motive is in pursuit of influence and impact, then the explanation of the theoretical framework should be conducive to knowledge retention (not retardation) and logically reproducible.

My search for a framework consistently steered me towards the work of American sociologist, historian and political scientist: Charles Tilly (1929-2008). Tilly's approach to the study of political history and contention is not fraught with complex theories or incomprehensible jargon. Furthermore, what compels me towards Tilly's analytical style, demonstrated for example in *Big Structures, Large Processes, Huge Comparisons* (1984), is how he challenges the myths created in past centuries of historical analysis or what he calls "the clutter of theories of false general principles derived from the bourgeois reaction to nineteenth century changes" (p. 17). He not only understands that history is framed to benefit elites, but he purposely provides a loosely defined toolkit to challenge those frames in any size and historical context. Tilly's adaptable and flexible approach enables scholars to

build concrete and historical analyses of the big structures and large processes that shape our era. The analyses should be concrete in having real times, places, and people as their referents in testing the coherence of the postulated structures and processes against the experiences of real times, places, and people. They should be historical in limiting their scope to an era bounded by the playing out of certain well-defined processes, and in recognizing from the outset that time matters—that when things happen within a sequence affects how they happen, that every structure or process constitutes a series of choice points [...] if the work is historical, it need not be grand [...] nor, for that matter, need historical work concern the distant past [...]. A concrete, historical program of inquiry must include work at the small scale and can well include our time. (*Big Structures, Large Processes, Huge Comparisons*, p. 14)

What makes Tilly's pragmatic approach so attractive is his ability to demonstrate how flexible and adaptable his analytical tools can be. Much of his writing style, especially in the latter part of his career, reflects this. He draws from the experience of his voluminous life's work, which was dedicated to the extensive and exhaustive study of political contention, to support his postulates. He then applies his postulates to a variety of historical examples, which despite such variance and range, hold firmly to reinforce his theories.

Tilly's ability to describe and apply his work on how to re-examine, cross-examine and counter-examine historical and political events make the utility of his theories invaluable to scholars but have also garnered widespread international respect from the academic community (Tarrow, 2008; Voss, 2010). One of his most influential contributions to political forms of communication produced one of the largest datasets of political contention with mixed-methodologies. For example, *Popular Contention in Great Britain 1758-1834* (1995) catalogued 8,088 contentious gatherings. While large-scale data sets of this kind are extremely time-consuming and difficult to produce – though much easier now with advanced computing programs— this particular study along with Tilly's subsequent studies strongly support his claim that studies of large or small scales are both equally useful and that research “need not be grand” for it to come to the same conclusion.

This is especially important for social scientists or in my case, a fiscal anthropologist seeking generalizability from a large cohort of offshore financial centers or small island states. Because of the cost of conducting research in elite offshore financial

centers, often with prohibitively high costs of living, an efficient methodological framework is essential for an ethnographer to be able to enter the field with sufficient time to collect data. If several years' worth of data can be gathered and made generalizable within a six-month period through a framework like the ones proposed by Tilly (as he said "they need not be grand"), then efforts can be focused less on methodology and more elsewhere such as on the researcher's research question. *Popular Contention in Great Britain 1758-1834* (1995) along with other large-volume studies such as *The Contentious French* (1986) advance the notion that the study of political contention is possible in any size, context, and space so as long as the right theoretical framework is used. Tilly's later works advance that argument in many forms but most importantly lead towards the recurring themes of inequality (Tilly, 1998, 2000, 2000a, 2001) and political contention (Tilly, 1995, 2004, 2008, 2008a). This combination might come across as completely obvious and logical but it is reverts back to the reminder that one must constantly challenge perceived norms and continue to make sense of things that seem to 'make sense'. Furthermore, we must ask if something 'makes sense' now, is that because it is universal or limited to certain economic/political/cultural strata?

2.1. Tax and citizenship

Taxation is a form of consent between the citizen and the state. In exchange for tax payment, government provides state managed and pooled resources, and security. Citizens who pay taxes are contributing because they have a belief that the system they are contributing to will benefit them. When citizens become extremely dissatisfied with the system, they can become dissenters from the system by not contributing, in protest of the system. Tax protest can take many forms but when citizens actively, and en masse, withdraw their support to the state through tax evasion, it communicates to governments and citizens alike that there is something wrong with the political system. Tax protest, avoidance, and evasion account for some of the most detrimentally damaging forms of political communication because they have the capability to undermine the political power of nations not only to fund their nation-building activities,

but their social influence. In *The Social Sources of Financial Power* (2006), Leonard Seabrooke whose argument includes taxation (along with interaction of credit and property) as a pillar of his “financial reform nexus”, argues that taxation is a pillar in his book “because it is the primary means through which governments directly affect the private sector” (Seabrooke, p. 3).

Tax payment is a form of fiscal responsibility from citizen to state. When citizens withhold payment it is often due to mistrust, lack of confidence or disapproval of state activities. In other words, citizens do not feel their contribution to the state is being reciprocated equitably or responsibly from the state to the citizen. Referring to John Locke’s *Treatise of Civil Government* (1660), Tilly argues that part of this historically rooted relationship between the governor and the governed is “a proper compact” which “involves a fair exchange of protection for financial support; and that the medium of negotiation between rulers and ruled should be a representative assembly. No taxation without representation!” (*The New Fiscal Sociology*, 2009, p. xi-xii). Thus any form of tax protest and evasion are political forms of communication between a citizen and its state.

In the foreword to *The New Fiscal Sociology* (2009), Charles Tilly sums up the overlooked importance of the study of taxation as a temperature gauge to citizen-state relations:

As the editors of this volume say, it is surprising, even shameful, that social scientists and historians have paid so little attention to taxation. It seems a dreary subject all numbers and colorless bureaucrats. Yet we have three reasons to give taxation particular attention. First, over the long run it constitutes the largest intervention of governments in their subjects’ private life, so much so that the history of state expansion becomes a history of violent struggles over taxes, and the history of state consolidation becomes a history of tax evasion by those who have the guile and power to frustrate the fisc. Second, follow the money: the circulation of resources from subjects to government-initiated activities provides a sort of CT scan for a regime’s entire operation. Third, it dramatizes the problem of consent, John Locke’s problem. (Tilly, *The New Fiscal Sociology*, p. xiii)

If tax protest and evasion are political forms of communication between a citizen and its state, then the creation of the tax haven poses a much more terrifying reality. The creation of tax havens then, becomes a political-economic creation of tax protestors and evaders, to circumvent the payment of taxes owed to their home country, because they

have found their contribution to be of no benefit to them. While accounting, economics, and law have historically carried the bulk of the research towards tax evasion, their approach and perhaps methodological traditions have left a serious trench in the study of tax evasion and that is the social consequences of tax evasion for the idea of citizenship.

Only recently have I seen increased efforts in cross-scholarship in the field of tax and citizenship from a social sciences perspective (Oats, 2012; Himelfarb & Himelfarb, 2013; Martin *et al.*, 2009). Prior to that, individual scholars had to be found one-by-one in their respective fields or under sub-fields making cross-pollination almost impossible. The collective works in *The New Fiscal Sociology* (2009) for example, has become one particularly powerful push for this type of inter-disciplinary scholarship:

What is new about the new fiscal sociology is its recognition that taxation has a theoretical or causal – and not just a symptomatic or methodological – importance. *Taxation* consists of the obligation to contribute money or goods to the state in exchange for nothing in particular. To be sure, taxes are sometimes earmarked for particular uses, and in modern, democratic societies, taxation carries the implicit promise that the resources will be spent on public goods (Webber and Wildavsky 1986). Nevertheless, a tax is not a fee paid in direct exchange for a service, but rather an obligation to contribute that the state imposes on its citizens and, if necessary, enforces. (“The thunder of history...”, p. 3)

While this particular viewpoint is only one of many ideological orientations (social democrats would not agree with the statement regarding “in exchange for nothing in particular”), this quotation highlights the potential richness and value of social debates within the study of taxation in social sciences. Tilly’s own chapter in *The New Fiscal Sociology*, based on an analysis of the Tocqueville and the French Revolution, argues “tax policy may also create and reproduce the very category of political citizenship – the social boundary between those who are full political citizens and those who are not” (Martin *et al.*, p. 23). As I continue the discussion between taxation and citizenship, it would be a mistake not to introduce the intermediary between taxation and citizenship and that is communication.

2.2. Tax and communication

The conversation about taxation and the negative connotation it has had with its citizens recently, has been described by Himelfarb and Himelfarb (2013), and Murphy (2011) as a subversive neoliberal campaign designed to undermine the role of democratically elected governments to collect taxes and allocate them on behalf of its citizens. In the first chapter of Richard Murphy's *The Courageous State*, he argues that we have created a "cowardly state" which does not represent the interests of the tax-paying citizen and has even failed to assert itself in face of "bullying and abuse from the media" (2011, p. 4).

Tax protest is a form of communication amongst citizens and corporate entities against governmental policies. Tax dialogue – whether it surrounds citizens voicing their dissatisfaction with their government, anti-tax haven rhetoric, pro-offshore rhetoric or international regulatory reforms on evasion – is the communicative site where we observe the dynamic relationship between citizen and state. The label of 'tax haven' itself is a form of highly contested political identity and political communication for both the user of the tax haven and the tax haven itself. A tax haven's existence and the use of it has spoken volumes around the world to social and political interests. Therefore communication does not need further introduction except to highlight how prevalent it is in every aspect of tax behaviour.

For these reasons I have consciously adopted Tilly's framework in my study because without the trial-and-error process of new research applications to the framework we might have a great idea without knowing if it has traction. Therefore, despite the limitations in my research in the Cayman Islands, net benefits as I see them far outweigh the losses in developing the debate. Tilly has famously encouraged lively and critical debate; oftentimes through entire symposiums and journal editions dedicated to challenging the premise, resilience and depth of his work (Tilly, 2000; 2004; 2006). I have found Tilly's work, especially *Durable Inequality's* to be the best-fitting framework for my analysis, which I will proceed to explain and substantiate in the remainder of this chapter.

2.3. Durable inequality and specific cases

Durable Inequality (1996) advances Max Weber's theories of social closure and Karl Marx's theories of exploitation. Weber's theories of elite exclusion inspired Tilly to look at how elites exclude "less powerful people from the full benefits of joint enterprises, while facilitating efforts by underdogs to organize for the seizure of benefits denied"(p. 6). Complimentary to Weber, Marx's theories of exploitation frame how those who control the means of capital accumulation and reproduction also control the means of ideological influence and reproduction. Bridging Weber and Marx and "[c]rossing that bridge repeatedly", *Durable Inequality* concerns itself with "social mechanisms – recurrent causal sequences of general scope—that actually lock categorical inequality into place."(p. 7).

Durable inequality results from the interaction of four mechanisms - exploitation, opportunity hoarding, emulation, and adaptation. Enduring or durable inequalities, as opposed to temporal inequalities, are important sites of study because they are sites of social and cultural values that not only persist through generations, but are perpetuated as ritual or worse: as unchallenged and deep-seated knowledge. Left unchallenged, these social and cultural norms that exclude certain groups or individuals from equal access to opportunities can become embedded as 'knowledge' or 'common sense' thereby creating generations of perpetuated inequalities that are defined and set out by a small elite group of interests. In condensed form, the framework proposed by *Durable Inequality*

does not ask what causes human inequality in general. Instead it addresses these questions: How, why and with what consequences do long-lasting, systemic inequalities in life chances distinguish members of different socially defined categories of persons? How do categorical inequalities form, change and disappear? Since all social relations involve fleeting, fluctuating inequalities, let us concentrate on *durable* inequalities, those that last from one social interaction to the next, with special attention to those that persist over whole careers, lifetimes, and organizational histories. (*Durable Inequality*, 1996, p. 6)

Tilly lists four mechanisms that help explain how and why "categorical inequalities persist in a given form despite turnover in the persons and concrete social

relations” as well as “why they endure from cohort to cohort” and “generation to generation” (*Durable Inequality*, p. 190). The four mechanisms are defined:

1. *Exploitation* reproduces itself by supplying resource-controlling elites with surpluses, part of which they use to reward crucial collaborators, another part of which they use to regulate disposition of resources.
2. *Opportunity hoarding* feeds rewards selectively into segregated networks, recruiting replacements from less advantaged sites within those networks. Opportunity hoarding emphatically includes the deliberate transmission of wealth and other advantages to children and recognized heirs
3. *Emulation* not only lowers the costs of established organizational divisions below those of their theoretical alternatives but also provides the illusion of ubiquity, therefore of inevitability.
4. *Adaptation* articulates unequal organizational arrangements with valued adjacent and overlapping social routines so that the costs of moving to theoretically available alternatives rise prohibitively. (*Durable Inequality*, p. 191)

These four mechanisms work to maintain the unequal distribution of opportunity and life-chances of the majority of the world. The unique characteristic about all four mechanisms is that they have self-reproducing elements which “together lock neatly into a self-reproducing complex” (p. 190). Opportunity hoarding especially promotes this:

When members of a categorically bounded network acquire access to a resource that is valuable, renewable, subject to monopoly, supportive of network activities, and enhanced by the network’s modus operandi, network members regularly hoard their access to the resource, creating beliefs and practices that sustain their control. As in exploitation, a boundary separates beneficiaries from others, while unequal relations across the boundary connect them. In opportunity hoarding, however, beneficiaries do not enlist the efforts of outsiders but instead exclude them from access to the relevant resources. (*Durable Inequality*, p. 90)

2.4. Categories and categorical Inequality

In *Durable Inequality* (1996), Tilly introduces the term “categories” which serve as the workhorse of perpetuating durable inequality. There are two important things to note about categories: 1) They are human creations, and 2) They are arbitrary organizations made by humans. One of the basic organizational mechanisms is the creation of distinctly bounded pairs: female/male, aristocrat/plebian, and citizen/foreigner. My thesis explores the citizen/foreigner category, more specifically the Caymanian/expatriate divide in the Cayman Islands. Distinctly bounded pairs, are the site of categories at work. Researchers can look at distinctly bounded pairs to see durable inequality at work. Studying these pairs can lead us to the study of groupings and then to

more complex classifications based on religious affiliation, ethnic origin, or race [...] [and] [...] provide clearer evidence for the operation of durable inequality, because their boundaries do crucial organizational work, and because categorical differences actually account for much of what ordinary observers take to be results of variation in individual talent or effort. (*Durable Inequality*, p. 6)

Categorization is also a social construction. Moreover, it is an arbitrarily conceived and biased set of groupings based on a variety of socially rooted practices mobilized through cognitive frames of education, religion, community, geography, and so on. Categories are created, set, and reproduced to form deep-rooted anchors in social and organizational knowledge, tradition, and history. And while categorization is useful and beneficial for the most part, because of its organizational role, the dark side of categorization can serve as an exploitative tool for the reproduction of assumptions about knowledge, tradition, and history. Framed as ‘truths’, this process can then perpetuate inequities about persons, places, or things. However, if we delineate how these categories were formed and by whom, we may gain clarity about what underlying purpose these categories served which could further enable researchers to trace steps back the original instigator of the categories that led to the durable inequality. This is why the histories of the Cayman Islands is so important. Not only do documented histories create a tombstone of knowledge – a publication that is forever accessible by all – but the histories also become the original templates of the history of the Islands. It is why Susan Roberts, is able to candidly condense the history of the Cayman Islands to a

general set of trajectories (see chapter 4, p. 63). To the uninformed, the superficially curious, or unguarded researcher, these histories, if left critically un-checked, can lead to misinterpreted, or biased histories which can then become truths which can then form the rocky basis on which scholars, historians and Caymanians build their national identity.

Tilly terms the exploitive form of categorization as “categorical inequality” and it is the building block or precursor to understanding how durable inequalities are sustained and reproduced. For the study of categorical inequality in organizations, Tilly recommends two sites: within the firm, and at the perimeter of the firm (*Durable Inequality*, p. 131). As my fieldwork in the Cayman Islands did not involve or permit me access to study organizational behaviour in firms, I focused on the perimeter looking at the man-made boundaries set out by the categories. An example would be to look at employment practices of the financial industry: In order to become a practicing lawyer, accountant or fund manager in the Cayman Islands, what barriers to entry existed for ‘foreigners’ and Caymanians, and who guarded those barriers?

Who defines and guards the entrance and perimeter of an organization and its categories holds clues on elite values. But these clues refer not only organizational and business values but also to cultural values, especially useful in the study of citizenship through the research frame of belonging and citizenship. Fiscal and Caribbean anthropologist Bill Maurer showed that in the British Virgin Islands (1997b) values of belonging and citizenship have become a highly stratified and contested site of elite and sub-elite categorization. Value formation and perpetuation thus are key ingredients in the overall theory of durable inequality, and have a special meaning in a Caribbean Overseas British Territory like the Cayman Islands. His findings in the British Virgin Islands are compared to my findings in the Cayman Islands. Prior to this more substantial discussion however, I highlight other examples here, not specific to offshore financial centers, that are pertinent to the discussion of elite values and durable inequality.

2.5. Dependency theory and post-colonial theory

Dependency theory was a critical reaction against the Western conception of how modernization of 'less modernized worlds' should proceed with development. It emerged as an outcome of the realization that there were (and are) structural barriers to the independence of states. Dependency theory as I have interpreted and collated through the work of Jorge Larrain in *Theories of Development: Capitalism, Colonialism and Dependency* (1989), Richard Peet and Elaine Hartwick in *Theories of Development: Contentions, Arguments, Alternatives (2nd Ed.)* (2009), and Robert Packenham's *The Dependency Movement: Scholarship and Politics in Development Studies* (1992) criticized the Western-centric viewpoint that favoured certain measures of socioeconomic development such as industrialization and a rising middle class. Modernization theory also valued measurable indices: "In keeping with the strong quantitative temper of the social sciences in the 1960s and early 1970s, many theorists tried to devise statistical indices to measure variations in the level of modernization across space" and measured successful development by looking at developmental aggregates of taxation regimes, transportation networks, communications systems, educational institutions and even "the breakdown of traditional ethnic compartmentalization" (Peet and Hartwick , p. 130)! In short, modernization theory had specific and narrow criteria by which to measure the 'success' of modernization. This left a huge window of opportunity for international backlash, especially for dependency theorists:

The most powerful critique of modernization emanated from theorists schooled in the dependency perspective. Dependency theory argues, on a neo-Marxist basis, that contact with Europe may indeed bring modernization to some people in the societies of the Third World, but that modernity arrives bearing the price of exploitation. For dependency theorists, the spread of European "civilization" to the rest of the world was accompanied by the extraction of raw materials, the draining of social resources, and a loss of control over the basic institutions of society – hence arises the notion of "dependency," or at best "dependent development" in what rapidly became the periphery of a world system dominated by the European center. Instead of being developed by their connections with the center of the global capitalist order, peripheral societies were actively *underdeveloped*, and the political and ethical implications were catastrophic for Europe's historical evolution. (Peet and Hartwick, 2009, p. 16)

Based on these Peet and Hartwick (2009), Larrain (1989), and Pakenham (1992) – chosen for their comprehensive delineation of dependency and development theory – the Cayman Islands did not seem to fit the model of the expectations of dependency theory. In fact, The Cayman Islands may be a square peg in a circle in the case of dependency theory because of its decision in 1962 to remain a British dependency where it would proceed to exploit its position to profit wildly from that choice from the 1960s onward.

Defining post-colonial theory is a highly contested area amongst scholars. According to Childs and Williams (1996), post-colonial theory has many factions divided by 1) When the shift from colonialism to post-colonialism began, 2) If there was an Anglo-centric frame post-colonialism scholars were privileging, 3) If we were actually living in a post-colonial world or whether post-colonialism had even begun, 4) Whose colonial power are we referring to (Anglo, Spanish, Dutch, etc.), and 5) Whose criteria were we using as measures? While Childs and Williams (1996) found difficulty in finding a scholarly consensus through their literature review of post-colonial theory, they were able to make one statement in confidence and that was: “The dismantling of structures of colonial control, beginning in earnest in the late 1950s and reaching its high point in the 1960s, constituted a remarkable historical moment, as country after country gained independence from the colonizing powers” (*An Introduction to Post-Colonial Theory*, p. 1). My thesis is not advancing a discussion of post-colonial theory because of the Cayman Islands decision to remain a colony in stark contrast to many of its Caribbean neighbours. Furthermore, the Cayman Islands has historically (and to present day), taken its colonial relationship with the British Crown as a source of pride, a tool for economic and political self-promotion, and a strategic public-relations tool enabling it to conduct its international affairs with a familiar British connotation attached to its identity. This contradicts many assumptions of post-colonial theory.

Chapter 3. The Cayman Islands: Caribbean elites in context

The purpose of this chapter is to explore the influence of elites in a Caribbean offshore financial center (OFC). The Cayman Islands enjoys a higher standard of living than most other Caribbean islands due to the material success of its financial industry. Furthermore, they have maintained their material success by developing their political, judicial, legislative, administrative and technological infrastructure to attract and support the financial industry (Freyer & Morris, 2013). The Bahamas and Bermuda, considered by many as the Cayman Islands' two closest competitors, have not been as successful in some of these key infrastructural developments and as a result have lost a significant portion of their GDP to Cayman. As a result, the Cayman Islands are sought after by many neighbouring Caribbean and small island states as a model for successful offshore financial industry development. This is evident, in one way, through the frequency and calibre of conferences it regularly hosts for elite professional associations such as the Society for Trust and Estate Planners and the American Bar Association.

Additionally, if we consider the volume of capital flows, number of domiciled financial products and general standards of living, the Cayman Islands rank at the top for Caribbean OFCs. Cayman is also able to compete directly for business with major financial centers around the world such as Switzerland, London and New York. It also boasts the largest number of domiciled hedge funds in the world and holds first place for the re-insurance business, primarily focused on medical malpractice captive insurance for the US (Cayman Islands Monetary Authority, 2014a). The infrastructure established to manage hedge funds and captive insurance trusts, both complex financial products of elite organizations and its management teams, demonstrates the weight of investor confidence towards Cayman. This confidence has established Cayman's reputation as an elite OFC enabling billions of dollars worth of capital to flow through it annually (Palan, Murphy, & Chavagneux, 2010). And that investor confidence, the confidence of

elites, has put the Cayman Islands on the map as a leading OFC in the Caribbean and the world.

3.1. A neglected part of elite theory?

Elites theories are helpful because they provide specialized frameworks and experiences to study specific social strata. They locate the sites of interest for the study of elite behaviour by providing indicators on where to look for sites of strong elite control in the social and political landscape. They do not, however, necessarily provide the best approaches to studying the social constructs in which elites communicate and express their values through institutional, cultural and political frameworks. Studying elites directly by conducting ethnographic interviews has not necessarily yielded the best data on how elites function broadly with different actors and networks. For example, a prolonged series of observations and interviews immersed in the elites world including their subordinates will yield data unlike any other data that even the most in-depth interview of elites will produce. I am interested in the vignettes of what actions they take on a day-to-day basis and how they define their attitudes and values. In addition, I am interested in how these attitudes and values, and the practices which go with them, have an effect on the long-term fiscal and political cycles of nations. In other words, I am interested in collecting and producing data that is also generalizable outside of the Cayman Islands. How can we address the problem of access while preserving the integrity of the data we collect on elites? Well, there is an alternative part of elite theory and that is its underdeveloped cousin. If we study the directions taken by the elite's closest allies – sub-elites who hold positions as their senior officers, account managers, lawyers, trust fund managers and estate planners – we can uncover a broader and more complete picture of the working world that surrounds elites. Although we step back from a restricted view of the study of the top elites, we gain a panoramic view of the socio-economic context of elites through the work of the sub-elites.

3.2. The elite network in the Cayman Islands

Who are the elites of the Cayman Islands and who are the sub-elites trained to disseminate their ideas and values? An absolute measure of elites could be to categorize elites as high-net-worth-individuals commonly referred to in the financial industry as HNWI or ultra-high-net-worth-individuals commonly referred to as UHNWI or ultra-HNWI. Capgemini and RBC Wealth Management publish an annual report on such individuals. Their most recent report “2013 World wealth report (WWR)” generated responses from over 4,400 HNWI in 21 countries and claimed to be “one of the largest and most in-depth studies of its kind” (*Capgemini and RBC Wealth Management*, p. 3). In the 2013 report, HNWI were categorized into three segments; those with investible assets between US \$1 million to US \$5 million were considered the “millionaire next door”. Those with \$5 million to \$30 million were the “mid-tier millionaire”. And finally, those with over \$30 million were categorized as “Ultra-HNWI”(p. 7). The report approximates that there are 12 million HNWI in the world (US \$1 to \$30 million in investible assets) and of that, it estimates that more than half of that population are concentrated in three countries: the United States, Japan, and Germany (p. 6). The ultra-HNWI represent less than 1% of the global HNWI with only 111,000 identified in the report (p. 6). *Figure 3.1* below paints a visual picture to the three categories.

Figure 3.1

FIGURE 4. Composition of Global HNWI Population by Wealth Bands, 2012



Note: Chart numbers and quoted percentages may not add up due to rounding
Source: Capgemini Lorenz Curve Analysis, 2013

Source: (Capgemini and Royal Bank of Canada, 2013, p. 7)

The value of an absolute measurement like the one set out by Capgemini and the RBC Wealth Management is that it is quantitative, measurable, and fairly reliable, because data comes from institutions known to have a large and wealthy client base. Their access to UHNWIs and HNWIs is reliable and systematic because their worldwide data collectors – their employees – likely have close working relations with their elite clients and offer guarantees of confidentiality. Irrespective of experience in making lifestyle assessments, an individual ethnographer finds it increasingly difficult to measure HNWIs consistently, especially for incomes beyond the mid-six figure range where presumably, more savings are tucked away rather than spent on discretionary items (eg. vacations, jewelry, cars). Therefore, researchers like myself are heavily reliant on the publications of institutions like Capgemini. Despite my reliance on this type of data, I am mindful of the source of these data, which are produced to serve the interests of the elite. It serves as a cautionary reminder that we must ensure plurality in data collection methodologies from all types of institutions, and the importance of alternative qualitative approaches. Nevertheless, these annual wealth reports are important as a gauge and serve to assist in other forms of elite analysis such as sub-elite analysis and the political economy of offshore financial industries.

3.3. Alternative ways to study elites using impact/influence

Local and international impact and influence are the key drivers to my study of the Cayman Islands social and political landscape. Some elites live in the Cayman Islands in terms of absolute wealth and/or political impact, and there are also elites who are closely tied to the Cayman Islands but are largely domiciled off-island. There are also elites whose corporations and trusts flow through the Cayman Islands but who may never set foot on the island beyond a few days to attend the obligatory annual general meeting to update the corporate books and records.

The variations among elite lives and their permutations are what make up the financial industry in the Cayman Islands. Elites use the Cayman Islands as a domicile for their operations, residencies, or transactions which all have a cumulative effect on how the island formulates its values and guides infrastructural investment priorities towards

or away from certain areas such as education, technology, and legislation. For example, when we see the Cayman Islands Government and Cayman Finance (the voice of the financial industry) debate over implementing new regulatory frameworks, we see what priorities are being valued. As I have observed from an ethnographic perspective in Cayman, these priorities link strongly to specific elite values. It is important to note an overarching influence in the Cayman Islands: the binding colonial relationship with the UK. The Cayman Islands and their political elites are mindful of their status as a British Overseas Territory. They continue to remain relatively powerless under the veto powers of the UK government treasury where any application for aid in terms of loans for capital funding, are met with scrutiny and adjudicated by the UK, mostly in London.

Set in the backdrop of the Cayman Islands, there are also overarching geopolitical and regulatory powers that influence the political economy of the Cayman Islands (and the elites who want to circumvent those powers): The US regulator represented through the Internal Revenue Services (IRS), the Federal Reserve System (FED), the Securities and Exchange Commission (SEC), and other regulatory bodies whose negotiating powers have a direct effect on the livelihoods and businesses in the Cayman Islands. Furthermore, international regulatory regimes, such as the Organization for Economic Cooperation and Development (OECD), the International Monetary Fund (IMF), the World Bank, and Transparency International, have the power to tarnish or boost reputations and impose economic sanctions on uncooperative nations. Their blacklists – discussed in great detail by Jason Sharman (Sharman, 2006; 2007) – and their political influences have demonstrated powerful impacts on the legislative and regulatory frameworks of the Cayman Islands and other OFCs. While elites have personal agendas to create and protect their wealth, they are also subject to the international regulatory bodies. But that does not mean, that they do not constantly use the rule of law and the expertise of their sub-elite to test the limits of those regulatory limits.

3.3.1. Caribbean envy

The Cayman Islands themselves are also held in a high regard amongst their peers in the Caribbean. Offshore financial centers around the world envy the Cayman

Islands' privileged position as a key player amongst the financial industry leaders. While it is the sub-elites that play the subordinate but stable position as a conduit for elite wealth, the economic and reputational value are a source of pride in the Cayman Islands. Understanding elites and sub-elites who assist them, shows how elite networks have used the Cayman Islands as a pawn for their own aggressive foreign policy interests. From this vantage point, researchers step outside culturally defined geopolitical spaces often set and preferred by elites and create better vantage points from which to identify more global interactions amongst elites. At this point we begin to understand macro-connections amongst elites in their vast empire of globalized networks which are exploiting offshore spaces like the Cayman Islands. They thrive in and thereby contribute to the rise of what Barry Wellman terms "glocalization" and "networked individualism" (Wellman, 2002). In the following chapters, I will discuss and develop two examples that are currently pressing in the Cayman Islands and other OFCs : (1) The Foreign Account Tax Compliance Act (FATCA) which is an example of US foreign policy targeted Cayman and other financial centres hosting US funds and (2) Base Erosion and Profit Shifting (BEPS) which is an example of OECD member state foreign policy.

3.3.2. Individual elites

Another example of elite impact and influence is the ability of individual elites to negotiate directly with the Government of the Cayman Islands to influence and manage significant development projects in the islands. A current discussion in Cayman surrounds a local billionaire whose significant economic, industrial and business presence has permitted his organization to build a highway leading directly to a hotel resort he is building. This is one of many such projects on the island and it hints to more overt forms of economic and political influence. The historical actions of this elite through the predatory nature of his international business affairs – specifically his vulture funds that prey on dying national economies such as in Greece, Chile, and Argentina – make me wary of his actions in the Cayman Islands. Either through word-of-mouth in Cayman, or international media attention at its peak in May of 2012, we see the consequences of concentrating any form of economic control to one person like this individual (Fontevecchia, 2012; Thomas, 2012; Dearden, 2012; Ledger, 2012). Through

governmental concessions made in favour of his business development, new forms of elite control by one powerful person begin to take firmer hold of the economy. Furthermore, I argue that his power extends far beyond the reach of local influence. As business advances are made locally to test and extend his influence with the Cayman Islands Government, the Cayman Islands Government door begins to open towards a transition into a global influence. With the power to negotiate and with local government, his real potential to influence the Cayman Islands Government extends to having them negotiate on his behalf with their ruling power— the UK – becomes alarmingly realistic. This complex and subversive form of political puppeteering will be discussed further below.

3.3.3. Sub-elite

A professor, Bob Anderson, once gave me advice on studying effective relationships in unstable political regimes. While Cayman is not an unstable political regime, its foreign national policy prioritizes – what I will argue in Chapter 4 – maintenance of a perception of social and political stability. Bob told me it was more fruitful to develop working relations with the aides, ministerial secretaries, and advisors to leaders of the ruling party: those who provide continuity throughout multiple political turnovers in office. Through this advice I realized that the study of elites is best studied through their direct subordinates in the executive classes: The sub-elite. They are positioned well-above the middle class, regard themselves, and align themselves more closely with the elites. Although they have closed-door access to elite behaviour sometimes through multiple generations, regimes or ruling parties, they are distinctly removed from ascension to elite status. Dagnaud and Mehl elaborate:

What it controls are the intellectual conditions in which it exercises its expertise; only this sub-elite is capable of invention, of defining areas that research should explore, of putting scientific discoveries to good use, of formulating diagnoses. But what it has hardly any control over are the economic, political and organizational conditions under which its abilities will be used. (1983, p. 821)

Therefore, in addition to the intellectual, professional and technical support they provide to elites, the value of studying sub-elites lies in understanding the intimate

experiences they have had with elite thinking and behavior that very few researchers will ever have access to.

As financial regimes change, leaders often uproot people in appointed positions and assign one of their senior executives to those positions. To prevent complete attrition and administrative dysfunction, those who serve the ruling party regime remain in office, tenured to the ministry, not the minister *du jour*. These executive officers support the leader and are tasked with designing, implementing, and disseminating the current regime's political campaigns under the direction of the new leader. It is important to note that those who stay and those who go are both categories of sub-elites. The ones uprooted from their appointments by the new ruling party are one category of sub-elite and likely migrate onwards with the ousted ruler. Alternatively, they may try to shed their political allegiance and change regimes to assist the new ruler. Those who stay with the new ruler are also sub-elites. They remain in positions that serve elites in varying capacities to collect, analyze, coordinate, and disseminate the directives laid out by elites. They are all highly skilled technocrats but are also persons with intimate knowledge of the transitory histories and behaviour of the elites. As a result, these sub-elites are innately aware of their power to negotiate with elites in securing and enhancing their privileged positions. Dagnaud and Mehl elaborate:

The ruling elite exercises economic, political and intellectual control at the commanding heights of the State (“au sommet de l’Etat”), at the head of large companies, government departments and cultural institutions. It is this elite which puts decisions into effect and, with the development of modern societies, these institutional heights are increasingly occupied by “technocrats” who have been trained in universities. Small company directors and those who have inherited capital are increasingly being pushed aside. Just below the ruling elite is to be found a sub-elite which is also highly educated but which, though it has some powers, is not part of the power structure. The sub-elite makes use of the autonomy and power which it derives from exploiting its knowledge. It can never do more than this, and it frequently does less. (1983, p. 821).

The sub-elites are found in every type of economic, cultural and political institution. From university administrators, chief financial officers of large corporations, to senior civil servants we can find examples of sub-elites occupying every space requiring technocrats.

Socially, sub-elites are in an economic and educational stratification distinct from the middle class. Educated, specialized in performing high-level organizational work, and technocrats of their industry, sub-elites are distinguishable and ensure they are so. Dagnaud and Mehl describe that they “could not be further removed from the working-class. Its standards of living and cultural capital combine to create patterns of consumption which are totally at odds with those of the working-class” (1983, p. 824). What is unique about the class of sub-elites is that despite having the skill, knowledge, and expertise to command great power, they are distinctly kept from ultimate positions of power and decision-making:

the sub-elite is deprived of any power to make decisions and is thus distinguished from and even opposed to those who do violence to its knowledge, who hamper its initiative, and who, because they are in command, stand in the way of an extension of the sub-elite’s power. Though it participates in the exercise of power it is also victim of it [...]. (1983, p. 823)

Furthermore, despite being well aware of the limitations of their social and professional advancements, sub-elites guard their position immediately below elites feverously. It can be seen on a personal level through discretionary consumption habits (luxury goods as status symbols), socialization habits (country clubs), and cultural consumption habits (fundraiser galas). It can also be seen on a professional level largely through education, professional certifications, and membership to professional associations. What separates elites from sub-elites is largely birthright and socialization, with one exception: Political elites. Politics becomes one arena where one has the opportunity to be democratically (or not) elected into power. In general though, “The educated sub-elite is both dominant and dominated, autonomous and subordinate, powerful and powerless, and it occupies a specific place in the social structure” (Dagnaud and Mehl, p. 825). Dagnaud and Mehl break down the sub-elites into three types of roles: Organizers, experts, and mediators. These roles function as “precise jobs and socio-occupational complexes” and it is through these three functions that sub-elites not only create and perpetuate the conditions of durable inequities but also hold the potential to become counter-elites (p. 825-826). Their relationship to elites is a complex dynamic based on power-relations. It holds a great deal of power and independence, but not ultimate ruling powers:

The relation of the educated sub-elite to the ruling elite is thus extremely ambivalent: the two are linked by a kind of conflictual complicity composed equally of mutual attraction and rejection. The educated sub-elite has the same cultural baggage as the ruling elite, it speaks the same language and is to be found in the same walks of life. The sub-elite is close to the decision-making sphere and is initiated into the mysteries of power. It is called upon to translate policy decisions into practice and to make organizations work; it is needed as an auxiliary to the ruling caste whose decisions it relays downwards. Its members are the privileged interlocutors of those who take decisions, in providing mediators who make the connection between the world of decision-making and civil society and who are thus able to judge whether policies adopted at the top conform to social needs (Touraine, 1969, p. 93) and through the process of social regulation. (1983, p. 822)

3.4. A case for the study of sub-elite

Elite behaviour can be categorized based on geography, time, lineage, and source of power, or studied directly or indirectly through their texts, their legacies, and their subordinates. How Cayman Islanders negotiate, communicate, express, and rationalize their values as citizens comes primarily from the intellectual efforts of the sub-elites. In “Elite, sub-elite, counter-elite”, Dagnaud and Mehl explain why:

The educated sub-elite is, primarily, a holder of cultural power – the power to produce and disseminate ideas, norms and values which feed into society. It does not, however, run the bodies which draw up cultural policies, which decide what values are legitimate, which control information, which regulate the significant means of communication. (1983, p. 821)

The sub-elite are culturally, educationally and socially similar, or even on par with, elites. What distinguishes them is the barrier set by elites that prevents them from ascending to the ultimate position of power to make the decisions amongst the ruling class. This is a double-edged sword for sub-elites. On the one hand, they become acutely aware of the position they hold on the plateau from which they will likely never ascend higher. On the other hand, they are the necessary link, intermediary, mediator, and knowledge producer for the ruling ideas of the ruling elite and therefore are able to manipulate the powers of their position for their personal and institutional benefit. Their position is what Dagnaud and Mehl refer to as the counter-elite, but it does, however, contain risks. It is the

capacity of sub-elites to manage and manipulate the decisions and directives of the ruling elite which this thesis explores.

3.5. Connecting sub-elites to durable inequality

Examples of durable inequality persist in everyday life. What I am interested in here is how they persist in places and amongst professions that have potentially large economic impacts on the world. Offshore financial centers, especially one as prominent as the Cayman Islands, host some of the largest concentrations of wealth in the world. Working at the heart of such centers are teams of legal, regulatory, fiduciary and financial technocrats armed with high levels of education, training and experience to manage large financial flows of. Little is known of these technocrats, defined by Dagnaud and Mehl as sub-elites, and even less is known of this specialized group of sub-elites in the offshore financial centers. Perhaps the best data available can be drawn from the work of business and economic sociologist Brooke Harrington (2009; 2012a; 2012b). While she does not specify the work of Tilly, Harrington's work on the Society of Trust and Estate Planners (STEP) bear an uncanny resemblance to the four mechanisms of durable inequality defined by Tilly (1996, p. 191). Furthermore her description of the STEP draws an almost exact comparison to Dagnaud and Mehl's (1983) sub-elites. According to Harrington, the professionalization of trust and estate planners has created a formal association subversively mandated to contribute to socioeconomic inequality (2012b). Her findings lead her to suggest three areas for further study: "stratification, the professions, and the nation-state" (2012b, p. 841). She explains that this is because dynastic fortunes – wealth from past generations of families – would cease to exist in democratic societies but they do through the help of trust and estate planners. Elites who own these fortunes employ the team of skilled experts in law, accounting and other assistive roles:

[E]xtreme socioeconomic inequality has persisted and even grown despite the abolition of traditional legal mechanisms for preserving and perpetuating dynastic wealth, and the enactment of new laws and policies specifically designed to prevent multigenerational concentration of resources. By deploying legal, organizational, and financial expertise, trust and estate planners transform capital

accumulations into dynastic fortunes. These dynasties can literally become “pillars of society” – concentrations of power and privilege that lend stability to larger systems of stratification. In the effort to explain the robustness of wealth stratification, research on the profession of trust and estate planning can provide valuable insight. (p. 841-842)

Harrington, like many researchers who study elite networks (Hertz and Imber, 1995) struggled with access to specific data such as the total benefit from salaries, bonuses, or non-monetary forms of compensation. Undocumented cash and non-monetary rewards are especially difficult to trace and measure. This can include access to exclusive social circles or events, access to use property (vacation homes, yachts and planes), jewelry and luxury goods, and stronger rapport with the elite community resulting in positive referrals to other clients. The highly confidential and private nature of elites and the professionals that support elites (sub-elites) make data collection about true elite wealth and power, sub-elite salaries, bonuses and actual benefits of the professionals in the financial industry difficult.

Despite these difficulties, Harrington pieces together some results based on the study of sub-elites, specifically the STEP profession and through what institutional ethnography pioneer, Dorothy Smith would refer to as “boss texts” or texts that reveal ideological orientations through their organizational reports, manuals or publications. The study of boss texts are based on Smith’s idea that “ruling relations are textually coordinated. They rely on texts that are replicable. They could not exist without them” (Presentation at Simon Fraser University, September 19, 2012). Smith explains: “Boss texts are texts that are authorized through some definite institutional procedure so that the actions they in turn authorize can be treated as acts of the institution or corporate body or of institutionally designated individuals. There are layers and layers of them”(Presentation at Simon Fraser University, September 19, 2012). Harrington focuses on codes of professional conduct of sub-elites “which enshrines client confidentiality as one of its core principles” (2012b, p. 827). It enables researchers interested in studying elite behaviour, a window of opportunity to see what demands and expectations they have of those managing the most intimate details of their wealth and fortune. Harrington adds:

What little evidence is available suggests that trust and estate planning does not simply reproduce or mirror larger patterns of inequality; rather, the profession actively constructs the legal, financial, and organizational structures of which stratification regimes are made. Trust and estate planners have been moderately successful in securing their own incomes and privileges, but the real impact of their work has been to assist in the “increased concentration of wealth” worldwide [...] through trusts, shell corporations, and other asset-holding structures that allow wealth to grow with no or limited taxation, and to be passed down within families, creating enduring, multigenerational inequality. (2012b, p. 842)

The Cayman Islands hosts a large concentration of STEP professionals and other supporting professions for the financial industry such as for lawyers and accountants. While my field work did not involve systemic access to study organizational behaviour within these firms, a great deal of anecdotal evidence gathered over a one year period in the Cayman Islands supports Harrington’s findings especially in my fieldnotes of “Ordinary Expat Musings” (Appendix B), a collection of reports on daily interactions in social settings with expatriates of the Cayman Islands. Harrington also cites features in the sociology of professions based on Keith Macdonald’s *The Sociology of the Professions* (1995). The first three features of Macdonald’s explain themselves:

- 1) Professions are expert occupations that pursue their projects simultaneously in the economic and social orders, with the goal of obtaining high levels of pay and privilege for members
- 2) They make strategic use of higher education, credentialing, and the ideology of meritocracy to promote social closure
- 3) They have a special relationship with the state, with the profession often receiving a legal monopoly on the provision of certain services in return for submitting to the regulation. (Cited in Harrington, 2012b, p. 829)

According to Harrington, the formal creation of professional organizations such as the Society for Trust and Estate Planners (STEP) to create barriers of access “investigate how some occupations actively and intentionally construct socioeconomic systems as part of their professional project” (2012b, p. 826). These structures bears an uncanny resemblance to the structure of sub-elites conceived in Dagnaud and Mehl’s article “Elite, sub-elite, counter-elite”(1983). My daily interactions of professionals working in the financial industry or those closely tied to the financial industry, provided evidence to corroborate with Harrington’s conclusion therefore it demonstrates, at the very least, an area worth further investigation. Harrington’s research makes a very strong case for the study of sub-elites, their professional organizations. Through an

unconventional method of inquiry we can mine a great deal of comprehensive information on the social, political, and economic movements of elites.

3.6. Who are sub-elites?

Sub-elites operate in several distinct ways that help not only sustain their own positions but also to perpetuate positions held by elites. A prime example of this distinction is discussed in the work of economic sociologist, Brooke Harrington on the role of trust and estate planners (Harrington, 2009; 2012a; 2012b). In “Trust and estate planning: the emergence of a profession and its contribution to socioeconomic inequality” (2012b), Harrington looks at a specific type of profession, largely manned by sub-elites, designed exactly for the conservation of wealth for elites. She examines the context of this profession, going beyond how they “reproduce their own status privileges through credentialing, lobbying for legal protection, and other forms of boundary enforcement” and looks at “larger patterns of socioeconomic stratification” (Harrington, 2012b, p. 825). Even more fitting is that the trust and estate planning profession “consists of helping wealthy people shield their fortunes from taxation and regulation, and then transfer assets across multiple generations, creating enduring clusters of socioeconomic privilege.” (2012b, p. 826). Harrington’s work investigates how

some occupations actively and intentionally construct socioeconomic systems as part of their professional project. The work of trust and estate planners does not just reflect the status quo in global wealth inequality; rather, it actually creates the legal and organizational structures that transform one generation’s accumulated wealth into dynastic privilege. This profession’s legal, organizational, and financial expertise gives it a “crucial” and “absolutely irreplaceable” (Palan et al., 2010: 12) role in the creation and maintenance of stratification regimes worldwide. (p. 826-827)

Harrington’s research reveals how the profession of trust and estate planning perpetuates elite values in two ways: 1) Through their product or the structured investment vehicles (the trust itself), and 2) The “code of professional conduct that enshrines client confidentiality as one of its core principles” (p. 827). This is based on the constitution of the Society of Trust and Estate Planners. The Cayman Islands, as with many OFCs, attract business due in part to low-to-no corporate tax structures. Cayman

also hosts low regulatory burdens thus greatly reducing compliance costs for corporations. Tax compliance has and continues to be a site of great business, regulatory and political debate. Tax compliance is also considered part of a larger framework of governmental regulatory regimes.

3.7. Summary and conclusion for this chapter

In this section I identified a neglected part of elite theory and that is the development of sub-elites as intrinsic to elite behaviour. The Cayman Islands is a leading offshore financial center amongst its geopolitical and industrial peers but also part of a network of international sub-elites who organize and identify themselves largely through their professional associations. Harrington's preliminary work support the notion that sub-elites both support and undermine Cayman's precarious position as a leading OFC. Her work and this chapter's analysis of her work argue that subscribing to one elite framework or methodology constrains the ability to see how international interactions vertically, horizontally, externally and internally affect the formation of the islands' values (being mindful to distinguish both expatriate and Caymanian values). The following chapter makes connections through the layers of elites and sub-elite relationships that we have established in this chapter and uses interviews and field observations from my time in the Cayman Islands to understand elite and sub-elite behaviour and their effects in a global context.

Chapter 4. How sub-elites perpetuate durable inequality in the Cayman Islands

This chapter begins with an overview of Caymanian-expatriate relations in order to frame the historical relevance of expatriate influence in the Cayman Islands to present-day Cayman. I will then move on to observations of sub-elite and elite discourse in the Cayman Islands made largely during my fieldwork from 2013-2014. Based on my observations of the dominant discourse(s) in the Cayman Islands, I will proceed to answer the following question: Who runs the Cayman Islands?

In the offshore financial center context and the Cayman experience, as studied through my recent ethnographic research in the Cayman Islands, I suggest there is much more underlying power in sub-elites than just perpetrators of inequality. They have extended their influence to ideas and values surrounding citizenship, national policy, international identity, and professional conduct all to protect their position and status. Elites of the Cayman Islands, whether they are individual, colonial or regulatory elites, hold the defining power and resources to give orders. Relying largely on the research capacity, organizational skills and communications of sub-elites, elites are largely, if not entirely dependent on the work of sub-elites to carry out their directives. Sub-elites, recognizing the opportunity and limitations of their position, interpellate the directives of elites, often to their advantage, to produce the required outcome on behalf of elites.

4.1.1. Expatriates

The sub-elites of the Cayman Islands are largely imported and are commonly referred to on-island as expatriates. Both expatriates and especially Caymanians I have interviewed have made this distinction clear: “When I refer to expatriate, I mean white, Canadian, American, British, South African. When I refer to someone else, I refer to

them by their nationality: Honduran, Jamaican, Cuban, Guyanese” (Interview “Tara”, January 29, 2014). While Caymanians are also in sub-elite roles in the Cayman Islands, they represent significantly smaller numbers than expatriates. This discussion will involve overlap as people do play individual and dual roles in the Cayman Islands such as an expatriate sub-elite or a Caymanian sub-elite. If a distinction is necessitated, I will highlight it however, in general, when I discuss the term “expatriate”, I am referring to the category as defined by the people of the Cayman Islands.

4.2. Sub-elites of the Cayman Islands

Preliminary work of sub-elites in the Cayman Islands OFC context has already been introduced in Chapter 3, where I delineated the example Brooke Harrington’s study of professional organizations such as the Society of Trust and Estate Planners (STEP). Harrington’s discussion strengthens the argument that Tilly (1998) and Dadnaud and Mehl (1983) have been making in their respective areas: Sub-elites create, perpetuate, and guard the categories that make inequalities endure over generations, but they also have the ability to manipulate those categories to their advantage. This is where Harrington’s work on the Society of Trust and Estate Planners creates real applicability. Not only do the individuals in the profession of trust and estate planning create durable inequalities by ensuring dynastic wealth is kept in families for generations, but the formation of STEP has also ensured a collective network of professionals abide by a strict code-of-conduct surrounding confidentiality, as well as guard the privilege to be a member of this organization. Some of the best indicators of elite and sub-elite values are at the entryway to their organizations therefore by looking at what conditions (eg. social, political, educational) or barriers to entry are put up, we can make an assessment of what Tilly describes as categorically-bound inequality.

4.2.1. Interior and exterior categories in Cayman

Categorically-bound inequality is when interior and exterior categories work together to strengthen unequal distributions of wealth and opportunities. Categorically-bound or categorical inequality works best with interior and exterior categories working

concurrently. Interior categories such as student/faculty and management/workers “belong to a particular organization’s internally visible structure” (Tilly, 1998, p. 75). In many law firms and accounting firms, a traditional model of hierarchy exists: One enters as an articling student or junior and then makes successive climbs ‘up the ladder’ to the ultimate position of ‘partner in a firm’. External categories on the other hand, “do not originate in a given organization, but they often install systemic differences in activities, rewards, power, and prospects within that organization; they come from outside”(Tilly, 1998, p. 75). Tilly uses examples of external categories such as race, ethnicity, religion, kinship and locality. Interior and exterior categories used together reinforce categorical inequality making them durable inequalities. The more durable the inequality, the more difficult it is to make changes to breaking out of the cycle of habits forming inequality.

To illustrate, I will use an example based on a long-standing debate in Cayman. A Caymanian who is trying to become employed at one of the ‘Big Four’ accounting firms as a Chartered Accountant in the Cayman Islands, has already faced and will face both educational and racial discrimination. This observation is both pervasive and enduring in the Cayman Islands since the establishment of the financial industry and continues to be a source of tension between Caymanians and expatriates (Bodden, 2007; Amit, 2001). Bodden writes:

Such an acknowledgement notwithstanding, the observer of Caymanian society should not be misled into thinking that the tenaciously held opinions among educated established Caymanians, with regard to their vulnerability, are chronically insular. There exists an almost impregnable wall – the so-called glass ceiling so often discussed on radio call-in shows and letters to the editor. Established Caymanians – both black and white – complain of a deprivation of power, influence and authority. A frequent complaint is that they are often passed over for promotions and required to train the expatriate who has been recruited for a position superior to theirs. While there are exceptions, it is the exception that proves the rule. (Bodden, 2007, p. 67-68)

If we examine the exterior and interior categories more closely we see that the exterior categories a Caymanian will face are 1) Educational training which requires an undergraduate degree which is costly and preferred to be taken abroad because of limited educational options in Cayman, 2) Professional certification with the specific professional association programs which is again costly and highly competitive, and 3) A professional apprenticeship which must be supervised by an approved firm, usually a

'Big Four' accounting firm, which requires an application process and competition amongst other students trying to access a limited number of spots.

The interior categories a Caymanian will face are: 1) Varying levels of racism, 2) Varying levels of personal and systemic prejudices based on nationality and, 3) Varying levels of other kinds of prejudices that are not easily discernible or measured. To best convey the Cayman experience in interior and exterior categories, I will attempt to explain it through an experience I had in the Cayman Islands.

4.2.2. Interior category: perceptions on hiring a Caymanian

Employment practices are usually a site of such barriers. Employment practices in the Cayman Islands, as I have been told by Caymanians, and revealed to indirectly by expatriates (see Appendix B, "Ordinary Expat Musings") reveal that inequality is very much prevalent in hiring practices in the Cayman Islands. About nine months after the beginning of my stay in Cayman, I had the opportunity to speak to a Caymanian administrator of a local college. He asked me how my research had been coming along and I explained to him, with care not to offend him with my observations, that I noticed a subtle layer of racism on the island amongst expatriates towards Caymanians and Jamaicans especially in casual social situations. I had made this observation before among informed expats in the social groups I was part of and was more-or-less quickly brushed off and told that 'this kind of thing happens everywhere else in the world'. Therefore, I left the observation at bay and noted it in my fieldnotes only to bring it up in passing during my meeting with the Caymanian administrator. The Caymanian administrator's eyes nearly popped out and he almost jumped out of his seat in reaction to my observation:

This is completely untrue, this does not happen everywhere else in the world. In Cayman, British expats are so much more overtly racist here. In Canada, where I went for graduate school, I noticed first generation expat Brits as racist, but not in the second and third generations. In Cayman, they are more free to be open or socially discriminatory. I'll give you a story because it just came across my desk today. My students had a class research project to assess the employability habits of head hunting firms in Cayman and their reports were very critical of them. Offshore recruiting firm are head hunters that recruit offshore and send these temps into law firms and accounting firms. My students reported back and

said to them: “you aren’t a Caymanian employment agency, you are an expat agency”. The firms were not expecting this response and made a complaint, with one of the firm’s CEO’s even accusing the students of slander in a public forum. I made an independent review of the reports and felt the students had gone through a fair and honest critique and tore these firms to shreds. They said the pictures firms are presenting are not Caymanian, they are all English expats. The student reports saw schemes to discourage Caymanians. I’ll read a student comment in the report: “Caymanians insist on promotions without experience” but “Caymanian students said they made no such comment”. The firm wrote a threatening letter to president of the college, and but the president could not have been more proud of students. (Interview “Administrator”, May 8, 2014)

The findings made by the Caymanian students on their own accord could not be more clear or corroborative of the predisposition towards Caymanians and employment inequities. While external categories, such as education and experience, may be overcome by Caymanians, internal categories, such as the negative attitudinal perceptions of Caymanians, are more difficult to address and overcome.

Categorical inequality, Tilly argues, persists for two reasons: 1) It facilitates “exploitation and opportunity hoarding by more favored members of a given organization, who have the means of maintaining their advantage even at the expense of overall inefficiency”, and 2) “the transaction costs of changing the current circumstances, compounded by the effects of adaptation, pose serious barriers to the deliberate adoption of new organizational models and, when change occurs or new organizations are founded, favor the incorporation of existing models from elsewhere”(Tilly, 1998, p. 81-82). Furthermore opportunity hoarding “operates more effectively and at lower cost in conjunction with categorical inequality”(p. 86). This is not the entire picture however. There are, of course, other views on the Caymanian employability situation amongst Cayman Islanders which blame a lack of investment in education and training.

4.2.3. Exterior category: education and training deficit

I was having a conversation with “John”, a local employer who worked at a technology company in the Cayman Islands, about hiring Caymanians and came across a different sentiment. “John” who was employed as a senior executive in the Cayman Islands, was in charge of hiring the majority of their now fifty plus employees. Many of

their technical positions for computer developers had to be procured from abroad, such as computer developers, were hired from off-island. When I asked why, he responded:

It's not that we don't want to hire Caymanians, we would love to because it reduces our work-permit costs but we can't seem to find qualified Caymanians, especially in this industry. If we find someone with the right attitude but limited experience, we are more than happy to train them but as it stands now, many of the resumes I get across my desk don't even show care or correct spelling. There is no doubt in my mind that there are good Caymanians out there but the problem is that they're all already employed by firms down here. A lot of the people who apply don't have the education and training to compete internationally which is what our company has to operate within, an international market. (Interview "John", August 28, 2014)

These interviews challenged some of the complacency with respect to my role as an ethnographer that I had developed during my extended field work in Cayman; that I was not taking a critical analysis of the opinions I gathered of newly forged friendships in the Cayman Islands. Oftentimes, the people who would brush off my observations were good friends and I valued their opinion on other matters. It can be easy to get caught up in the opinions and views of social circles, especially in muddy and sensitive territory that challenges racism and post-colonialism.

Certainly expatriates who come and go from the Cayman Islands pick up local knowledge of Caymanians, working with Caymanians, and working in the Cayman Islands. How do they interpellate their experiences and export those experiences when they leave Cayman or interact professionally abroad? The expatriates in the Cayman Islands are well-travelled, smart, social and friendly, but this discussion with the Caymanian administrator, especially at the time when I had the discussion, reminded me of how comfortable one can get with social and behavioral norms without questioning the validity and source of opinions, one takes on the task on behalf of the elite and sub-elite and becomes an exporter of elite values ensuring that inequities amongst Caymanians endure. This raises a question: If this is one overt and obvious example, what other examples can we uncover through these tools?

4.3. A well-oiled machine: The elite response to an international regulator

When regulatory power, the OECD, threatened to blacklist Cayman Islands financial industry in 1998, the OECD set a guideline for compliance in order to be removed from the blacklist. The Cayman Islands like many OFCs rely heavily on its international reputation and therefore was left with no choice but to comply (and will likely continue to comply) with the directives set out by the international regulatory body (Sharman, 2006). The Cayman Islands' government, Cayman Islands Monetary Authority (regulatory body), and private sector legal professionals quickly worked closely together to become one of the first off the list. This is not the first instance of a quick response to regulatory threats: In 2000, a noncompliant listing by the Financial Action Task Force prompted the Cayman Islands to react in record time – two days – to pass four new pieces of legislation to enable them to be removed from the list (Morriss, 2013, p. 1369, 1383-1386). Andrew Morriss, currently a leading voice in the Cayman Islands offshore financial industry, argued that these examples demonstrate that “Cayman’s global competitive advantage did not originate in corrupt practices; it grew instead from a history of social and constitutional stability sustaining collaborative policymaking among elected officials, legal professionals, and U.K. and Cayman civil service authorities like CIMA” (2013, p. 1394).

What this example also demonstrates however is the sheer power of: 1) A regulatory body to compel the Cayman Islands to make significant legislative changes, and 2) The sub-elite’s professional ability to draft quick and drastic changes in a period of time unfathomable in major competing financial centers of the world. It highlights not only the close and collaborative relationship between the Cayman Islands’ government, an international regulation, and the private sector, but also how this relationship, which Bodden (2007) argues was methodically fostered, enables the financial industry to remain globally competitive. It also highlights the power of elites whose financial holdings in the Cayman Islands are significant enough to drive the industry to respond to

any regulatory attacks that may affect their relationship with the Cayman Islands financial products.

4.4. Caymanian-expatriate relations

While this discussion is mainly focused on expatriate values, it does include some Caymanian values. Distilling the two can sometimes be difficult and muddy because of the British influence in Cayman from settlement to present times. Bodden (2007, 2010) has argued that, Caymanian attitudes towards British expatriates oscillate anywhere from admiration to ambivalence to animosity. These mixed feelings come largely from the historical migration of expatriates in three phases and their values. The first phase was settlement from the mid 1800's to the mid 1950s described in Craton's *Founded Upon the Seas* (2003).

Early settlement in Cayman was a mix of nationalities from Britain, Jamaica, Guyana, Cuba, and other neighbouring Caribbean Islands. Cayman has a history of being more welcoming to outsiders than most Caribbean nations. This may be due, in part, to their nautical roots in which Caymanians would have gone out to sea for work, explored a great deal of the world, and brought those experiences and cultures back to Cayman. Bodden argues that opening their doors to the world, brought ideas, cultures, and values from abroad even including less desirable ones:

Many of the expatriates who came to the Cayman Islands naturally took advantage of the congeniality of their Caymanian hosts. By asserting their own intellectual and cultural superiority, they succeeded in introducing a powerful colonialism and placing an indelible mark on the Caymanian psyche. There are many obvious signs of the expatriates' contempt for established Caymanians and Caymanian society; those seeking examples need to look no further than the hiring practices of the major law firms on Grand Cayman. Is the Cayman Islands then a racist society? No; rather, it is a society in which the practitioners of colonialism appear to operate in a racist manner. That this is so should not be surprising since this kind of manifestation is a characteristic of any frontier society, particularly one with pigmentocratic inclinations. (Craton, p. 67)

My observations in the Cayman Islands show that imported values, especially from expatriates, appear to be some of the most economically and politically dominant

values which drive the economic and political agenda of the Cayman Islands. This answers the question of who runs the Cayman Islands.

In “A clash of vulnerabilities: citizenship, labor, and expatriacy in the Cayman Islands” (*American Ethnologist*, 2001), Vered Amit explains the complex co-dependent relationship between expatriates and Caymanians. Based on field-work in the Cayman Islands, she examines “stalemates produced in one small Caribbean territory by process of globalization that encourage the valorization of mobility, commodification of labor, and exclusivity of citizenship” (p. 575). The Cayman Islands is a space that encourages the domicile of elite fortunes and investments. Stateless elites can call the Cayman Islands a home where membership to the nation-state is not necessary. However Amit provides a caveat, and that is the lack of rights to citizenship:

This orientation in many countries’ policies away from settler immigration and toward contractual immigration, up as well as down the socioeconomic hierarchy (Findlay 1990:15; Salt 1992), marks an increasing tendency to treat transnational movement thinly as a form of socially decontextualized, commodifiable labor rather than as an investment in new citizens. It valorizes the separation between work and other types of social engagement or civic participation as an index of cutting edge cosmopolitanism. This highly instrumental view of migration and work tends to be treated in both populist and scholarly discourses as oppressive of humbler workers but (paradoxically) liberating for professionals and managers. The assumption is that these kinds of arrangements will not “bite” the hand of desired and sought after knowledge workers. The experience of the Cayman Islands suggests that this assumption is incorrect. Even the most highly skilled expatriates can find themselves caught between restrictions on their long-term tenure in Cayman, on the one hand, and the localization of labor markets elsewhere (including in their countries of origin), on the other. It can thus become difficult to stay in Cayman as well as to leave it. (Amit, 2001, p. 579)

4.5. Freedom

Perhaps the value and sentiment that best sums up the Cayman Islands expatriate experience is: freedom. The Cayman Islands did not have much significant economic industry until the 1960’s with the boom of the banking and financial sector. It was, and continues to be, what Bodden calls a “frontier society” (2007). Many expatriates and Caymanians have made similar comments: 1) “I feel so free here, I can do anything I want” (“John”, September 13, 2013), and 2) “It’s like the wild West here, if

you don't see something, you can create a legislation here, if you want to build something and it's not totally to code, you'll get a slap on the wrist. You have to freedom to create anything you want here.”(“Carl” August 2, 2014). The search for this kind of freedom has resulted in material success for the Cayman Islands and Caymanians, although it is economically and socially unequal:

Many expatriates in today's Cayman like to be cast in the role of intellectual and economic leaders. The principals of the large law firms are especially fond of arrogating this role to themselves. So arrogant are some of these players that they perceive themselves as indispensable to Caymanian society.—While prominent positions occupied by these people allowed them to be numbered among the most powerful, their intellectual productivity is primarily limited to the production of personal and corporate wealth. They bequeath very little – other than money – to Caymanian cultural and intellectual life. Often these self-appointed paragons of virtue and enlightenment are reserved towards established Caymanians and other Caribbean people, whom they see as ‘hewers of wood and drawers of water’, inferior by virtue of their lack of a metropolitan education. Exclusion from the elite on the basis of national origin is more than a pinprick on the body politic. It penetrates the deepest layers of the Caymanian psyche, especially that of established Caymanian and Caribbean intellectuals. Nevertheless, real advances have been made by the society in shaping a relatively harmonious multiracial and multinational atmosphere. (Bodden, 2007, p. 67)

What Cayman has gained as an offshore financial center, it has sacrificed in other areas that have been left either underdeveloped or neglected. For example, the environmental conservation laws of the Cayman Islands were put on the backburner and only recently passed in December of 2013. A local environmental expert commented:

There was a remark at the staff meeting last year about 10 million dollars given to the turtle farm last year to improve its touristic value. The world including CIDEDA [international authority on endangered species] have failed the turtle farm for poor care of turtles in captivity and despite that, the turtle farm underwent a 53 million upgrade. The local University gets two to three million a year and is suffering. The world is angry at Cayman's environmental policies, and we have only recently has passed environmental conservation laws. It's interesting to see a first rate country with third world environmental policies. Think about it. We are paying people to subsidize the cost of eating an endangered species, this is the only place in the world that allows that, the government subsidizing tourists to eat an endangered species. They [CIDEDA] only found out about Cayman because they made a business case to make profit and it went to Britain, because they wanted a permit to export turtle meat, shell and oils. They were denied, and that's how CIDEDA got whiff of Cayman, came down, and investigated. The turtle farm is a sore point for many people who don't

see value in it. Of course there are students here whose grandparents still have a tradition of eating turtle for holidays but when that generation phases out, it will be interesting to see the conversation will be like as it is not a tradition practiced anymore by newer generations. (Personal communication "Rita", "January 22, 2014")

Unfortunately, the 'interesting' or 'wait-and-see' mentality is not the type of mentality the Cayman Islands can afford. Environmentally sensitive lands and resources are quickly coming in direct contest with elite interests towards development. Once destroyed, the already resource-poor island will be faced with working with even fewer resources than it had originally been endowed with when settlers first arrived to the Cayman Islands.

Chapter 5. Ch. 5 Histories of the Cayman Islands

5.1. Introduction

The historical narratives of the Cayman Islands has been constructed to define, serve and rationalize its current position as one of the largest offshore financial centers (OFC) in the world. This chapter looks at the history of the Cayman Islands as told by Caymanians, cultural historians, critical political economists, Caribbean anthropologists and economic geographers. The purpose of this chapter is to create an overview of how different authors, drawn from an array of disciplines, use their discipline's frames to describe and rationalize their conceptions of the Cayman Islands. This chapter also compares the Cayman Islands' histories with islands which have similar transformative histories involving a small resource or labour-based industry to a knowledge-based industry, particularly created to service the booming financial industry from the late 1950's onwards.

Some of the historical narratives that portray the Cayman Islands have been sensational (such as the celebration of the rich nautical history) and some narratives more subversive. This chapter aims to explore the subversive elements of those historical narratives and how they have helped perpetuate specific identities and values for the Cayman Islands. I will explore how these identities and values are used to justify certain political-economic agendas such as enabling the development of the Cayman Islands banking and offshore financial industries.

5.2. Local histories

The local histories of the Cayman Islands have been sparsely recorded and only recently have there been significant efforts by the Government *vis-à-vis* the formation of the Cayman Islands National Archives in 1994 to systematically document and record the histories of the Islands. Though some autobiographies of Caymanians have been published, they have reached limited audiences due to the distributive limitations of local publishers. I have found through my fieldwork that a great deal of historical work has yet to be systematically documented and made accessible off-island. This is in part due to the slow – perhaps underfunded – efforts and significant archival set-backs due to water damage from hurricanes which have damaged original historical documentation. Scholarly histories of the island have also been limited based on the limited availability of resources to draw from but also due to the difficulties in funding, accessing and staying in the field to conduct field research for long periods of time (see Appendix A – Methodology). Only recently have written histories been recorded, which have been limited in range to specific areas. The specific areas where the Cayman Islands is well documented, if documented at all, are in part due to the efforts of interested outsiders, academics and historians who have come to the Cayman Islands in order to carry out a targeted plan of study. Only in the latter half of the twentieth century, at the time of more systematized government development, has the emphasis on written record keeping been more formal. We see this increase in systemic record keeping and written histories of the Cayman Islands through book, journal and media publications on topics such as: Government formation (Hannerz, 1974; Pedley, 1990), government development (Johnson, 2001), general history (Williams, 1970; Craton, 2003), religious history (Sykes, Rv. N.J.G., 1996), financial history (Markoff 2009a; 2009b; 2009c; 2009d; 2010a; 2010b; Freyer and Morriss, 2013) and critical history (Bodden 2007; 2010). In my literature review of the histories of the Cayman Islands, a recurring theme emerged from each of these histories: how the formation of the island was shaped as a result of colonial neglect.

In response to the Cayman Islands' desire to have a unified Caymanian voice for the history of the island, the Cayman Islands Government commissioned the book,

Founded Upon the Seas (2003). Led by Caribbean anthropologist Michael Craton, this detailed historical volume describes the discovery, settlement, and development of the island. With chapters such as “Isolation, neglect, and self-reliance, 1845-1898”, “Making a world of their own: Caymanian livelihoods and lifestyles before World War One” and “The engineered miracle: economic development, 1950-2000”, readers are oriented to the challenges being faced by a resource-poor and isolated colony in the middle of the Caribbean.

The Cayman Islands were not a desirable space for settlement despite being known to Europeans as early as the 1500’s (Craton, 2003). Small, geographically isolated from much of the other Caribbean islands, and having little arable land due to its volcanic-rock speckled landscape, it was historically a place to restock supplies, obtain freshwater, and repair ships. Early industries on the island included thatch rope making, seafaring, and turtling. As a food source, the Cayman Islands were brimming with stocks of turtle meat, which proved to be a significant source of protein for sailors valued for its long shell-life. These turtles were flipped on their shells on the boats and would live for long periods of time therefore offering fresh meat for consumption. There was only brief commercial success of turtle exports, which was circumvented by problems of over-turtling, a decline in culinary popularity and business loss by larger competitors (Craton, 2003).

The Cayman Islands is also unique in its absence of large-scale violent conflict. Lacking significant or overt social and political revolutions, and being of little geographical or economic interest to other European powers allowed the Cayman Islands to develop as they pleased with little interference. The absence of a slave economy also contributed significantly to the development of the Cayman Islands. In an interview with Caymanian historian J. A. Roy Bodden, he described the distinction between the Cayman Islands and other Caribbean Islands: “we were a society with slaves, not a slave economy” (personal interview, January 15, 2014). Bodden explained that because the Islands did not have a dependence or heavy reliance on slaves, the relationship and treatment of slaves on the island was different compared to Jamaica. Bodden added that at times, some slaves were known to have more wealth than their owners and sometimes would have to provide food to their owners. Anthropologist Vered

Amit-Talai adds an alternative frame to explain this unique dynamic in “In pursuit of authenticity: globalization and nation building in the Cayman Islands”: “In contrast to many other Caribbean islands, the history of Cayman was dominated not by a plantation system but by a nautical tradition” (*American Ethnologist*, 1997, p. 54). The dynamic of relations with slaves is explored further though Craton as he delineates the unusually informal relationship between masters and slaves (“Caymanian slave society and emancipation”, *Founded upon the seas*, 2003).

5.3. Colonial neglect

In *Patronage, personalities and parties: Caymanian politics from 1950-2000* (2010), Bodden frames the historical attitudes of the British and Jamaican administration towards their Crown dependent:

The Cayman Islands at this time were of little more than nuisance value to Jamaica as a result of which, the Jamaican authorities took little to no interest in Caymanian affair. This policy of ‘benign neglect’ on the part of the Jamaican authorities meant that the Cayman Islands were virtually able to continue the ‘political independence’ which the islanders had practiced since their early settlement. Such a system continued until the twentieth century when on July 4, 1959, the first written Constitution of the Cayman Islands was handed down by the administering power (p. 1).

This neglect however, proved to be serendipitous in many respects. For example, being of little agricultural value, it was passed over by European powers as a poor space for domination and colonization. This allowed the Cayman Islands to be spared of “the turbulence of alternating control by other European powers. It also allowed the residents to operate relatively free of interference from the British authorities in Jamaica” (Bodden, 2007, p. 3). This neglect effectively allowed the Cayman Islands to develop as it pleased.

5.3.1. Attracting finance

What distinguishes the Cayman Islands from other offshore financial centers is the great material success and popular media attention it has garnered from the world.

This success is explained by Caribbean, political, and legal historians (Craton, 2003; Bodden, 2007; Freyer and Morriss, 2013) and Caymanians alike (Cayman Islands National Archives, 2000; Johnson, 2001; Interviews with “John”, “BBKing”, “Donald”, “Kevin”, “Ron”) through the following factors: (1) Being at the right place, at the right time; (2) Having the necessary infrastructure – be it legislative, technological, political – to attract businesses; (3) Choosing to remain a British territory while other Caribbean nations were declaring independence; (4) Being based on English common law; and (5) Pegging their currency to the US dollar. Just what the right mix of these factors is has created a lengthy debate amongst scholars, which is not the focus of this paper. Such factors will be used primarily to frame the debate surrounding who produces, sets the agenda for, and perpetuates the dominant mixes for Caribbean OFCs. More importantly, one should consider that these explanations of success were not coincidental. Indeed, they appear to benefit one industry by a large margin: Finance.

As the Cayman Islands successfully grew as a premier offshore financial center, a new problem surfaced: the attraction and concentration of one interest group that developed on the island to serve the needs of an elite group of bankers and financiers. In “‘Belonging,’ citizenship and flexible specialization in a Caribbean tax haven (British Virgin Islands)” (1993), Caribbean anthropologist Bill Maurer delineates those needs:

People who use tax havens look for jurisdictions with political and legislative stability since their business relies on predictable banking, corporation and tax laws. Hence offshore bankers and investors prefer to set up in places where political control is not likely to be contested by groups or parties with conflicting ideological or ethnic affiliations. (Maurer, 1993, p. 12)

As a result of efforts to attract and retain the businesses surrounding banking and finance, an elite-centric form of management of the island emerged. What has resulted from servicing the needs of elite banking and finance since the 1960’s to the present is the visible spoils of material, industry and economic success enjoyed by both Caymanians and expatriates. These spoils, from the banking boom of the 1960’s to present, include an increase in discretionary spending on the island such as on luxury vehicles and frequent vacations. When one arrives on the island, the abundance of material luxuries and status symbols such as luxury vehicles is immediately apparent on the road. Up until recently, the 197 square kilometer island of Grand Cayman had the

choice of several luxury dealerships on the island. With approximately 57,000 people, the choice between an Audi, Mercedes, Porsche or BMW dealership is astounding. The frequency of travel of many Cayman Islanders is equally astounding. Granted the small-town nature of the island provides little shopping options, which would necessitate travel off-island, the frequency of travel is still impressive amongst Cayman Islanders. Almost every other conversation I happen hear involves some sort of trip off the island. In fact, a safe common pleasantry exchange amongst locals and service staff to patrons – much like the topic of the weather— is to casually ask or state that someone is off-island. Despite the great material success and abundance of discretionary spenders in the Cayman Islands, Caymanians themselves have taken little notice of the fact that they have been the recipients of only a trickle down of that success. In exchange for doing business, they have lost land, lost diversity in the workforce, and created an indigenous generation unprepared for competing in the increasingly internationalized labour force in the 21st century. These factors, taken together, set the stage for a large community of temporary workers, mid-term residents, and other migrants.

5.4. Hurricane Ivan

In September 2004, the Cayman Islands experienced their worst natural disaster in recorded history when a category five hurricane wreaked havoc through Grand Cayman. Hurricane Ivan resulted in the largest physical and economic damages to the island in recorded history (Cayman News Service, 2010). Despite significant infrastructural damage to homes, roadways and businesses in 1932, “Caymanians continued to make the best of their isolation and lack of natural resources, as well as the limited aid available to a dependency of Jamaica.”(Craton, p. 253). When Hurricane Ivan hit in 2004 however, significant infrastructural developments had been made in to support the burgeoning financial industry, which relied on electricity and communications infrastructure. In 1932, industries were primarily thatch-rope making, seafaring, and turtling therefore less reliant on electrical power or communications technology. Therefore the 2004 hurricane, which severely damaged information and communications technology infrastructure, left the island without power for weeks, nearly grinding the

financial industry in the Cayman Islands to a halt. Many businesses moved abroad quickly after the hurricane and operated remotely from parts of the US until the island was functional and completely restored. Hurricane Ivan led to a significant flight of human and financial capital, much of which did not return to the island upon the islands restoration efforts. During my interviews of Cayman Islanders, responses to Hurricane Ivan would periodically come up as an example of the values of the people on the island. One Caymanian emphasized, with bitterness, the mass exodus of expatriates because of Ivan. He looked me squarely in the eye and pointed his index finger to his heart, "*I stayed*, everyone else left. *I stayed* through Ivan ("Kevin", personal interview, September 13, 2013). This example illustrates an enduring divide amongst Cayman Islanders within and amongst themselves: Those who have interests in the development and success of the Islands as a society/nation and those there to extract resources without much afterthought of long-term political, environmental or economic consequences.

Bodden argued the Cayman Islands as having an "exploitation colony mentality" on the island: "We are all here to make money in Cayman. If you take that desire to make money away then Caymanians and expats have nothing in common" (Bodden, personal interview, Jan 15, 2014). According to Bodden, the example set by the mass exodus of people, during times of "discomfort and inconvenience [...] [is] indicative of their loyalty to the jurisdiction. It is all too obvious that the primary motivation of many of these people is economic rather than any desire to make a meaningful contribution to the society's advancement"(Bodden, 2007, p. 206). The question of expatriate contribution and loyalty to the Cayman Islands has a long life in the Caymanian community, however due to shared financial success of the island, the issue has occasionally been buried. In 1995, the national news magazine of the Cayman Islands published an article boldly titled: "The expatriate question: Are they a problem or a resource?" which asked if expatriates were investing in the Islands or themselves (*Newstar*, 1995). The experience with Ivan demonstrates, in my opinion, is mixed which continues to stir up feelings of animosity in Caymanians I have interviewed. The debate between expatriate contributions and the uncertainty of Caribbean expatriate residents commitment to sticking around is not a situation unfamiliar with other Caribbean Islands either. To make matters worse however, many outsiders were not entirely sympathetic to the plight of the Cayman Islands.

In a display of incredible financial avarice, the Cayman Islands – “the fifth largest international financial center and the world hedge fund capital, with \$2.3 trillion in funds because of their free and easy acceptance of international capital,” according to *Les Échos*—cannot manage to handle their current expenses. The financial crisis and a hurricane were enough to bankrupt the Caymans. The British dependency dared turn to the public authorities and asked London for support on the order of \$310 million. (Denault, p. 55-56)

The application for hurricane relief caused significant internal debate and embarrassment for Cayman. Ivan was precedent setting in that:

it represented the first time any Caymanian political directorate had presented itself as a supplicant. In fact, the Cayman Net News on January 18, 2007, published an editorial titled ‘Have we become a beggar nation?’ It must be a source of embarrassment to the PPM government that as of January 2007, no funds from the EU have been received. (Bodden, 2007, p. 213)

Cayman prides itself in being an independent and self-sufficient overseas territory and its international reputation after Ivan was at the forefront of international criticism. Having to maintain its perceived strength as a powerful offshore financial centre, in order to keep the confidence of investors and clients proved to be difficult without getting new aid to rebuild its devastated infrastructure.

Any hopes of large-scale relief from the outside world were dashed by the reluctance of the Caymanian authorities to publicise the plight of the Cayman Islands, and by the reticence of the United Kingdom and international donor agencies. In many respects, the position in which the Cayman Islands found itself was not entirely unfamiliar. (Bodden, 2007, p. 213)

Ivan served to remind Caymanians of the precarious position they were in and their heavy reliance on the financial industry. The lack of response from Britain, unsympathetic responses from outside aid-granting nations, and fiery criticisms to any aid applications made by The Cayman Government, all served to reinforce the histories of the island as told by Caymanians and justify their actions and position to continue as an offshore financial centre, because the support of the financial industry through its relief and rebuilding efforts was all they had left.

The recovery efforts from Ivan proved equally difficult to come to terms with for Caymanians. Immediately after Ivan, a state of emergency was declared and within a week, the financial centre in Cayman was the first to be up and running (“Ivan

anniversary serves as reminder...”, *Cayman News Service*). Bodden emphasizes this effort as the clearest example of favouritism. While the British governor was in control of the island during the state of emergency, government meetings were held in private offices, not in any government offices or neutral locations because the infrastructure was badly damaged. Meetings were held “at the offices of one of the major legal firms, allegedly because the amenities and conveniences available there made it a logical venue for critical decision making when so many structures had been badly damaged.” (Bodden, 2007, p. 207) Bodden, who had served in Cayman governments for 16 years, criticized this:

What any perceptive governor should have realized as awkward turned almost farcical. It appeared that agendas were being set by self-serving entities and that the early recovery effort was being dictated by elements other than the elected representatives of the people. When the state of emergency was declared, the governor suspended the parliament and ruled by decree without consultation with the elected members. Such examples of subtle control by powerful expatriate British interests to protect their economic stake are far more routine than they are aberrant. Of course, the disposition and abilities of the governor to a large extent determine the acceptable level of manipulation (Bodden, 2007, p. 207-208).

There are several issues surrounding the response and treatment of the Cayman Islands in the aftermath of Ivan. Unpacking this excerpt above points to three of them. First of all, the capacity of the government to manage a state of emergency was significantly lacking. Understandably, a small island with limited resources may not be able to cope alone with recovery efforts however the close relationship between public and private, and the concentration of efforts in recovery towards a particular sector points to the priorities of various groups on the island, and whose interests are being served by whom. Secondly, Bodden described the relationship between private sector and government as “far more routine than they are aberrant” which points to the degree in which the relationship between public and private have inbred and become the norm, not the exception. Finally, Bodden criticized the “disposition and abilities of the governor” which leads me to two observations: 1) The interests served by the head of state and 2) Their capacity to lead during overt times of crisis. This event suggests that there was an interest to service elites first through the prioritization of supporting their sub-elites and institutions (financial industry).

5.5. The Cayman Islands decision to remain a Crown dependent

Rather than become an independent nation, the Cayman Islands made a conscious choice to remain as part of the British Crown. Having undergone a public debate amongst its citizens, with Jamaica (which it was a dependent of), and British representatives, the Cayman Islands chose to remain a British Overseas Territory rather than become independent or annexed with Jamaica through the proposed West Indies Federation. There are two important accounts of this part of the Cayman Islands history: Michael Craton's *Founded Upon the Seas* (2003) and J. A. Roy Bodden's *Patronage, Personalities and Parties: Caymanian Politics from 1950-2000* (2010). The former is framed officially through the Cayman Islands Government's lens and the latter is framed through a critical political economic lens. It is important to note that both authors are held in high regard locally and internationally as historians of the Cayman Islands. Their histories are detailed, comprehensive, and of incredible importance to those seeking to understand the Cayman Islands decision to remain a Crown dependency. Despite the comprehensiveness and good intentions of Craton's book however, it is sterilized history of the Cayman Islands designed by the Cayman Islands Government to be informative, impartial, and written in a publicly accessible manner (Craton, p. x). *Founded Upon the Seas* (2003).

5.5.1. "Voluntary colonialism"

In *Patronage, Personalities and Parties: Caymanian Politics from 1950-2000* (2010), Bodden wastes no time in framing his unequivocal analysis on the political conditions that led to the development of modern day Cayman. "Chapter One" begins:

Britain's policy towards the colonial empire at the end of the Second World War was conditioned by its own global position and the economic problems of postwar recovery and reconstruction (Lewis 2004, xvii-xviii). It is within this context that this examination of Caymanian politics takes its importance. (2010, p. 1)

The public process, dialogue amongst Caymanians, and decision to remain a British colony is framed by Craton as a reasonable and rational public debate with no chaos, violence, or uprising. While this is true, Craton's book, a text commissioned by the Cayman Islands Government, is a historical text designed to be neutral, informative and impartial. J. A. Roy Bodden's *Patronage, personalities and parties: Caymanian politics from 1950-2000* (2010) depicts otherwise. While it is true that no chaos, violence, or uprising occurred, Bodden describes a more complex and subversive story to Craton's depiction. According to Bodden the discussions of joining the West Indies Federation was not sanguine or democratically representative, as Craton's (p. 305-318) had depicted it:

Caymanians concern over the islands involvement in the West Indies Federation (WIF) were prompted by those merchants who sat as Justices and Vestrymen and who envisaged the Cayman Islands being overrun by black masses from the more populous islands such as Jamaica. By the mid-1950s this concern grew to objection so much so that on November 23, 1956, then Cayman Islands Comissioner Gerrard, in a letter to Sir Hugh Foot, Governor of Jamaica mentioned '... a great deal of muted opposition [on the part of Caymanians] to the Federation'.

The political epistemology espoused by the Justices and Vestrymen who controlled Caymanian politics at the time, laid bare the limits of democracy in terms of female participation in local politics and shunned any embrace of the Cayman Islands into Wests Indian politics. Caymanian politics during these years was dominated by men like E.D. (Ducan) Merren who affirmed voluntary colonialism as the chief instrument of political servitude and social degradation. The uncommonly arrogant Caymanian oligarcy continued enriching itself and further fortified its position by amassing legislative privilege in addition to monopolizing the local economy.

While the other British Caribbean islands were leaning toward Federation and autonomy, the Caymanian merchant elite were wary of the colour/class correlates in these islands and wished for the Cayman Islands not to be overrun by masses from other British jurisdictions. (Bodden, 2010, p. 2)

Bodden has repeatedly argued that Caymanians have had an affinity for the British and preferred association to the UK over Jamaica and other neighbouring islands.

Black vs. white merchant elites "Earlier, during the brief life-span of the Cayman Vanguard Progressive Party, certain aspects of Caymanian society were perceived as being problematic by educated black and coloured Caymanians. Prominent among those concerns was the challenge of how political power could

be wrestled from the merchant elite and how the enfranchisement of black people could improve their lot educationally and economically. // The obverse was also true since the white establishment was none too keen to see the black Caymanians educated and since there was a vehement objection to the expansion of the franchise. White merchants, many of whom displayed no prejudice towards blacks as long as the blacks kept to their social and economic place, were in no hurry to revamp Caymanian society into any meritocracy. That being the case, it was absolutely essential for any change agent to realize that progress in the Cayman Islands would have to proceed in such a way as not to threaten the merchant elite. They would brook no accommodation or tolerance of new systems or the introduction of new social and political dynamics into the society. After all, one reason why Caymanians expressed reluctance to join the Federation was fear of losing their economic prospects and visa waiver privileges granted by the United States. (Bodden, 2010, p. 108)

So it happened in one swift judgment in January 19, 1962 the Cayman Islands Legislative Assembly faced the choice that was more racially discriminatory and informal than told by Craton's book. The decision to remain a crown colony was decided upon by the British Governor during a town hall meeting based on the loudness of applause (Bodden, p. 103). The governor ignored calls by both leaders for a more representative way of determining national consensus. But to make matters worse, there was no protest amongst citizens:

As if this in itself was not a travesty, a momentous decision concerning the colony's fate was being decided by so amateur and imprecise a method as the judging of the loudness of applause. It was nothing short of a political hijacking and rape of the future of the Cayman Islands. And yet there was no public hue and cry...no threat of protest, march or uprising. There was not even the holding of a public meeting to inform the masses as to what had transpired. Even the three officials who had voted for internal self-government in association with Jamaica (Willy Farrington, Ducan Merren and Ormond Panton) capitulated and supported the Crown Colony system. It was a most regrettable denouement to any probably chance for self-determination. (Bodden, 2010, p. 103)

The next day, Jan 19, 1962, the resolution, or what Bodden refers to as "voluntary colonialism" was introduced to Legislative Assembly

Indeed, there appeared to be no apprehensiveness on the part of the Caymanian legislators as to the path they wished to follow. It was the concept of empire expressed by some prominent Caymanians which served to bridge the gap between the fear of association with Jamaica and the affinity to the United Kingdom. British culture and civilization, pride in the empire and the monarchy to which Cayman had long held an affinity, were driven home by the stance of such

men as Dr. R. E. McTaggart, who in the weeks leading up to the critical decision appeared on every platform in the districts, with the exception of North Side. Such an outpouring of pro-colonial sentiment even in the face of the solid campaign laid down by Ormond Panton and the NDP led to the islands being drawn into a fully-fledged Crown Colony status, with an unshakable loyalty to empire and an appreciation of imperial benevolence. Even internal self-government when it eventually followed, failed to unshackle the islander's mentality from the stultifying phenomenon of 'voluntary colonialism'. (Bodden, 2010, p. 106)

Why did Cayman choose colony status and why was there no protest? Bodden's depiction points to several potential reasons. The first was that the elite of the Cayman Islands, merchant elites and vestrymen, were in favour of maintaining close relations with Britain due to potentially their own background and upbringing (remember, Caymanians were a mix of races). Second, there was racism in the society that may have been imported from other islands or regions and Bodden provides overt examples of how this contributed to the desire to choose Britain over Jamaica (2007, p. 100). Finally, with an association with Britain, came associated privileges such as "the sensitive and jealously guarded privilege of the visa-waiver granted to the Cayman Islands by the United States" (p. 100). While not entirely clear, it appears as if some elite values had influenced Caymanian society by 1962 influencing the outcome of the Cayman Islands national identity.

5.6. Cayman's history as told by their financial industry

Cayman has profited greatly in part from strategic domestic policy formation, but also from the social, political and economic distress of other surrounding nations. Cayman Islanders for the most part, are not embarrassed to admit this, but not before quickly interjecting to inform you of what has made them attractive over other jurisdictions such as their speediness to reform to international standards, associations to numerous international mutual legal assistance treaties, and safe and stable political environment. These points of rationalization are rhetorical arguments created by the financial industry to ensure the confidence of investors. The most common feature boasted by the financial industry on the Cayman Islands is its 'business friendly'

environment. According to an interview with a former public servant of the Island, this means that in close circles, the term is understood to mean who is 'in' and who is out' of the club of elites in Cayman: "Don't go **TO?** that minister for help, he is not 'business friendly' is what they used to say about me" (personal interview, 'Randy', January 15, 2014).

The Cayman Islands hosts the largest domiciling of hedge funds in the world with an 85% market share of the world's hedge funds (Mourant Ozannes, 2013). In a presentation to the American Bar Association in Cayman, the director of the Cayman Islands Monetary Authority boasted about Cayman's second place leadership in domiciling of mutual funds and captive insurance (personal communication, *American Bar Association "Pros and cons of offshore centres"*, George Town, Grand Cayman, January 16, 2014). Servicing these products is what puts Cayman in the category of 'elite financial center' in the world. The voices of the hedge fund industry then, along with the insurance and re-insurance industry in Cayman, should be given important consideration – but not privileged – given their economic stake in the Cayman Islands and because they are the medium in which elites voice their concerns and opinions. They serve as an example of the type of conversation Cayman is currently having and demonstrates the values of a significant set of interests of the island.

Described as a great figurehead in the financial industry and cited as one of the leading pioneers in the formation and success of Cayman as a financial centre (Markoff, 2009a), William S. Walker discusses the logic behind his foresight and his vision for Cayman in the 1960's. His contribution to Cayman was through the creation and advancement of key pieces of legislation such as the Banks and Trust Companies Regulations Law, Companies Law, the Trusts Law, and the Exchange Control Regulations Law of the Cayman Islands (Markoff, 2009a). In an audio recorded interview with William S. Walker we get a colourful introduction to his journey in the development of Cayman. The interview begins by contextualizing his international upbringing and education, a common trend amongst many Cayman Islanders. Born in Guyana, and grandson of a Barrister, Crown Counsel, and Magistrate, Walker seemed poised to follow in the footsteps of his grandfather. He graduated high school in Barbados in 1945, went to Cambridge, studied at Inner Temple, and was called to the

bar in London. Thereafter he went to business school in Switzerland and then to Canada where he spent ten years working for three different companies in Montreal, Winnipeg and Toronto. He then came to Cayman and opened up a law company W.S. Walker & Company. His rationale for moving to Cayman was because of the Cayman Islands reputation as a safe and stable place, devoid of serious racial strife such as from his birthplace Guyana. Because of his upbringing in Guyana and Barbados, which had a 100% literacy rate at the time, he was in competition with a great number of people who were highly educated in a time of high unemployment and who had no opportunity for advancement.

WSW [William S. Walker]: serious racial strife, still is, between the Guyanese of African descent and those of East Indian descent; it was a power struggle, initially on independence. The Afro-Guyanese ran the country for many years; they have now lost power because there has been a shift in the ethnic makeup of the population, and the Indo-Guyanese have now taken over. And the power struggle still continues and the racial strife still continues, and I'm very glad I'm not in Guyana. [Laughter] Because that's one thing I can do without.

HMc [Interviewer]: So what made you decide that Cayman was the place?

WSW [William S. Walker]: The opportunities stuck out a mile.

HMc: Really?

WSW: Everything pointed to future development in Cayman; everything. The people I talked to, the physical layout of the island, the geographical location near to the United States, the fact that there was no direct taxation; everything. It was a combination of factors, the people wanted it to develop, the people were helpful and friendly and co-operative in every respect, and it seemed to me that this was the place. The Bahamas, which was, at that time, possibly the only off-shore financial centre of the Caribbean... Bermuda, of course, is not really in the Caribbean, but the Bahamas were going through political problems and it seemed to me there was a need for another off-shore centre, and Cayman was the logical place.

And it was very interesting; I came here and I opened up and things were very quiet, at first. It was very difficult to carry on business when I first came here, because there were only four flights a week, in and out, by [BWIA] Viscount, and there were no telephones, so it was very difficult to carry on business. But I could see that development was coming, but we managed to survive for those first few years. But then the Bahamas went sour, and they went sour with a bang, and a lot of business moved here, as a result. It would have come here anyhow, in my

view, but as a result of the problems in the Bahamas, it came here more quickly and en bloc. So Cayman was the lucky recipient of a nice start.

HMc: Yes. A couple of the young bankers... I should say, young Caymanians who went into banking, say that 'the Bahamas mistakes were our beefsteaks'; is that a fair saying?

WSW: Yes, right; yes, yes. Well there's no question about it, to use the colloquial modern expression, 'the Bahamas shot themselves in the foot'.

HMc: Yes. Well, we have to be careful we don't do that to ourselves

WSW: We have to be careful we don't do the same thing, yes. (Cayman Islands National Archive, 2000, p. 4)

Walker's final comment was that "we have to be careful we don't do that to ourselves" and he expressed the general consensus of the island and other islands facing similar competition. OFCs are acutely aware of the precarious nature of capital and how easily it moves at the slight sense of political instability. As mentioned before, Cayman is the second largest captive insurance domicile in the Caribbean. One third of their customers are hospitals in the US who have millions of dollars underwritten in the Cayman Islands. Hospitals have found it more cost-effective to administer their own fund management systems, which are in place in Cayman where there are fewer regulatory reporting requirements and no taxes to pay until they are repatriated in the US. This means clients can direct their fund manager to make investment decisions in the absence of significant regulatory burden and when it comes time to sell the fund and cash in, the fund will have saved significant amounts of tax savings and costs of regulatory and tax filing requirements. As hospitals have had consistent approval in their filings with the IRS, it has established Cayman as a vetted offshore space to host captive insurance funds and continues to draw new business as a result of that reputation it has worked hard to establish. Therefore, having established itself through approved international regulation (IRS), their vetted financial products make them keenly aware of maintaining their integrity with all aspects that may affect that reputation including their relationship with the IRS. I discussed this particular area in detail with a manager at large captive insurance company in Cayman and "C" led me to believe the US climate for offshore captives like Cayman was becoming more the norm for other OFCs. So much so that now US states where legislation was not favourable to the domiciling of

captives were now changing their tune in order to attract captives back to the US: “You used to be able to count on your hand how many states had favourable terms for insurance, now you count how many don’t” (Interview “C”, George Town, Sep 13, 2013).

The Cayman Islands success was not purely from organic growth. It was partially due to significant capital flight coming from nervous financial institutions and individuals in other Caribbean islands who exhibited signs of political instability and social unrest. Other offshore financial centres, such as Jersey (Hampton, 1996) , have benefitted similarly from political instability of other nations. In fact, during an open dialogue at the same conference in Cayman created to discuss the future of offshore financial centres, delegates from all over the Caribbean including Cayman, the Bahamas, BVI and Bermuda nodded their heads in agreement when one speaker admitted on their behalf that they were all beneficiaries of the instability of other islands and that their collective goal was to not lose the confidence (capital flight) of those currently invested in their financial industry (personal communication, *American Bar Association “Pros and cons of offshore centres”*, George Town, Grand Cayman, January 16, 2014). Cayman, like many successful OFCs in the world, were in the right place, at the right time, with the right infrastructure. Cayman has continued to maintain its success as a result of close working relations with government, the financial industry and the local (Cayman Islands Monetary Authority) and international (U.S. regulators such as Internal Revenue Service) regulatory bodies to ensure the Cayman Islands financial industry do not succumb to the same unfortunate series of events as their neighbours in the Bahamas when nationalistic movements drove out thousands of expatriates effectively crippling their financial industry.

5.7. The geopolitics of the Cayman Islands

Economic geographer Susan Roberts contributes to the study of Cayman’s social, economic, and political history using a spatial approach to study the geopolitics of money and how Cayman is situated in that space. She argues Cayman, and other offshore financial centers use of “circuits of fictitious capital” and “existence at the margin” are central to their success. Her research and fieldwork in the Cayman Islands,

make two keen observations on the political geography of the Cayman Islands. The first observation is the distinction and constitutive nature of offshore financial centers and their relation to tax havens: "Offshore financial centres grew up in the 1970s in many places that were already tax havens. Fictitious capital (Eurodollars) and furtive capital (hot money) were intertwined from the beginning in the offshore centres." ("Fictitious capital, fictitious spaces", p. 99). Lack of distinction between the two and inability to come to an agreed upon consensus of the term tax haven and offshore financial center have often played a double edged sword to those trying to distinguish or blur the lines between tax avoidance and tax evasion. The second observation is the strategic use of their existence 'offshore':

By existing at the margin, by offering flexibility, these places have located themselves at the juncture of circuits of fictitious and furtive capital, and by exploiting this position they may be said to benefit (McCarthy, 1979). However, when openness to the volatility of the financial system is combined with the geopolitical insecurity entailed in hosting flight capital and hot money, the inherent vulnerability (Commonwealth Secretariat, 1985) of small islands may be compounded in new ways. (Roberts, 1992, p. 105)

In *The local and the global: the Cayman Islands and the international financial system* (1992), Roberts candidly describes the history of the island as a series of preset trajectories:

Caymanian history, as it is told in the pages of government documents, guidebooks and general introductions to the Islands, takes on the quality of a series of "tales" or "legends" which give the place a "colorful" and distant past. The ingredients of almost every rendition of Caymanian history are as follows: Columbus's sighting and naming of the Islands (Las Tortugas); Cromwell's seventeenth century soldier-settlers leaving Jamaica and ending up on Cayman; haven for famous pirates and buccaneers (eg., Edward Teach [Blackbeard], Neal Walker...); Royal land grants in eighteenth century: settlers and slaves (although not so many as on the sugar plantation islands); 1788 the "wreck of the ten sails"; emancipation and intermixing of races (result = harmonious society); boat-building, turtling, seafaring until "modern era" arrives with construction of Owen Roberts airport in nineteen-fifties; heroic and successful battle against the mosquito; wise choice to be Crown Colony; rapid and impressive economic growth based on tourism and finance. (Roberts, 1992, p. 189)

For anyone researching the Cayman Islands, this series of events should come as no surprise. According to Roberts, this historical frame is deliberate in that it is "being told to stabilize the present conditions" (1992, p. 189). Roberts describes the

development of the tax haven status -- retold through Government reports (!)– bear no evidence to real histories. Elements of story-telling and fantasy are celebrated in the history of the island and the tax haven implication is certainly one of those stories without a clear history. How then, is fiction weaved into history with respect to Cayman and how does that fictional-historical theme translate and permeate itself to the present state of the island? To Roberts,

it is clear that elements of the “situatedness” of the contemporary Cayman Islands involve fiction. At the same time as fictions “stabilize” the present they also compound the fictitious quality of the place as a simulacrum based in large part on fickle and fungible circuits of fictitious capital. (Roberts, 1992, p. 193)

In fairness, Roberts also points out Cayman’s inability to compete in other arenas, such as labour power, as another key inhibitor of its ability to diversify its marketability. Due to its small size and geographic location, it cannot host the type of labour power that Asia can offer through its export processing zones (EPZs):

the chief comparative advantage offered in EPZs is cheap (overwhelmingly female) labor, and the tax breaks, tax holidays and other incentives are “the icing on the cake”. In the case of EPZ’s the primary goal is employment rather than a direct increase in government revenue.” (Roberts, p. 89)

The idea that tax breaks are not the primary draw to many ‘tax havens’ will be discussed further with respect to Cayman in the next chapter.

5.8. Crown relations and Jersey

Mark Hampton’s *The Offshore Interface* (1996) describes the relationship among France, The Netherlands, and Britain with their respective crown dependencies in the offshore world. In addition to the ‘usual suspects’ (lack of regulation, direct taxation, and strict banking secrecy) as previously described by Roberts, and other historians, “the UK in fact did not have an actual policy towards its dependencies” (p. 99). Hampton contextualizes the political environment that shifted Crown focus away from their dependencies resulting in unimpeded development

[D]uring this period [60's] the UK government had serious foreign concerns of the Suez crisis, the developing Cold War in Europe and the Malayan and Kenyan emergencies to deal with. The islands in the Caribbean could be seen to be fairly marginal in relation to the impact of these more urgent events elsewhere at the time. It was against this background that Caribbean islands set up OFCs in the late 1960s. As noted earlier, this may in fact have been more as a result of mainland neglect than deliberate policy choice at that stage. This was to change in the 1970s and 1980s towards active encouragement of OFCs in these Caribbean islands. (Hampton, 1996, p. 99)

Hampton describes the development of the OFC and the historical conditions that led some OFCs to succeed and some to fail. He includes two case studies of Jersey to identify specific phases in the development towards a successful OFC. In "Jersey case study: part 1" (1996, p. 137-171) Hampton identifies several periods in the formation of the offshore financial center of Jersey. Continuing on from the work of Richard Anthony Johns' *Tax havens and offshore finance – a study in transnational economic development* (1983), Hampton borrows John's first four phases of OFC development and includes his own fifth phase for 1979 onwards. The phases are as follows:

- Phase I: Notional tax haven (1955-61)
- Phase II: Functional tax haven and Sterling OFC (1962-71)
- Phase III: Moratorium consolidation (1972-4)
- Phase IV: International level OFC (1975-8)
- Phase V: Global level OFC (1979 onwards). (Hampton, *The Offshore Interface*, 1996, p. 145)

After delineating the key factors that surface in the formation of OFCs such as "taxation, secrecy, regulation, political stability, location, and technology", Hampton uses the case study of Jersey to see if these factors were prevalent in the development of Jersey as an OFC. Phase I looks at why Jersey developed as a functional offshore financial center and he characterizes this period with arrivals of high-net-worth individuals from old money and 'nouveau riches' who were profiting from the post-war boom. Furthermore, post-war decolonization "had resulted in political instability in many countries as the British Empire collapsed" driving capital towards OFCs that demonstrated stability and safety (Hampton, 1996, p. 147). Hampton characterizes Phase II as the "functional tax haven" years with rapid expansion and growth. In Phase

III, an increase in regulation is introduced by outside forces to tame the corruption that followed rapid growth. In Phase IV, more concentrated and consolidated growth is experienced as Jersey focuses its efforts in specializing in specific areas of banking and financial products. Finally in Phase V, Hampton looks to the current state of Jersey as an OFC (at the time of writing in 1996). Here, Hampton observes the de-regulative environment of the UK. And as deregulation persisted, it transformed Jersey from “an international centre with relatively limited activities broadly constrained by UK Exchange Controls, to a truly global level offshore centre that had unrestricted movement of currencies” (p. 165). This allowed Jersey to advance its client base from local (UK) to global putting it in competition internationally.

Hampton’s work points to several assessments that tie in closely with the history of Cayman. Firstly, political stability, especially perceived stability, is the central tenet in his and other historical works for attracting financial capital. Jersey and Cayman have both benefitted from the instability of other OFCs “and has received flight capital from real or perceived risks (p. 169)”. While the top four factors in the success of an OFC – regulation, tax, secrecy, political stability – are identified in his research, a “second tier of factors such as location, technology, tourism and the educated labour force were also important, but more important in the manner of prerequisites rather than as dominant factors that drove the OFC” (p. 169). Finally, Hampton looks at whether or not there were any alternative development plans for Jersey. At the time for Jersey, as well as many OFCs that finance was the most viable plan due to declining growth in what he termed as “light industry, marine and agriculture” and consistent colonial neglect. He also points out the geopolitical agenda of colonial rulers:

The benevolence (or at least acquiescence) of the UK government gave financial capital the regulatory and fiscal ‘space’ to develop OFCs. By the 1970s and 1980s UK government tolerance had mellowed into a strongly positive view of offshore finance as a potentially lucrative development strategy for its remaining Caribbean dependent territories. This contrasts with the attitude of the US federal government and its agencies such as the IRS towards Caribbean OFCs. (Hampton, 1996, p. 205)

It is no coincidence to note that many of the most successful elite Caribbean islands are British Overseas Territories and a product of British foreign policy and purposeful neglect.

5.9. Comparing the British Virgin Islands with the Cayman Islands

Anthropologist Bill Maurer, has pioneered the field of modern fiscal anthropology and offshore financial centers. His prolific research on the Caribbean and extensive field work in the British Virgin Islands (BVI) has pioneered the ways in which we approach the study of labeled tax havens. Maurer’s work on BVI looks at the development of law and citizenship in shaping the identity of BV-Islanders (that is how they are commonly referred to in the Caribbean) and how laws { and citizenship rights – including legislation surrounding its formation into an OFC – are part of the BVI identity. “Belonging, citizenship and flexible specialization in a Caribbean tax haven (British Virgin Islands)” (1993), describes

how and to what effect legal personas defined in the land, labor and citizenship laws of the British Virgin Islands and the United Kingdom have turned into categories of identity. It is also about how immigrants deal with their position as essential yet unwanted members of a state increasingly dependent on the offshore financial services business — the transnational network of banks and corporations operating out of so-called tax havens like the BVI. (Maurer, 1993, p. 9)

Unable to carve out a viable economic future for themselves due to the common constraints of a small, isolated and resource-poor island, the BVI took on the challenge of creating an identity for itself and did so in a very distinct way. Using the international language of British Law, the BVI used the creation of their own laws to articulate their identity to the world. They co-opted British legal language and used it to create an identity for themselves on the international playing field of finance by using the same legal structures and policy frameworks established players in the field were using.

According to Maurer's analysis however, the BVI has taken the identity to a much more overt display of nationalism in by using their identity not only to exert command of their place on the international playing field, but also locally amongst fellow BV-Islanders to discriminate against citizens with different categories of BVI citizenship. In *Recharting the Caribbean: land, law, and citizenship in the British Virgin Islands* (1997b), Maurer explores this notion:

How do British Virgin Islanders themselves articulate their "history" as a "nation"? British Virgin Islander conceptions of their "national history" place *law* in the center of narratives of territorial development. This chapter considers how law and the legislature become vital components of BVI "nationalism." (Maurer, 1997b, p. 227)

This has led to social strains within the population as distinctions of "belongers" or "non-belongers" in BVI immediately put one in a category of assessed worth further perpetuating specific values tied to those labels.

A source of pride for the island is the imitation of its laws: "Members proudly proclaim that now, other countries copy *their* laws. They have gone from being imitators to being the source; they have become originary" (Maurer, 1997b, p. 248). Unfortunately, these laws are still based on English Common Law and colonial control through this rhetorical apparatus is still an avenue for control despite the BVI's (and Cayman's) intended purpose to create economic (but not necessarily political) independence:

The BVI's emergence as a tax haven bolstered continued colonial rule around the idea of "reputation." To maintain reputability, the BVI has had to assert its "heritage" of "law and order." [...] "Yet the ideas of "progress" toward "self-rule" carries force for current imaginings of the British Virgin Islands as a national entity, even though the authorship of the national self has been abrogated to extraterritorial legal realms, and despite the fact that maintaining its reputation is linked so closely to maintaining its colonial relationship with Britain. (Maurer, 1997b, p. 258)

5.10. Negotiating with colonialism as a ‘dependency’ and profiting at the margin

This chapter concludes with two emerging themes, negotiating with colonialism as a ‘dependency’ in order to profit at the margins. What Maurer observes in B.V.I., Bodden and Roberts observe in Cayman and Hampton observes in Jersey are examples of elite domination in small island territories that exist both at the margin and ancillary to a main jurisdiction, the UK and US. The two emergent themes from this chapter are: 1) Constantly negotiating the terms of their colonial relationship, and 2) Existing at the margin of jurisdictions where they conduct business. These two themes are used to the advantage of elites who use natural resource-poor and isolated geographical spaces like the Jersey, B.V.I. and the Cayman Islands. They provide elites with familiar tools of social and political control of the local population, enable them to develop a successful system for wealth creation, and put in place a set of ideas and values borne out of the British colonial system but also peppered with capitalistic American culture. Thus they can co-opt some local people who want to become part of the group of elites. This desire, is what Tilly describes as emulation, one of the four mechanisms of durable inequality. This establishes a system of self-perpetuating morals and ideals rather like what we see in Cayman today. OFCs, as many of these authors have discussed, are chosen and made successful on the basis of political stability. Therefore, “political control is not likely to be contested by groups or parties with conflicting ideological or ethnic affiliations” (Maurer, 1993, p. 12). Based on this theory, we may infer that the material success of Cayman, B.V.I. and Jersey is a result of those factors. Unfortunately what results is a society built on the foundations of selectively contrived fantasy and subversive deception:

Of course, there are traces of identity in the apparently empty space of the nation and the person. What is lacking is ground, and what is in its place is a network of technologies whose effect is to produce the fiction of a new stable ground – the ground of ‘choice’ reduced to consumer preference at the ‘gut level (Strathern 1992a: 216). Choice at the ‘gut’ level, a new materialization of discourse, works through other articulatory practices – practices I’ve termed *creolizing*—to produce momentary stabilizations of and sources for identity. These stabilizations include, at times, ‘ethnic’ stereotypes; “races’ and communities bound to ‘places’;

'families' and genealogies'; 'individuals' who owe nothing to society; and 'nations.' (Maurer, 1997b, p. 263-264)

When Jersey, B.V.I. and Cayman rationalize their advantage of being an Overseas British Territory, it perpetuates an ideal still heavily dominated by colonial rule. Their use of British laws, for example, ties in to the fact that they are still conforming to the rhetoric created by their colonial ruler and the expertise, training and education required to work in and function in an OFC like Cayman, ties Cayman to British (colonial) systems and traditions that are there to serve the interests of the elite through use of those laws. This makes it easier for British professional sub-elites to manage the financial system.

“Existence at the margin”, “standing outside“ and “frontier society” are terms used by Roberts (1992, p. 90), Maurer (1997a, p. 250) and Bodden (2007, p. 3) to describe the space which the OFCs occupy just a hairline outside regional federations or blocs. These lines, as Roberts reminds us, are fictitious and drawn arbitrarily, such as the conception of the ‘Caribbean Basin’ by the US: “It makes no sense physiographically, culturally, economically or politically. It is a purely geopolitical creation, only validated in the context of the U.S. securities interests as they were defined in a particular geopolitical discourse” (Roberts, 1992, p. 152). The existence at the margin offers flexibility for capital and therefore OFCs like Cayman

have located themselves at the juncture of circuits of fictitious and furtive capital, and by exploiting this position they may reap certain benefits (McCarthy 1979). However, when openness to the volatility of the financial system is combined with the geopolitical vulnerability entailed in hosting flight capital and hot money, the inherent vulnerability of small islands is compounded (Roberts, 1992, p. 90).

One of Maurer’s most compelling contributions to the study of the Caribbean OFC formation is through his analysis of historicization and identity. The Caribbean OFCs have developed their identity through historicizing certain elements of fantasy and fiction. *Recharting the Caribbean* describes the way in which the BVI Islanders have naturalized their identity of their “‘British heritage’ of ‘law and order’” and its contribution “to their great success as a tax haven” (Maurer, 1997b, p. 262). Not surprisingly, the Cayman Islands use the very same type of rhetoric.

In “Creolization redux: the plural society thesis and offshore financial services in the British Caribbean” (1997a), Maurer strips away the economic viability of the equation and focuses on the people in the context of the OFC:

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. (Maurer, 1997a, p. 250)

This is what makes Maurer’s contribution so compelling. He has created a new way we can approach the study of OFCs in terms of how they intersect Caribbean anthropology with fiscal sociology. We are studying how a society developed in the context of the Caribbean, one that happened to host some of the most powerful circuits of capital in the world. What an anthropological approach does is enable us to understand the users, beneficiaries and societies that develop in these small isolated spaces as they are created and developed. Maurer’s work, as well as the work of Bodden, Roberts and Hampton, use anthropological tools to ask bigger questions: What happens when elites take over a small island to operate and facilitate the flow of some of the largest concentrations of the world’s wealth? And in turn, what happens to the people on those small islands as they become coerced into believing they are the equal beneficiaries of the material success? Maurer does it best by asking: “What does the future hold for a people who fiercely define their identity in opposition to Caribbean immigrants with whom they share a history of oppression, but who do not challenge – and indeed seem fearful of losing – their colonial relationship with Britain?”(1997b, p.

257). This is the frame of mind that permeates in Caymanian culture and what I will explore in the next chapter.

Chapter 6. The Cayman Islands cultural experience: An ethnographers field notes

6.1. What is Caymanian culture?

A Dutch expatriate living in Cayman once said to me that he had no idea what Caymanian culture was: “What is Cayman culture? Well, ‘what is Cayman culture!?’ That’s what I ask myself aloud when my friends around the world ask me!” He had moved here a few months ago from Curacao with his family and during our local gym’s cocktail mixer, we chatted about the absence of Cayman culture in the Cayman Islands. Since my first visit in 2006, I have spent a great deal of time immersed in the Cayman Islands; first as a tourist, then as an undergraduate researcher conducting fieldwork and now as a visiting graduate researcher conducting more in-depth fieldwork. The difficulty in accessibility I have had with Caymanian culture on the islands continues to frustrate me as there have been too few instances where I have experienced what I felt was authentic Caymanian culture, and I question whether I have even experienced it. Through readings of locally published cookbooks and autobiographies, visits to historical sites, archival research in the Cayman Islands National Archives, and years of scouring the island for local cultural events, I have come to understand the modesty and insularity in which Caymanian culture is communicated within and outside of Caymanian circles. From my conversation with the Dutch expatriate, and many other expatriates living in the Cayman Islands, Caymanian culture is almost non-existent in their view. I am not alone in making this observation: During an interview with a representative of the Cayman Islands Chamber of Commerce, I was informed that one of the most frequently cited comments made by tourists in their departure surveys was that they wished they had interacted with a Caymanian, by which they mean an ‘authentic Caymanian’.

While access to cultural Caymanian experiences is problematic from a cultural historian's point of view, it also poses a much larger problem such as when studying the political economy of the Cayman Islands. Data on Caymanian identity and culture is important because it highlights a key part of the Cayman Islands – their citizens – who are absent in international media and academic literature concerning the Cayman Islands. Their absence means that criticisms are made wholesale and that means the most visible identity of the Island, the financial industry is the representation of the Cayman Islands. This can lead to assumptions being made on Cayman Islanders beliefs, motives, and values, and then applied wholesale to the people – indigenous and expatriate – living in the Cayman Islands further diluting the voice of Caymanian citizens as well as expatriates living in the Cayman Islands. At the present moment, little is known of the people of the Cayman Islands, and what is known is often limited in distribution to the Cayman Islands due to the constraints of local publishers.

For example, when one imagines the Cayman Islands, what immediately comes to mind? More often than not, it is the wildly popular novel and subsequent movie *The Firm* (1991) by John Grisham which was set in the Cayman Islands framed as a tax haven. As a result of Grisham and similar conceptions of the Cayman Islands which have become dominant signifiers of 'Tax haven', 'bankers', 'people hiding secret bank accounts' and other illicit thoughts come to mind. In my eight years of discussing the topic of the Cayman Islands with friends, strangers and colleagues, the thought of a resource-poor, isolated and developing community has not come up. Nor has the image of a particular person or type of indigenous population been conjured up. This is because Cayman is identified largely by its financial industry and their especially unsavoury reputation as a centre for 'hot money' (Naylor, 2004) that followed from the 1960s onwards. While Caymanians admit to have had a criminal past with the acceptance of illicit financial flows, the Caymans has cleaned up its regulatory compliance regime considerably. Despite that change, the historical popularity of the Cayman Islands for illicit financial flows, along with other factors, have contributed to the retractive behavior and reclusive culture of Caymanians who have only recently (in the last 20 years) begun to slowly express their historical, cultural, social and political identity to the world.

Caymanians and Caymanian culture, have very little to do with any of the critical literature of academics and policy makers in their criticism of the Cayman Islands. What they are actually critical of, global systemic problems surrounding offshore finance, is something independent of Caymanians themselves but has undermined their ability to both separate themselves and argue for themselves independent of their financial industry. These international criticisms, which surround a highly-mobile financial industry that domiciles itself in small unsuspecting offshore spaces, imparts its neoliberal ideology, and creates a neo-colonial climate of hostility amongst the local population that up until 60 years ago, had no commercial banking, no large commercial infrastructures or advanced communications technologies to host anything near the capacity it has today. This does not mean, however, that Caymanians are entirely non-complicit in the formation and development of the Cayman Islands as it is today. As we recall from Susan Roberts in *The local and the global: the Cayman Islands and the international financial system* (1992):

it is clear that elements of the “situatedness” of the contemporary Cayman Islands involve fiction. At the same time as fictions “stabilize” the present they also compound the fictitious quality of the place as a simulacrum based in large part on fickle and fungible circuits of fictitious capital. (Roberts, 1992, p. 193)

The international debates surrounding the Cayman Islands position Caymanians in an unusual situation. On one hand, Caymanian identity is not present, whether purposely, subversively or not purposely. But on the other hand, Caymanians seem active and even complicit in perpetuating “fictitious quality[ies]” (Roberts, 1992) of the Cayman Islands in order to encourage the success of their largest industry. In order to understand this predicament, I will use the frames of Dagnaud and Mehl, and Charles Tilly in the following chapter where I propose that we should be more focused on the positions created and taken by elites and sub-elites who set the agenda, pass the laws, and defend their position using the Cayman Islands identity as their platform. Prior to that, however, a description of Caymanian culture is needed to frame the present situation with respect to Caymanian social and cultural presence.

6.2. Absence of Caymanians in service and tourism

industry

First of all, it is a widely imparted local belief that Caymanians are not interested in taking part working in the service industry, most of which relates to the tourism industry in terms of the front lines of interaction with tourists. In 2013, the Cayman Islands saw a total of 1,721,259 tourists pass through their islands. 1,375,872 of those were cruise ship passengers stopping only for a day through Grand Cayman, an island of 76 square miles (Cayman Islands Tourism Board, “Public tourism arrivals report (through December 2013)”). During peak months, in December and January, as many as 8 cruise ships tender in 18,826 passengers (Port Authority of the Cayman Islands, Ship Schedules). With the Cayman Islands’ total population of 56,732, a labour force of 46,375, and with Caymanians comprising 53% of that labour force, it is not hard to conceive of them interacting with at least one tourist a day since they account for a potential 33% increase in the island’s population in a day (and that does not include overnight tourism) (Economics and Statistics Office, “End of Year Population...”; Economics and Statistics Office, “Work Permits By Nationality, 2011 – 2012). It is also conceivable that the tourism industry is quite lucrative work yet local newspapers, passing conversations with locals, and discussions with service industry staff over the years have led me to believe that Caymanians are just not interested in working in the service and/or tourism industry. It has come to a point where the absence of Caymanians in tourism is so jarring that a government initiative led by the local college has proceeded to offer free tourism and hospitality training courses to Caymanians (Whittaker, 2014).

6.3. Reasons for why Caymanians are absent in service work and tourism industry

The most popular rationale explanation of Caymanians' lack of participation in the service and tourism industry, as I have encountered in my interviews of Caymanians and expatriates, is that because of the overnight success of the banking and financial industry from the 1960's onwards, Caymanians ended up filling many necessary employment positions in those industries. Thus, they, along with their children who are now young adults, grew up with the sense that a job in the financial industry was more prestigious and desirable. Many Caymanians who grew up from the 1960's onwards were encouraged to take part in education and training in specific areas that supported the banking and financial industry such as accounting, finance and law degrees. The resulting emphasis on those industries is now present in the employment landscape of Cayman today partly due to that encouragement but also other external factors. While tourism is the second largest industry in the Cayman Islands, anyone in the Cayman Islands can easily see much of the labour for service and tourism is imported. A Canadian dive-master who has operated a small dive operation in Cayman for the past several years provided me with his rationale:

Ever notice that there are no Caymanian dive operators? Maybe one or two, I know one, nice guy. You know what I think about why? Call me racist but they're lazy. Dive operators and diving is hard work. You see how hot it is outside and having to drag those heavy tanks in and out of the water? They'd never do that. I agree with the past stories and sense of entitlement from the past. I have a Caymanian friend who complains that her son is so lazy, all he does is stay at home and smoke pot. (Interview with "Pop", August 28, 2013)

In another interview with a couple of enterprising and entrepreneurial Caymanians in their early 30's (who also employ young Caymanians), I was told that even though some did come to work for their fast-food chain, young Caymanian employees would quickly panic and say "oh no, I have to hide, I don't want them to see me working here", when a friend or acquaintance would pass by. There is a perception

of shame by and for youth to be working in specific roles in the Cayman Islands, particularly roles in the service industry.

This is unusual for anyone from North America, where a culture of teenage employment in the service industry is encouraged and even expected by adults and peers as having gainful employment. In my experience as a young adult growing up in Canada, working almost anywhere at any job, including a fast food chain, was a source of pride if not a rite of passage for young Canadians. In Cayman, it is believed and perpetuated by many locals that because there were so many spots to fill in the banking boom of the 60's, Caymanians had quick access to positions and ascended to higher-ranking managerial positions as a result of a limited employment pool on the island in the 1960's. That banking boom left Caymanians with an experience of rapidly increased wealth and somehow an alleged "lazy" attitude was developed in the lexicon of that history. This has been passed down to the following generation and has been termed by locals as a Caymanian society of entitlement.

6.4. From 'hardworking' to 'entitled': A stark change in stereotypes

Somewhere between being classified as 'hard-working seafarers' to being labeled as 'lazy and entitled' a rhetorical shift occurred. What is more troubling is that the shift was met with little debate or critical backlash from Caymanians. In fact, some Caymanians, I have been told, are even turning against one another: "Expats are putting down Caymanians. Caymanians are putting down Caymanians. The argument never

moves forward because of its cyclical nature. Even the wait staff at restaurants treat Caymanians differently (Interview with “Michael, January 29, 2014).

In a chapter that discusses stereotypes and immigrant problems in the British Virgin Islands, Bill Maurer provides an explanation that might provide some reflection and thought on the Cayman Islands conundrum, and that is how the shift in one discourse can end up swallowing other discourses:

Brackette Williams has suggested that stereotypes of Indian-Caribbean people derive, in part, from plantation-era labor hierarchies and the Anglo-European hegemony that maintained and justified them. Building on Williams’s work, I suggest that these stereotypes are overdetermined by a complex set of significations that include colonial history but are always in flux, for they do not simply or unproblematically map onto “ethnic” groups. This fact challenges a reading of stereotypes as translations of colonial labor hierarchies. They are also parts of a moral discourse about people’s worth as individuals and the worth of their actions, a moral discourse that only occasionally concerns ethnicity or race but more often local and interpersonal power struggles. As such, they are mutually constituted by other stereotypes, sometimes ethnic, sometimes not. And they are implicated in materialization of “natural facts” that only occasionally seem to be connected to colonial history and “ethnicity” or “race.” Sometimes the natural facts are linked to a sense of “heritage,” as history embodied in the individuals (cf. Austin-Broos 1994); other times, the natural facts are articulated to “race” or “ethnicity” as intrinsic “natural” attributes, and other times to individual personalities or personalistic dispositions. Each of these elements – the colonial legacy, discourse on moral worth, and “nature” – is its own nodal-point, bringing together diverse practices and significations. (Recharting the Caribbean, p. 102)

The Caymanian ‘sense-of-entitlement’ rhetoric has somehow managed to co-opt itself with other issues over the years to include citizenship, identity, youth and gang violence, and any other issue arising in the public eye. The popular scapegoat for any increase in crime, any decline in the quality of living in the Cayman Islands and any problem for that matter in the Cayman Islands, seems to lead to either the sense-of-entitlement rhetoric against Caymanians, or if that theory fails to fit, the blame is made against the Jamaicans in Cayman who account for the largest segment of work permit

holders by a significant margin and take up many of the construction and domestic jobs. One British expatriate in his early thirties who had just recently relocated to Cayman did not hesitate to give me his self-informed opinion on the matter:

Ever notice that the waiters are not Caymanian? There is a sense of entitlement, the work permits are unevenly distributed, if there's unemployment in Cayman then they should be waiters but they are too good for it. Crime is a result of spouses from Jamaica coming and not being able to find a job, construction workers are Jamaican. Interviewing locals down here is a joke, they are not prepared. (Interview "Andrew", September 13, 2013)

When asked where the source of his information was derived from, he only told me to look around and that examples were everywhere on the street. It was the same answer and method of rationale I got from many of my passing conversations with expatriates who seemed to accept many of these alleged 'truths' about Caymanians, Jamaicans, and other nationalities and stereotypes. Whether or not his statements were personally founded, or corroborated by any evidence he could produce, it was clear that certain opinions of certain nationalities seemed to arise and spread quickly to newly arrived visitors and expatriates. If a new person has moved to a new place and is trying to learn about the culture and the people, then they are likely to obtain it from their new social and professional circles. Many of my interviewees were part of many of these circles and they all seemed to be quick to provide me with correlative evidence to support their opinions of Caymanians and Jamaicans, the two nationalities most blamed for problems in Cayman.

For example, at an evening social held by my local gym, I discussed work-life with a Brazilian national who worked at a South American bank. As we happily made small-talk, we got to the subject of my position as a student looking for work in the near future: "Whatever you do, don't work for Caymanian Banks" she advised emphatically. "Because of the bank?" I asked. "No, because it's Caymanian." (Personal Communication, May 9th, 2014). This person had worked for a Caymanian bank in the past and had commented on the "sense of entitlement", "laziness", she experienced amongst Caymanians. This Caymanian bank employed Caymanian employees who

could not get fired due to their Caymanian citizenship or status which is tied to immigration rules regarding employers employing Caymanians.

In another dinner conversation with an American national working at a South American bank with some Caymanian employees I was subject to even more anti-Caymanian rhetoric:

It's not fair for us who aren't Caymanian. I can't listen to my music with ear buds but the Caymanian can. I confront my boss about it and tell him that the Caymanian can do it but I can't because he can't fire her. She hates her job and obviously doesn't want to be there and doesn't even do anything. I get so much flack and I am doing the same job. It's so demoralizing working there. This one time, she came right up to my face and said "I'm Caymanian, I can't get fired. I can get you fired. She was doing it to assert her position over me. She's right. But she didn't have to say it to my face like that. What can I do? I'm not Caymanian. I'm just an entry-level clerk. (Personal Communication, August 14, 2014).

The problem that arises from this type of rhetoric is that it knows no boundaries in topics, especially in small communities where oral traditions and transfers of information is more prevalent than in large cities as people in smaller communities tend to encounter one another in their day-to-day ritual activities frequently. The negative attitude then becomes pervasive not only in everyday social rituals but also in community or political forums where Caymanian citizens have a right to communicate politically. And judging by my observations of the racist/elitist undertones on comments from disgruntled expatriates, I sometimes think that it is forgotten that Caymanian citizenship enables Caymanians the right to political participation. For example, when Caymanians exercise their right to vote and the result is not in favour of developments or laws that are more popular with non-voting parties (expatriates), then conflict and animosity brew further exacerbating the relationship between Caymanians and expatriates. This is very much part of a larger-standing immigration and work-permit issue amongst expatriates of course. As Vered Amit said, expatriates find themselves very welcome to work in the Cayman Islands however not as welcome to naturalize (2001, "A clash of vulnerabilities: citizenship, labor, and expatriacy in the Cayman Islands")

6.5. An interview with Cayman's future

Blaming Caymanians has not been the sole narrative in the Cayman Islands, counter-narratives against expatriates are equally common. I have heard many expatriate privilege stories as well, including one particular interview with two Caymanians in their mid-thirties about their futures. Both had post-secondary education, one on a full sports scholarship and the other on a full music scholarship in the US. One followed that education with a graduate degree in a top business school in the UK. One of the two Caymanians had previously worked for the hedge fund industry in Cayman and gave me an example of his experience with immigration practices:

In Cayman, if you want to hire an outsider, you need to put the ad up in the local papers for a minimum number of weeks. You then need to interview all qualified Caymanian applicants and then if there are none, make a case to immigration to hire an outsider. You have to prove that there are no willing or qualified Caymanians to do the job. Caymanians are also supposed to get jobs when work permits of expats expire and come up for renewal. I saw an ad for a renewal at the company I worked for at the time. I knew it was a renewal not a new vacancy because it was within my firm and within my group. In fact, in a private meeting, my boss said "you know this is a renewal right?" I wanted to test out the system to see if Caymanians did indeed get preference so I applied. I didn't want the job and didn't expect anything to happen, but I wanted to test system. I was, on paper, more qualified educationally than he was and had experience but they ended up renewing the permit of that expat. I even wrote immigration a letter to protest but got no response. It's a \$15,000 permit fee for this renewal. That's \$15,000 in the Government of Caymans pocket, if they had hired me, it would be \$0 for them. That's why I think they gave preference to the expat. (Interview with "Rainer", August 2, 2014)

I asked him if he thought this was fair and common practice on the Island. And he responded:

It happens both ways, depends on the immigration officer. The government makes a lot of money on work permits of expats, so they probably try to balance things. But you know, immigration works against expats too. I have heard stories of qualified expats not getting renewed over hiring a Caymanian. Both get screwed. It works both ways. (Interview with "Rainer")

This description is in line with Vered Amit's field research in the Cayman Islands as she has described it in "A clash of vulnerabilities: citizenship, labor, and expatriacy in

the Cayman Islands” (*American Ethnologist*, 2001). She provides an extremely detailed analysis of the complexities of status by birthright and citizenship in the Cayman Islands:

In relationship to expatriates, status holders or citizens hold more than just an entitlement to live and work in the Cayman Islands without special license. By law, they are also supposed to be given preference in employment over expatriates not only when new positions become available but at each instance of contract renewal. The result is that even expatriate workers who excel in the performance of their duties over many years can be displaced if a suitably qualified Caymanian applies for the job, and indeed this sort of displacement is quite common. [...] The continued preference accorded to status holders or citizens over the lifetime of an employment position incorporates an intrinsic definition of the presence of expatriate contract workers in the Cayman Islands as a temporary accommodation, a fill-in until sufficient Caymanians can be trained for the new economy. (Amit, 2001, p. 584)

Some Caymanians would strongly disagree with this statement and it has continued to be met with mixed responses on preferential treatment towards expatriates and Caymanians. This is a highly contested debate amongst everyone with a stake in working in the Cayman Islands.

My interview with these two young men then moved on to Cayman politics. Both men were young, well-educated and successful in their own businesses however when asked about getting involved in government, immigration and local issues surrounding the increase in quality of life for Caymanians, I was met with what I felt was a sense of apathy.

Many people ask us to join politics, as we are young, successful, educated Caymanians, and quite frankly many of us don't want to because there is no money in it. The best route is to have money first and then participate because you wouldn't be motivated by money to make the country better. Out of 50,000 people, is Cayman in the global scheme of things a big enough country to care? (Interview with “Rainer”)

I was shocked at the last comment but then I realized there was a perspective which both of them lacked because both men had something they took for granted dual-citizenship. In addition to Caymanian citizenship, one was also an American citizen while the other was also a Swiss citizen. I immediately countered with the following question: “What if either of you didn't have dual citizenship?” Both men looked a bit shocked for a moment and immediately paused to think about this: “Well then, I guess we would be

forced to care.” “Rainer” paused for a moment to think and then replied: “The people who have the potential to turn Cayman around also have the most opportunity to leave with dual passports. But we’ve all seemed to agree to go on the gravy train, those of us capable, smart, educated and wealthy enough” If the country were to collapse politically, socially or economically, they had the opportunity and the educational/technical/professional experience to go abroad in search of other opportunities. Their fellow Caymanians who only hold Caymanian passports do not have that luxury. While the Caymanian passport is a British passport, it does not provide Caymanians the simple means to migrate to the U.K. They must, as I have been told by many Caymanians, go through a similar immigration process just like with every other outsider and it is not an easy process.

6.6. Caymanian youth: A generation of “Nowhereans”

“The problem”, said one Caymanian youth worker, was that “expats are blaming Caymanians and Caymanians are blaming Caymanians”. (Interview “Matthew”, January 29, 2014). In the same interview with this Caymanian youth worker and another Caymanian youth worker who insisted I identify her as a “paper-Caymanian” (naturalized citizenship), I was given a lengthy series of explanations for much of the common responses I had come across thus far about Caymanian society.

“Matthew”: Everything has deteriorated in Cayman and a lot more social issues are coming into schools. Before these issues went to families, now schools manage them. They come from single parent households and just as many coming from families of 2-parent households. I am in my seventh year working with youth and I have seen a deterioration in values, morals, work ethic and overall worldview from outside such as from media and phones which is where the negative behaviours come from. The biggest influence is their peers. It’s at 14 years old is when they change in behaviour, all their social safety nets disappear, they stop going to structural activity times like church, sea scouts. They have more interest in the opposite sex.

“Christina”: I work full time at the Red Cross in the HIV program as a manager/deputy director. Teenage pregnancies happened before and now, it was just not as socially acceptable then so it was less visible because of the shame attached to it. It’s always girls that were shamed and up until several years ago you were kicked out of public school but because of human rights

components, girls can stay in school. It's a hypocritical stance in Cayman, it ignores the fact that we have young parents program. The pregnancies are because of multiple baby daddies. It's a Caribbean thing. We have conservative Christian values in Cayman. The abstinence-only agenda has hindered level of skills kids have with sex ed. Were it not for president of UCCI (local university college) 10 years ago who was in capacity of the Minister of Education, we would have shut down sex ed programs. Seven years ago, I encountered a classroom with a girl who said she could not carry a condom because it was a premediated sin. The churches are not getting with the program. Seven years ago a woman was on her fifth kid and she wanted to get her tubes tied but couldn't because of laws here, she had to get her husbands or her fathers or male partners permission. There's an underlying hypocrisy here. (Interview with "Matthew" and "Christina", January 29, 2014)

In addition to the outdated youth programs, "Christina" also introduced a new Cayman term into my lexicon: "Nowhereans", kids who have no where to go. Nowhereans are children of foreign nationals who are either born in or out of the Cayman Islands but spend a large part of their lives in the Cayman Islands. They identify themselves as nationals of their parents countries because they are not able to become citizens of the Cayman Islands due to high immigration restrictions. Nowhereans grow up with a national identity crisis because while they may have citizenship to another country, the majority of their formative years were spent in the Cayman Islands: "Sometimes they have never ever stepped foot in the country of their nationality or spent very little time in that country" (Interview, "Christina"). According the "Matthew" and "Christina", the resulting identity crisis has led to the following problems facing young people in the Cayman Islands: 1) Not knowing where they belong as a citizen, 2) Becoming apathetic/negativity about adopting a Cayman identity because they are not accepted officially as Caymanian citizens which 3) Leads to a different perspective and possibly detached perspective on citizenship, patriotism, identity, and belonging.

6.6.1. Understanding Caymanian society

Understanding Caymanian culture took me several years of observation, persistence in local interaction and rapport building, and interviews of Caymanians to finally tease out their values and practices. I suspect I have only scratched the surface, particularly with respect to private Caymanian culture surrounding family, community, the Church and nationality. I expressed my frustration in accessing interviews with Caymanians and data on intimate Caymanian life especially around family and cultural

traditions in an interview with two Caymanians in their thirties. They bluntly explained to me why:

Sunday dinner is our culture. It's not public and you'll never get in because you're not part of the family and because of that you don't get invited. That is partly because a lot of intimate family issues are talked about openly and freely. Unless you're married to a Caymanian, demonstrate the desire to become Caymanian and participate in the community, you're never going to get in. (Interview with "Stanley" and "Rainer", August 2, 2014)

Caymanians also maintain a conservative culture of expression, not easily accessible to visitors and the general public unless it is purposely planned (such as musical performances, plays and fundraisers); and even then, these events are difficult to scout without a local connection or an extremely proactive attitude. Having primarily nautical history with seafarers and fishermen, Caymanians differ significantly from predominantly plantation societies such as Jamaica, which have had violent histories of slavery, racism, and poverty. As one Caymanian historian put it: "We were a society with slaves, not a slave economy" (Interview "Douglas", January 15, 2014). In an interview with that same Caymanian historian, I was given some explanation towards this and why:

Caymanians mark society on material wealth not intellectual wealth. Cayman is materialistic. Jamaica and Barbados celebrated intellectual and cultural traditions. Caymanian culture is quite limited. The problem is due to a lack of respect of ideas and is linked to the decline of Cayman. This in tandem with the increased respect for money. I'll give you an example of a new phenomenon: Pawnshops. That did not exist two years ago. This is a sign. We aren't talking about building more schools, but bigger prisons. The family system has broken down. Why? The breakdown of society is the desire to make money. We are a patriarchal society. Women stayed home and took care of raising the children. We've become a society of latchkey and nanny children and the system has broken down. The UCCI [University College of the Cayman Islands] has noticed this and is offering a course in September 2014 for young men on sexual health, role model choices, personal development for success, decorum, civic, moral and character values. These are things they would have learnt from home but they don't have the tools and young boys are affected much more dramatically than girls in this respect. When I grew up in Cayman, vacations were not in our lexicon, we didn't have means of preserving food aside from salt so food had to be prepared every single day. We now have refrigerators and want bigger refrigerators. We've become what Harvey Cleveland calls 'a society of rising expectations'. Why are young men especially failing? They are so accustomed to being the breadwinner without education. They were traditionally in labour

economies such as seafaring. The world has changed and the economy has changed in Cayman and these young men are being left behind.”(Interview “Douglas”, January 15, 2014)

6.6.2. The influence of the church in Cayman

A big part of Caymanian culture is centered around the church and church activities. Sunday is observed as God’s day of rest and therefore nightclubs and bars are, by law, only allowed to operate until midnight Saturday. While restaurants remain open, grocery and retail stores are closed on Sunday leaving many expatriates mildly to greatly inconvenienced. The law to prohibit Sunday trading was enacted in 1964 with respect to the observance of a strong culture of church-goers (Cayman Compass, “Chamber calls for Sunday shopping”; Cayman Compass, “Sunday shopping back under consideration”). A Caymanian explained to me the origin of this Sunday rule:

You know why everything is closed on Sundays and why everything in Cayman is the way it is? Because of the church, but more specifically the Wesleyan church. My dad is from West Bay and the Wesley church so I grew up with it. I was talking to a representative of Dart [largest developer on the island] who was having problems with working with Caymanians and that representative asked me “why don’t we understand them [Caymanians]? I told them “Because they are from West Bay”. “What does that mean?” they asked? And I said “that’s why you’ll never understand us”. (Personal Communication, July 19, 2014)

West Bay is the largest district in the Cayman Islands with the largest voting population. Therefore, political power in the area is quite strong and so is the unique history of the people of the area. What this Caymanian was trying to tell me was that there are deep-seated generations in certain regions in Cayman and that a lot of developments that involve building in the area of West Bay or other districts will come across staunch protests by Caymanians who have the political power to vote against them.

While the churches in Cayman remain a strong part of Cayman society, large numbers of expatriates imported from around the world, along with a mix of other generational and globalization, factors have challenged the value of the Sunday no-trading rule, especially since hotels, restaurants, and some shops are permitted to operate, and informal economies (corner stores) trade on Sundays. Leading this

challenge has been the Cayman Islands Chamber of Commerce, the islands “largest not-for profit organisation representing businesses, associations and individuals operating in the Cayman Islands with a membership base of over 700 members collectively employing around 20,000 people”(Cayman Islands Chamber of Commerce, 2014).

What is important about this challenge to have stores ‘open for trading’ on Sundays is how strongly Caymanians, those who have the power to vote, have been opposed to this change because of its challenge to a non-negotiable cultural value of older generations of Caymanians. Issues like the Sunday trade challenge prompt active political protest by Caymanians, and lead me to inquire: How do Caymanians, and more comprehensively, Cayman Islanders communicate and rationalize their values and responsibilities as local citizens in Cayman? This will be discussed in the next chapter.

6.7. Something missing: Government

What struck me about my interviews the Caymanian youth workers, historians, entrepreneurial Caymanians and even expatriates, was that there was a strong consensus that Caymanian society needed assistance and intervention in areas such as health, education, social development and public infrastructure. Nowhere in any of my interviews did the topic of government intervention arise. There were interviewees who felt the government was not doing enough to contribute, and many more who felt the government’s public servants were bloated in numbers and salaries; however, it was strange, that an increase in government support was not at all on the radar.

Despite being labeled a ‘tax haven’, and having no corporate and income tax, the Cayman Islands does however impose taxes on its residents in the form of 1) Import duties, 2) Annual work-permit fees, and 3) Registration fees. Import duties or stamp duty of approximately 30% is paid on all things imported to the island, which is almost everything from raw materials to foodstuffs. A one-time 7.5% property tax is paid on real estate purchases therefore no annual fee is required (though hurricane insurance, strata fees and upkeep is high) (Cayman New Resident, *Buying Property in Cayman*). Annual

work-permit fees range from a few hundred dollars to \$30,000 Cayman Islands Dollars (CI). The CI is fixed against the US Dollar which commands an exchange rate between \$1.20 – \$1.25 USD per \$1 CI. Therefore, the highest work-permit fee for a CEO or high-level executive position would cost approximately \$37,500 USD paid directly to the Cayman Islands Government Immigration Department. Most service industry staff work-permit fees are less than \$5,000 USD annually (Cayman Islands Immigration, *Immigration Regulations (2013 Revision)*). Registration fees are fees paid by corporate entities who wish to domicile their businesses in the Cayman Islands. This is managed and regulated largely by the Cayman Islands Monetary Authority (CIMA) which acts as a local regulator and oversees the regulation of the financial industry. In an interview with an officer at CIMA, I was given a quick overview:

It is very costly to do business in Cayman because of salaries and work permits. CIMA has grown in last six years from 120 to 160 people. CIMA doesn't have a set budget, it collects fees from the financial industry and the money goes directly to government bank account. While CIMA is an independent authority in the Cayman Islands, even having its own office building separate from the government building, it does not manage the revenues it receives from the fees it charges to the financial industry. Last year, we collected 67 million in fees and had an operating budget of 14 million. We made a 53 million profit. We have no real budget, we set budget then ask for money from the government. The fees we collect come from fund license fees and if those fees increased last year, CIMA advised the government against it because they felt it was not competitive. (Interview "Grady", February 14, 2014)

Chapter 7. Conclusions

7.1. Environment

The exogenous expatriate population and the indigenous Caymanian population have competing values and interests reflected in very different expectations for the future of the Cayman Islands. This is communicated, in one way, through the political economy of the offshore financial center and also the social fora in the Cayman Islands. It is also seen through their two most important industries, finance and tourism, which are both dominated and developed by imported expertise and labour. Finance and tourism are taking two different approaches to 'survival'. One industry, the financial industry, is less concerned and more confident about its future than the other. This is because capital is fungible and the Cayman Islands have "strategically positioned themselves at the nexus of the circuits of fast and fungible financial capital and offer a window on the workings of the international financial system"(Roberts, 1995, p. 237). The other, the tourism industry, is a fixed asset, cannot move, and it's physical attributes (beaches, coral reefs, indigenous animals, and mangroves) are being rapidly destroyed by the low prioritization of conservation.

If left destroyed, polluted and un-sustainably developed, Caymanians have literally, nowhere else to go while expatriates and elites can rely on the citizenship of their home-country. Despite the Cayman Islands passport having the British Passport designation, it is restricted in terms of its ability to grant residency to Caymanians. Caymanians cannot just simply become UK residents and must – as I have been told by many Caymanians who have made the same inquiry – go through a competitive and difficult immigration process much like other international applicants. In lobbying the Cayman Islands Government and its people to prioritize the development of one industry, the focus on other areas, have fallen by the wayside. In a personal

conversation with a conservationist actively involved in the local environmental management of the Cayman Islands I was told this:

Hmm, [Cayman Islands] government vs. conservation, that's a hairy topic. Gist of it is--at least according to countless hours of conversation with folks on the ground both inside and outside the government agencies--marine conservation is a genuine priority, but everything terrestrial can go to hell because there is no stopping the profitable tide of development on the island. This is something that will not, by all accounts, ever change, even once we approach "Too Late" status for iconic critters like the blue iguana. If you are interested, I may be able to set you up to interview people here about government and conservation, but it would most likely have to be off the record because the politics are fierce and my friends' jobs are at stake, friends that don't have the luxury of taking their career off-island anytime soon. (Personal Communication, September 17, 2014).

There is a low prioritization of conservation activities in the Cayman Islands and the decision to give it low priority come from a set of values that reflect the prioritization of profit. When hundreds of thousands of visitors arrive to the Cayman Islands, they will inevitably want to experience it's clear blue waters and tropical beaches. Most will not venture far into the mosquito-infested mangroves to investigate the creepy, crawly critters and reptiles who are indigenous and unique to these islands. There is a defined set of priorities to keep up appearances in the most publically impactful and superficial way to ensure the exterior of the Cayman Islands is maintained while their neglected interior is slowly rotting away.

7.2. Durable inequality: Exploitation, opportunity hoarding, emulation, adaptation

Expatriate elites and sub-elites have several mechanisms for ensuring durable inequalities endure in the Cayman Islands. Caymanians and expatriates both use opportunity hoarding as a mechanism to lock inequality into place making it durable. Sub-elite expatriates and sub-elite Caymanians are complicit in unequal measure. Sub-elite expatriates use access to professional associations, educational barriers, employment barriers, and social barrier to dominate the Cayman Islands with an industry that is based on imported expertise, labour, and business. Few of the benefits stay in

Cayman. Caymanians themselves use citizenship as a form of opportunity hoarding which enables them to reserve the right to vote for political representation, thus controlling immigration and infrastructural development.

Caymanians and their supporters counter these durable inequalities through counter-claims using the same language of claims made by elites and sub-elites. Their language of claims operate through legal forums, political forums, and regulatory forums (immigration). Unfortunately, this puts Caymanians in a binding disadvantage, as they must use the language of the elite. As a result, they in turn reinforce what institutional ethnographer Dorothy Smith refer to as “boss texts” which “are texts that are authorized through some definite institutional procedure so that the actions they in turn authorize can be treated as acts of the institution or corporate body or of institutionally designated individuals (nurses for example). There are layers and layers of them” (Presentation, Dorothy Smith, Simon Fraser University, Sep 19, 2012). This means that Caymanians are reinforcing the rhetorical powers of elites by privileging their language. This forms part of the cyclical nature of durable inequality – Exploitation, opportunity hoarding, emulation, and adaptation— especially with reference to the latter two mechanisms.

Furthermore, there is an anxiety amongst expatriates and Caymanians over power, control, and ability to generate wealth in the Cayman Islands. In the words of a critical Caymanian scholar “If you take away the ability to make money in Cayman, then expatriates and Caymanians have nothing in common” (Bodden, personal interview, Jan 15, 2014). These perspectives, held by the Caymanian nationalists and expatriate internationalists, are often reconciled in their differences through economic wealth-generation schemes that largely propagate in the financial industry. The prioritization of passing laws that benefit the financial industry is often rationalized by Caymanians as a way to ensure their Island remains competitive amongst OFCs in order to remain economically viable. This form of rationalization, has become what Tilly calls “emulation” and “adaptation” which he explain “rely on opportunity hoarding by regional elites and cultural brokers to sustain systems of indirect rule” (*Durable Inequality*, p. 175). Furthermore:

Emulation not only lowers the costs of established organizational divisions below those of their theoretical alternatives but also provides the illusion of ubiquity,

therefore of inevitability. Adaptation articulates unequal organizational arrangements with valued adjacent and overlapping social routines so that the costs of moving to theoretically available alternatives rise prohibitively. (*Durable Inequality*, p. 191)

Since the boom of the financial industry in the 1960s indigenous Caymanians have begun to emulate and adapt to the values and priorities of their industry's professionals often blurring the lines between what is best for its citizens and what is best for their economy. Somehow, what is best for their economy has become what is best for their citizens and it is seen through political rhetoric such as when former politician "Randal" advised me that his unpopularity in office was due to his refusal to accept bribes to advance business interests: "Don't go to Randal", they said, 'he's not 'business friendly" which is code for corrupt" (Personal interview, January 7, 2014).

7.3. Protection of whose interests?

Caymanian national interests are thinly veiled elite internationalist interests in the Cayman Islands. It is long-standing knowledge that non-Caymanian's may not own and operate a business that conducts business or trade in the Cayman Islands without a Caymanian partner (Cayman New Resident, *Legal requirements for establishing a business*). While this ensures a preferred and secured form of economic wealth generation for Caymanians, this protectionist policy is limited to businesses who generate income from trade on-island, i.e. a local economy (restaurants, retailers, ect). The implied nature of a tax haven is that it exists as an escape for international individuals and entities. The primary function of the offshore financial industry is to assist international corporations and individuals therefore, the financial industry operates in the Cayman Islands as a corporation exempt of the rules requiring a Caymanian partner. The majority of the financial industry does not conduct business with anyone in the Cayman Islands and are therefore exempt from many of the regulatory burdens of conducting business on-island. They benefit twofold: 1) Escaping regulation from the place they may conduct their business (London for example) because they are domiciled in the Cayman Islands, and 2) Escape regulatory scrutiny locally in the Cayman Islands because none of their business and trade exists with customers on-island, nor are they

competing with local Caymanian-owned business operators. This relates to the hard work of sub-elites who ensure the efficient operation of the Cayman Islands and the systems of financial flows around the world for the mutual funds industry, trust structures, and special purpose vehicles. This can be seen as recently as 2014 where regulatory changes to the Caymanian partnership rule has been amended, “changes which are market and investor driven and which seek to maintain the Cayman Islands as the leading jurisdiction for the formation of private equity and other investment funds”(Butler et. al., 2014).

7.4. Concluding remarks

The experience of expatriates and Caymanians in the Cayman Islands is separate yet deeply related. Some where after the 1950's [to 2014,] the framing and stereotyping of Caymanians have changed and gradually undermined Caymanians' work reputations in social and political systems thus putting more emphasis on imported management, imported ideologies and values, and imported development. That change in expatriate discourse from 'hardworking' to 'lazy and entitled', coupled with a lack of opportunities for professional advancement in the Cayman Islands workforce, and lack of strong educational opportunities and training, have undermined Caymanians' ability to have a conversation or debate with the international financial community. Finally, despite local expatriate claims, Caymanian culture continues to evolve as strong but insular, and is separate and distinct from the views and practices of the financial industry. Caymanians are, however, complicit in the continuous development of the financial industry and its values, but this involvement is due to a complex history of exploitation, opportunity hoarding, emulation and adaptation.

There is one final observation that I made during my fieldwork in the Cayman Islands and it speaks to the fungible nature of capital and the vulnerability of places like the Cayman Islands, as it has become what Shaxson and Christensen (2013) call “finance cursed”, meaning too heavily reliant on one industry. There is a fundamental belief among the sub-elites of the financial industry in the Cayman Islands that they have to accept tax and regulatory competition but only if it is legal. If international regulatory

bodies, other governments, and civil society organizations are to challenge this belief, they will have to address it through making systemic changes through the financial system as a whole. The Cayman Islands was built on the expertise and work of the sub-elites of the world, and funded by the elites and oligarchs of the world. World-class legislation is not written in the Cayman Islands, according to my interviews of sub-elite professionals in the Cayman Islands. Knowledge and expertise are drawn from other sub-elites in financial hubs such as London, Singapore, and New York. The Cayman Islands only serves as the 'paper' domicile. The Cayman Islands interests are not represented by Caymanians in international forums. As several junior and senior expatriate professionals I interviewed in the financial industry informed me, "The brains are in London, Singapore, Hong Kong, and New York. The ideas are formed and constructed abroad and the paperwork is sent to the Cayman Islands to be signed" (Personal communication, January 15, 2014). The debates and criticisms surrounding the Cayman Islands (at least those seen in media) occur between the OECD, the Cayman Islands Government, and the specialists who set the agenda (Cayman Islands regulators, law firms/accounting firms who service external elites and local business elites). The debates in media do not involve the Caymanian people or even the sub-elite expatriates.

Despite having explored the Cayman Islands context, I have scratched only the easily identifiable surface of relations amongst Caymanians and expatriates, and even less on indigenous and expatriate relations. This study should not be limited in its scope to only offshore financial centres and its effect on indigenous populations however, it should be on any dominating power either through its dominant industry, social-fabric, or professional networks, and it would be beneficial to look to sub-elites for clues. The theoretical contribution of this thesis endeavored to study the power relations of the Cayman Islands locally and internationally but power relations exist outside of OFCs. While I studied the relationship between a subordinate nation to its ruling power by looking at the interactions between expatriates and the indigenous population in the Cayman Islands, Canada (my own nation) can draw from this study for its own benefit. This thesis assists with an alternative analysis of Caribbean British Overseas Territories dominated by an externally run financial industry, but it also contributes to the understanding of how indigenous populations use the language of dominant powers to

fight back rhetorically through use of the legal and political rhetoric to assert its identity and regain some powers. Canadians and their own relationship with their indigenous population have been studied in detail by much of the world yet of the scholarly literature on Canada or by Canadians I have reviewed no link has yet been made between anthropology and tax in the Canadian context. I have found Dara Culhane's *The pleasure of the Crown: anthropology, law and First Nations* (1998) an excellent starter to that conversation and I see a great deal potential for the extension of this type of relationship and this site of research to mutually benefit both the study of the fiscal anthropology of tax and its relation to the people of the host-population.

My research ends with an overarching lesson that it is not always the 'truth' that we are looking for as anthropologists or sociologists. The Cayman Islands, more specifically, my Cayman Islands experience, has taught me that what unfortunately might matter more is the strength and persistence of the stories we come across, because they endure over time. This is why critical historical analysis is important, especially in a place like the Cayman Islands where there are limited recorded histories. Maurer describes in his work in the BVI context where what matters to him is how "stories fit into the wider discourse on work and immigration through which BVI Islanders and others assess "the immigration situation" and its impact on BVI." (1997b, p. 158). My literature review, ethnographic research and analysis found that local and global perspectives on the Cayman Islands have almost always been disconnected from one another. It is as if we are listening to two different and separate stories: one of the antagonistic tax haven and another of the indigenous Caymanian's local struggle for autonomy in social, political and economic independence. One of those two stories is drowned out by much sexier stories of tax havens, offshore wealth and illicit financial flows. It is only by attaching themselves to that sexier story that the people of Cayman Islands are able to carve a much more prominent and prestigious identity in the world. With that affiliation however, comes an upstream battle to assert itself as distinct from the values of its financial industry, whose only connection to Caymanian culture is that it shares the same warm convenient geographic locale and nothing else.

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Appendix A.

Methodology

Ethics

Research ethics approval was obtained in full from the Research Ethics Board from the Simon Fraser University August 13, 2013 under file number 2013s0462.

Preliminary work

Preliminary preparation work included a literature review of elite ethnography research methods however no available publications for ethnography in tax havens or offshore financial centers were found through my literature review. Much of the preparation was done through reading for personal development in listening, notetaking, interviewing and other soft-skills required to interact with high-ranking professionals in the financial industry.

Fieldwork

Fieldwork was conducted between September 2013-September 2014 in Grand Cayman, Cayman Islands. Access to field site was extremely difficult due to the high-cost of living and limited time restriction for “visitors” to the island. In order to stay for longer than the allowable 3-month/year limit, I had to obtain a work-permit as a Visiting Faculty Researcher through the University College of the Cayman Islands in order to continue my research. I am very grateful for the assistance from the University College staff and faculty for their feedback to my work.

Sample interview questions for unstructured/semi-structured interviews

1. Where were you originally born and where did you grow up?
2. What industry are you in?
3. What are your reasons for residing here?
4. What were the series of events that led you to move here?

5. How would you describe your quality of life here?
6. Can you describe your interpretation of the social, political, and economic histories of the island and how it's shaped the Cayman Islands?
7. How do you feel the values of this island are imported?
8. Do you see the values of other nations or ideologies perpetuated on this island more strongly than others?
9. If you were not satisfied with your government's administration policy, how would you go about changing it?
10. Do you feel there are justifiable reasons for particular forms of protest that may border on or even be disobedient? If so, what are the parameters?
11. Do you feel some rules or laws are softer in terms of following them and enforcement? Could you give examples?
12. Have your personal values on earning money and paying taxes changed since you've moved to Grand Cayman?
13. Have any other personal values changed?

Appendix B.

Ordinary expat musings in Cayman and durable inequality

The purpose of this Appendix is to sketch out a series of passing conversations encountered amongst the expatriate community in Grand Cayman. What follows are vignettes of ordinary conversations amongst expats. Most of them were between the ages of 25 to 45. These conversations were held in public spaces, at restaurants, at corporate social functions, at the beach and at the bar. They are mundane, normative, and intersubjective observations that could be made by large proportions of the expat community in Grand Cayman. The vignettes sample across a variety of everyday social norms socialization routines. One persistent observation were the strong opinions that formed through discussions of Caymanian citizenship, work-permits, and immigration. Because approximately half of the islands total population is based on foreign workers, the work permit is a common linkage amongst residents of the Cayman Islands therefore a source of consternation. Topics surrounding citizenship and immigration are a defining feature of the Cayman Islands social and discussion networks. These networks are also frequently preceded by layers of complexity that act as concurrent undercurrents in the social system surrounding racism, colonialism, post-colonialism, libertarianism and power.

Field note 1: Homelessness

During my interviews and informal conversations with locals and expats, I make it a point pose the following question: “Is there homelessness in Cayman?” It helps me two fold. First of all, I can gauge the level of interest the person has in local, social and community matters. If they have some interest in social issues and cannot answer to it, they generally move on to another social issue they are more familiar with and can speak to it. And if they have little interest, they give me a preconceived response that has been perpetuated in expatriate circles with little critical consideration. The second benefit of posing this question is how it enables me to observe how the person rationalizes the presence or absence of homelessness in the Cayman Islands. The response from expats was consistent and pervasive: Homelessness was minimal or did not really exist. According to many responses I received in these informal chats the consensus was that non-Caymanians did

not have the opportunity to become homeless because immigration would ship them back to their home-country. Furthermore, Caymanian homelessness was either minimal or probably existed in other areas but not in their neighbourhood (such as on Seven Mile Beach). This 'out of sight and out of mind' mentality permeated throughout the conversations I had with expats.

For example, many of the expats I spoke to were either living or passing through the Seven Mile Beach area. This area hosts the largest and most luxurious multi-million dollar condo developments on the beach including five star hotel resorts. On Seven Mile Beach, many expats informed me they could count the homeless population to two people (possibly a third) but "even they likely have homes", according to the responses from locals and expats in passing conversation. The most popular homeless man "Kirky", is a defining feature on the Seven Mile Beach strip. Many people, usually intoxicated, like to take photos with him late at night after the bars, boast about it, and even post photos with him on social media. A quick Google search with the terms "Kirky" and "Cayman" will yield multiple YouTube videos and photos. It is clear that "Kirky" suffers from substance and/or mental health issues and can be seen along the Seven Mile strip with alcohol. It is not uncommon for locals and tourists to purchase alcohol or food for him in an effort to 'help him out'. I have been told by several Caymanians that he has family on-island who have attempted to intervene and "clean him up" once in a while: "they pick him up, clean him up, give him a shave and a haircut and he looks like a normal person"(Personal communication, Aug 18, 2013).

Field note 2: "I feel so free here"

I was having dinner with a group of expats and the popular topic of where-to-go-on-a-weeknight came up. One expat suggested a bar on Seven Mile Beach: "There is Elements nightclub, it has this all-you-can drink thing. Five dollar drinks on Wednesday nights and then up by fifty cents every half-hour. I love that they can promote irresponsible drinking here. I feel so free here!" I raised a disapproving eyebrow to that last comment which elicited a quick defense: "They have the same thing in Japan where you pay a set amount at a set time and drink all you can. It's terrible" (Personal communication, September 13, 2013). One of the other pervasive habits I've observed here is the frequency and overt

displays of drinking and driving. It is not uncommon for one to see an extremely drunk individual stumble into their vehicle to drive home. I know of at least two individuals who have put their passengers and own lives in danger in favour of convenience over respect for life. Both individuals suffered mild to moderate injuries and several thousands of dollars in vehicle damage (not including infrastructural damage to the medians or poles they collided into). There is an element of lawlessness that permeates through the Cayman Islands and is what Bodden frequently terms as “frontier society” mentality (Bodden, 2007). It has a small town feel with respect to local laws because locals do generally have free reign to do whatever they wish so as long as it is ‘within reason’ – I will explore the boundaries of ‘within reason’ in the next chapter. Cars may be parked anywhere on the street on either side of the street facing either direction. Alcohol can be seen consumed on the beach however laws prohibit it unless purchased from a resort hotel. Quite a few rules are bent and have the ability to be bent in Cayman.

Field note 3: Immigration

On another occasion a group of expats and I struck up a conversation with a Canadian waiter surrounding work permits. Our waiter informed us he had been in Cayman for nineteen years. He left the island for 6 months and because it was 20 days more than the allowed limit, he was not eligible to apply for permanent residency. I asked an expat ‘Richard’ about it afterwards and he informed me that:

the laws are currently changing, the issue is all over the radio, and that it is under a great deal of national scrutiny because it basically makes it prohibitive for you to naturalize if you don’t have money, and it’s under scrutiny right now because it basically violates international laws. (Personal communication, September 26, 2013)

Field note 4: Racism in passing

On another occasion, I was attending a celebratory Sunday brunch for an expats birthday and was in the company of American, British and Canadian expats. Brunch is a huge affair in Grand Cayman as there is not a lot to do on Sundays since stores, including grocers, are closed. I noted other celebrations adjacent to our tables such as baby showers and bridal showers. The 3-hour champagne brunch with unlimited champagne cost about

\$75 USD and was quite a fanciful affair with everyone dressing up in their Sunday best. What was frightening about this particular occasion was the conversations that ensued amongst these friends who were making horribly racist remarks which was unbearable to hear. Much like complains you hear complaints about bad drivers or neighbours, the same type of narrative was switched over to complaints about cultures and nationalities. I vowed to find my own friends at this point. (Personal communication, September 30, 2013)

Field note 5: Racism and colonialism as light table humour

During another dinner, told a group of people how I felt terrible and had to take a long nap after having lunch at the hot food buffet of the local grocery store. They all looked at me in horror telling me never to eat there! 'Richard' exclaimed, "When you see a bunch of Jamaicans lining up for a place, you should never eat there!" 'Donald' chided with him and jokingly referred to him as racist in which 'Richard' corrected him candidly "If I said black I would be racist." (Personal communication, September 30, 2013)

Field note 6: Face of government is just a farce

I talked to 'Richard' about my research and how I was to focus on how the people in Cayman get along, especially between expats and locals. He said "you'd be surprised to find out that Cayman gets along surprisingly well. You have to wonder how the former Premier was able to come into power with only a high school education and how Cayman was still successfully run." He was alluding to the fact that irrespective of who is the 'face' of government, it is managed by non-governmental forces.

Field note 7: On patriarchy "I guess we'll have to get used to it. Maybe they think we're the oddballs!"

I spoke to the wife of a British expat and her mom one afternoon. They were complaining about how they had to adjust to the chauvinistic attitude of the island. They tried to get insurance and the agent would not take them seriously. When bills arrive, they always go to the male. I have observed this frequently as well. I asked what they were going to do about it to which they responded: "I guess we'll have to get used to it. Maybe they think we're the oddballs" (Personal communication, November 20, 2013). Laws, customs

and culture of the island is geared towards patriarchy. What is more, there appears to be general acceptance of these customs with reference to patriarchy as more of a day-to-day nuisance rather than a legitimate human rights violation.

In a separate discussion with a sexual health worker, the topic of abortions came up, she mentioned it was only in the last decade that teenage pregnancy was accepted in high schools and young women were finally permitted to stay and complete their studies:

It's always girls that were shamed up until several years ago you were kicked out of public school. But because of human rights components, girls can stay in school. It's a hypocritical stance. It ignores the fact that we have a young parents program. (Interview with Youth Workers, January 29, 2013).

Furthermore, the youth worker informed me it was only recently that abortions were permitted without the consent of the female's father, father of the child or male-partner.

Field note 8: Local media is influential in day-to-day knowledge

During a dinner party, an entomologist mentioned how the newspaper had published an article misconstruing a twenty-year-old bill that had yet to be passed. The article, which was published in the local newspaper, was based on un-checked facts on protecting bugs over private property (Cayman Compass, "Protect Caymanians – not bugs slugs and scorpions"). The day after the publication and the ensuing public debate over radio and in the public sphere in general, a frenzy of negative responses to the bill came out. The entomologist who volunteers for the National Trust, a governmentally funded organization designed to protect historical sites, described the public reaction to her:

This article came out in the news the other day and that I was at the grocery store and when I went to the cashiers, who had the paper in their hands, they were telling me "you should just leave, what makes you think you can tell us what's important on the island?" I hadn't a clue what they were talking about and they wouldn't even serve me, so she had to walk over to the next cashier. Then I got on the local bus and the bus driver was giving me a hard time in front of all the passengers about sticking my nose into Caymanians' business. Eventually I grabbed a copy of the day's paper and found out a reporter published an article, without research, onto an old bill that hadn't been passed in 20 years that would give the department of environment ability to protect lands. But it was to protect lands already owned by the

government. People were freaking out because the news article misconstrued it telling them property owners wouldn't be able to develop their land if they found endangered insects on the land. Having bug tattoos all over my arm and a bug t-shirt, they immediately assumed it was my doing.

This kind of reaction is not unusual. Something is published in advance of critical or any research and public debate ensues immediately after. The public can be poorly misinformed by local media yet they have a blind trust by many readers. Despite many critics who are aware of the quality of the media systems in Cayman and jokingly refer to it as “yesterdays news tomorrow”, local reaction to the news cannot be ignored. The entomologist and I discussed this topic further because a person we knew had recently been hired to publish articles on car maintenance and horoscopes in a local paper. She had admitted to the entomologist that she had no knowledge on cars or horoscopes.

Field note 9: The employer holds the power

‘John 2’ had to fire someone today because he wasn’t meeting work expectations. The worker, who was making a premium salary in excess of \$200,000 USD, wanted a raise but ‘John 2’ felt he was overpaid. After a long discussion with the worker and careful thought over the weekend, he was terminated immediately and had 2 weeks to leave the island. ‘John 2’ was distraught as he realized these jobs have real consequences. People uproot their lives and move to Cayman, some even giving up their hard earned green cards from the US without an assurance of returning. Some even bring families and buy homes here. Terminating employment gives the employee two weeks to pack up their bags and leave the island, they have the possibility of extending their stay with a visitor permit however it is only a temporary respite from reality of being deported. Leaving the island is easier for some citizens but what about those who come from countries experiencing violence, political instability and little chance of success? What are the recourse actions for employees who are terminated unfairly? Are laws generally in favour of employers on the island? How do non-Caymanians bring up HR issues or fairness issues to an unsympathetic immigration or labour board? Is there even a labour board in Cayman? (Jan 20, 2014). As I have posed this question to several people, it has been generally accepted that very little can be done for employee recourse after termination. It is costly and in favour of the

employer who pays for the work permit of the employee which can range from a few thousand to over ten thousand dollars per year.

Field note 10: First world here, third world there

I had a staff meeting at the local university college and met with an environmental instructor. There was a remark at the staff meeting about 10 million given to the turtle farm last year to improve its touristic value. External international regulatory bodies have failed the turtle farm for poor care of turtles in captivity. The turtle farm recently underwent a 53 million upgrade. The local university gets 2-3 million a year and is suffering. According to the instructor, the world is angry at Caymans environmental policies who has only recently has passed its environmental and conservation laws. As this instructor put it: "its interesting to see a first rate country with third world environmental policies"(personal communication, January 22, 2014). The instructor also highlighted the fact that the Cayman Islands are subsidizing the cost of eating an endangered species, which traditionally was consumed by Caymanians and is offered at the turtle farm for consumption. The instructor commented on how this was the only place in the world where the government subsidizes the cost of consuming an endangered species allows that:

Of course there are students here whose grandparents still have a tradition of eating turtle for holidays but when that generation phases out, it will be interesting to see the conversation of this as it is not a tradition practiced anymore by newer generations who "want hamburgers and Wendys frosties" (Personal communication, Jan 22, 2014)

Field note 11: Racial blame game is universal and consumption tax is widely supported

Went to a social event and talked to a Dutch expat who moved here six months ago. Blamed the system in Holland and influx of Turks and especially. Morrocans who were exploiting system in Holland. He said no one had a problem with paying taxes but when they saw how benefits were being exploited by others, they felt frustrated. He suggested consumption tax (common) as he says when he purchases something here, he sees where his money is going. Says he needs \$300,000 USD to live here with wife and 3 kids (4th on the way) and how they all need to be in private school.

Field note 12: [We require these certifications] “to keep Caymanians out!”

Talked to an accountant who works at a bank as a risk manager. He has lived here for about thirteen years. We discussed the workforce in the bank and skill certifications. I don't quite remember what in particular we were talking about but the topic of different certifications came up such as for designations as a Chartered Accountant (CA), Certified General Accountant (CGA) and Certified Management Accountant (CMA). At one point, he attempted to make a joke about employment in the Cayman Islands and in order to make his point, he theatrically looked around to make sure no one was listening and whispered “to keep Caymanians out”. He was referring to accounting firms with designations for CA, CGA, CMA, ect and how it was common knowledge that these designations were used to keep Caymanians out and to ensure expats had a secure position on the island. I threw up in my mouth a little. (Personal Communication, Jan 25, 2014)