Islands in the Net: Rewiring Technological and Financial Circuits in the “Offshore” Caribbean*

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technology and international politics, Daniel Headrick (1990) focuses on the institutional actors and organizations that “mediate between the machines and society” (1990:9). Headrick’s book is a deeply liberal argument for the possibility of peace in a world racked by conflict. It is a call for a more open world society based on transparency rather than secrecy. Telecommunications, Headrick argues, despite their deployment for imperialist ventures and warfare throughout the period he examines (1851–1945), still contain the promise of bringing people together and bridging differences. As he writes in his concluding paragraph, “In the age of information, less secrecy may well mean less fear of sudden surprises, and therefore more security. Perhaps it is not too late to hope, as Ferdinand de Lesseps did a century ago, that ‘men, by knowing one another, will finally cease fighting.’” (Headrick 1990:274). Lesseps, the builder of the Suez Canal, also makes an appearance at the beginning of Headrick’s text. He exemplifies what Headrick calls “raptures” over “the marvels of technology that gave humans such power over nature [and] the optimistic faith that this power was a blessing for mankind” (Headrick 1990:3). As Lesseps declared, “All these enterprises of universal interest . . . have an identical goal” (ibid.).

Headrick emphasizes that his endeavor is “not a search for causes or consequences” (1990:9), but rather a corrective to studies that would posit technological change as an independent variable in historical process. He emphasizes that the relationship between telecommunications and power, and “the consequences of that power, are anything but predictable” (1990:3). Although his is a tale of unpredictable outcomes, however, his liberal framework precludes any account other than one of teleological functionalism. Headrick accepts as given certain relationships between significant actors and important places, and seems to gauge significance in terms of a progressivist historical plot line. Take the following passage—one central to the argument of this essay. Headrick writes:

In comparison to the Eastern group [the Eastern and Eastern Extension Telegraph Companies], the history of the other British cable companies is singularly uninspiring. Three small firms served the Caribbean: the West India and Panama Telegraph Company, the Cuba Submarine Telegraph Company, and the Halifax and Bermudas Cable Company. They made few profits because traffic was poor, while their cables, resting on coral beds, needed constant repairs. (Headrick 1990:37).

What happens when, like Laura in Sterling’s novel, we tug a little bit at the cables wiring the West Indies, those with “singularly uninspiring” histories? These rotting and relatively unused Caribbean cables can tell different tales if we listen to the messages they carried. For Headrick, a cable’s importance is measured in terms of the political changes wrought by technology. The Caribbean cables simply do not measure up. But Headrick’s effort to wire political histories into technological histories, and to explore unintended pathways and circuits thereby activated, suggests another way to tap into these cables. In
this paper, I throw light on the conjuncture between telecommunications and politics in order to expose an unintended consequence of the laying of cables in the Caribbean: the creation of the offshore financial services industry, or “tax haven” economy, currently underwriting the state budgets of several Caribbean countries and dependencies.

Tax havens are places which offer international investors and other clients certain specialized services—investment vehicles, corporate structures, or taxation regimes—that these clients see as less onerous or less restrictive than those available in their home countries or in other “onshore” investment sites (see Hampton 1996a; 1996b; Hampton and Christensen 1999; Hudson 1998a; 1998b; Maurer 1995b; 1997a; 1997b; 1997b; Roberts 1994a; 1994b). Ultimately, any jurisdiction can serve as a tax haven for someone who works in another jurisdiction that levies higher taxes or has stricter banking or corporation laws. Most self-styled tax havens, however, are small states, or territories with ambiguous jurisdictional status, that possess few resources and/or a small labor force, and that opt, usually for economic reasons, to put into place the legal requirements for offshore finance. Scholars of offshore finance trace the phenomenon to the flexibilization of finance and production in the 1970s, which they view as having been a response to the oil price rise and the end of the dollar’s convertibility into gold. During the late 1970s and through the 1990s, the world’s financial markets underwent competitive deregulation, as countries sought to capture newly-mobile capital and as industries sought to diversify the sources of production by moving offshore. Flexible finance went hand-in-hand with new post-Fordist production strategies, such as niche marketing and just-in-time production, since liberalized financial arrangements allowed multinationals to move assets to offshore facilities, and back onshore again, quickly and easily (Harvey 1990).

As it turns out, chief among these offshore centers were places that had been nodes in the networks of the telecommunications corporate giant, Cable and Wireless: Bermuda, the British Virgin Islands, the Turks and Caicos Islands, Hong Kong, and Singapore (see Maurer 1995b). In putting the Caribbean at the forefront of advances in communications technology, Cable and Wireless also enabled the region to emerge as a key site for the transfer and translation of information, specifically, financial information. The technology necessary for electronic funds transfer—FAX machines and satellite communications—was already in place in the region’s reliable and high-tech digital communications system. Bermuda, a key transfer-point for telecom data between the United States, the United Kingdom, the Far East, and the Caribbean, became a key transfer-point for capital as well. Tortola, in the British Virgin Islands, and the Caribbean Operations Center for Cable and Wireless’s microwave telephone system, had the technical apparatus and expertise in place to become a tax haven in 1984. It now handles financial transactions linking Europe with Hong Kong, Singapore, Malaysia, and Indonesia.
There are similarities in the way histories of technologies and histories of finance get written, and there are connections between them. Headrick addresses his book to other histories of technology that tell tales of technical necessity, spontaneous invention, and clear and progressive development. Histories of finance make the same moves as those Headrick criticizes, and usually begin with stories about technological advance. One prominent scholar of financial globalization argues that the “core” of changes in the global economy, “catalyzing and accelerating other changes, has been technological change in finance in general and in the transnational financial services sector in particular” (Cerny 1994:320–21). Even when they do not locate technological change at the base of their narratives of transformation, however, scholars of finance almost without exception write stories of inevitability: capital needed to get faster or more mobile, and so it did, and the manner in which it did so logically followed from what went before. Such stories begin, not from technological change, but from money’s fungibility itself, which seems to pre-exist its appearance in any historical moment, and, in some accounts, seems to drive regulatory and technological change (Helleiner 1994).

There are few tales of disjuncture, discontinuity, changes in course or changes in overarching framework, however. Even scholars describing drastic transformations in the world financial system—which more often than not involved radical shifts in prevailing notions of finance, system, and world—chart teleological trajectories. They tell stories of creation, rise, fall, often followed by rebirth. Benjamin Cohen’s review essay of recent work on the international financial system is a good example of this kind of story, evidenced by its title alone: “Phoenix Risen: The Resurrection of Global Finance” (Cohen 1996). Barry Eichengreen, one of the foremost scholars of international finance, begins his history of the world financial system with a summary paragraph that relies on a metaphor of continuity in spite of change. Using “capital mobility” to signpost different “periods” in his history, Eichengreen divides his book into four parts:

Before World War I, controls on international financial transactions were absent and international capital flows reached high levels. The interwar period saw the collapse of this system, the widespread imposition of capital controls, and the decline of international capital movements. The quarter-century following World War II was then marked by the progressive relaxation of controls and the gradual recovery of international financial flows. The latest period, starting with the 1970s, is again one of high capital mobility (Eichengreen 1996:3).

Eichengreen goes on to discuss “this U-shaped pattern traced over time by the level of international capital mobility” (ibid.).

I have three concerns with this approach to the history of finance. First, it assumes that the objects of capital and the process and practice of movement are comparable, if not identical, in the different “periods” these histories delineate. Such assumptions about objects and movements of capital depend on a narra-
tive in which the main players and motivations are kept constant throughout, rather than seen as disjunctive, incompatible, or even incommensurable with one another. Second, this approach to the history of finance is teleological, like the histories of technology Headrick wishes to disrupt but ends up reinforcing. This point is closely related to the first. Only if we accept as given the meanings and practices of capital mobility and the politics of technology can we trace out the sorts of histories offered by Eichengreen and Headrick. Eichengreen’s “U” is only a U if the second arm returns to the same level as the first or lines up with it in some meaningful and comprehensible way. My contention is that that “same place” can never be reached again once past, and that comprehension is never as common-sense as political economy might have it. Third, and perhaps most important, I believe that stories of the rise, fall, and return of international finance resonate with Western cosmological visions of other births, deaths, and resurrections (Derrida 1994). And participating in the raptures that have us looking to the resurrection tends to take the gaze away from other spectral forces in more immediate space-time.

I read Bruce Sterling’s novel after conducting fieldwork in the British Virgin Islands (BVI), an important offshore financial service center, and was struck by the uncanny resemblance between Sterling’s world and the world brought into being in the networks of offshore finance. My research focused on the legal preconditions and some cultural and political consequences of offshore finance, not the least of which involve surveillance, control, and new exclusionary politics. The irony of the BVI’s success in international financial markets is that, as the territory—a British dependency—became ever more tightly stitched-in to global capitalism, its citizens and leaders proffered increasingly exclusionary and parochial notions of belonging and identity, cutting off over fifty percent of the population born to immigrant parents who are now legally “deemed not to belong” (Maurer 1995a; 1997a). More and more “in the net,” the BVI nonetheless has stressed it is “an island,” and has worked to maintain an image of standing separate and apart from the rest of the Caribbean. Other Caribbean leaders, attempting to duplicate the BVI’s success, similarly adopt exclusionary talk and work toward political fragmentation. In the spring of 1997, for instance, the island of Nevis, part of the two-island commonwealth of St. Kitts-Nevis, attempted to secede in order to build a separate and “unique” image for itself in the world of financial services (Maurer 1997b).3

I offer here a reading of three sets of material, from three different historical conjunctures, in an effort to demonstrate the difference between the left and right arms of Eichengreen’s U and to chart a different story of technology and finance. I examine official histories and promotional materials of Cable and Wireless and its corporate progenitors (cf. Hopwood 1996; Preston, Wright and Young 1996); political tracts and government documents of Caribbean policy-makers; and marketing materials for the region’s offshore finance sector. I read these sets of material as parts of cultural wholes in these three different
conjunctures, and make no effort to trace lineages, relations, or connections across them. I do so, in part, because of my fear of thereby replicating a standard teleological tale of progress and predetermined outcomes, and because of my skepticism of the specific sort of genealogical logic such a tracing would endorse—a logic less like the Foucauldian variety, more like the naturalized “kinship” variety (cf. Strathern 1992) which takes for granted certain notions of “relationship” and of the objects or entities so related.4

Late-nineteenth-century colonial officials in the Caribbean, together with promoters of cable connections, crafted a politics and a technology of Empire as a universal vision and god’s-eye—or ear—perspective on the peoples of the world. Mid-twentieth-century Caribbean nationalists invoked machine metaphors of state and society that they borrowed from cybernetic and organizational systems theory, and imported emerging development discourses on health, hygiene and modernity—imports that came along with new radiotelephones and new submarine cable links. Late twentieth-century leaders, some marketing their territories as financial service centers, currently author national and financial narratives in the same strokes, creating national and salable identities in the pages of investment publications. Cable and Wireless (West Indies), Ltd., has become a “partner” in these endeavors.5

I hope to make a case here for a more complex reading of the interconnection of information technologies and finance in the world economy, and also to make a point about the place of political sovereignty in debates about globalization (McMichael 1996; Appadurai 1996; Hannerz 1996; Lash and Urry 1994; Featherstone, Lash and Robertson 1995). Many scholars argue that the world of mobile capital, flexible currencies, and new population movements has rendered national governments unable to control national economies, and that this fact holds profound implications for the future of national sovereignty (e.g., Ruggie 1993; Cox 1992; Wriston 1992; Sassen 1997). Others point out that, while the power of nation-states to control markets and borders may be weaker than in the past, states still retain great power to regulate and define activities inside and outside of their borders, and international forums still draw from and empower state-based notions of sovereignty (e.g., Helleiner 1994; 1996; Griswold 1995; Sobel 1994; Henwood 1996).

As I argue in the conclusion to this essay, the sovereignty sub-plot of the financial and technological globalization stories also depends on a teleological functionalism. In these stories, accounts of the creation, rise, fall, and rebirth of finance and technology often imply the creation, rise, fall, and rebirth of the sovereign nation-state. Technology and finance either help states “gain control” or “lose control” of their populations, borders, economies, and so forth (see Sassen 1996). Both sides of the debate over sovereignty in this literature depend upon a crucial, unstated assumption: that people caught up in global changes actually care about the future of sovereignty, or operate as if the world were one where sovereignty mattered, one way or the other. Caribbean leaders
involved in offshore finance, for instance, seem more interested in the possibility of playing the system, “hacking” the net, as it were, than asserting national sovereignty. In the BV I, leaders are more concerned to create an image of the territory that appeals to investors than they are to end the territory’s colonial status. As long as jurisdictions have the ability to craft their own financial legislation, political sovereignty is beside the point of creating marketable “niches” for international financial markets. When, and under what circumstances, then, does “sovereignty” matter, and to whom? What are the limitations and advantages of “sovereignty” discourses, and what other sorts of claims do people, like British Virgin Islanders caught up in the net of telecom and finance, put forward as they envision their futures (see Maurer 1997b)?

**Wiring the Planet: From Colonial Communication to Flexible Federations**

Everything that has occurred in Silicon Valley in the last couple of decades also occurred in the 1850s. Anyone who thinks that wild-ass high tech venture capitalism is a late-20th-century California phenomenon needs to read about the maniacs who built the first transatlantic cable projects. (Stephenson 1997:98).

The history of the laying of telegraph and, later, telephone, cables in the West Indies provides a pathway into writing the genealogy of financial services in the region, and significantly disrupts the irony (or Eighengreenian U) offered by cyberpunk science fiction author Neal Stephenson. The story here is not a return of the repressed but a deflection and unpredictable change of course. Places that became key nodes in the cable network, peculiarly stitched into the Caribbean basin by their connections to the “outside,” and chosen for technological and geographical reasons that were themselves political decisions of corporate and technical actors, would later become offshore financial service centers. The story of the submarine cables themselves reveals a complex web of mercantile and imperial interests, in cotton, rubber, and colonial control, that coalesced in the formation of Cable and Wireless, Ltd. By the 1930s, Cable and Wireless had become the British Empire’s communications monopoly. Ironically, this company provided Britain with a sure means of global communication and command—a colonialist’s dream—just as the politics of empire were transforming into a politics of “commonwealth,” and the politics of command and control were giving way to a politics of “cooperation” and cosmopolitanism.

**Imperial Consolidation**

Historians of Cable and Wireless agree that Queen Victoria’s government was convinced of the need for an imperial cable system after the Indian Mutiny of 1856 (Baglehole 1969:1; Barty-King 1979:16). During that same year, plans had been made to lay overland cables through Turkey. Overland cables proved “unreliable,” (Baglehole 1969:1), in part because of the difficulties of securing
agreements with the Ottomans, raising necessary capital after the failure of the land lines in Egypt (Barty-King 1979:15), and colonial unrest (Baglehole 1969:1). As late as 1900, cable-cutting rebels continued to disrupt British engineers’ plans for a worldwide cable system, demonstrating that colonial subjects well understood, even if colonial engineers often did not, the deeply political and contested nature of telecommunications technology—that such technology provided a means for control, not just a means for communicating over long distances (see Fig. 1). Submarine cables provided an expedient solution, circumventing the possibility that colonial insurrections would get in the way of imperial communication and command. In 1858, as the British Government took over the affairs of the now-failed East India Company, the head of the British Board of Trade commissioned Charles Bright, a cable engineer who was later knighted, to produce a report on “The Establishment of Telegraphic Communication in the Mediterranean and with India,” which was published in 1859 (Barty-King 1979:16).
At the start, the British India interests dominated the communications industry. Bright, affiliated with the India Rubber Company (Baglehole 1969:5), and John Pender, a wealthy textile manufacturer with significant cotton interests in India (Barty-King 1979:5), proceeded together, in the second half of the nineteenth century, to consolidate cable links first to India, and then to the West Indies and the rest of Empire. Pender’s British India Submarine Company connected Bombay with Suez in the 1860s, while Bright laid cables in the Caribbean in the 1870s. Submarine cable manufacture became a booming business; “There can be no doubt that the most popular outlet now for commercial enterprise is to be found in the construction of submarine lines of telegraph,” wrote the London Times in 1869 (Barty-King 1979:29).

Bright connected Jamaica to Cuba, and Cuba to Florida in 1869, establishing the region’s first link to the U.S. mainland, and demonstrating another side to the mercantile politics of early telecommunications: Bright’s cables, bankrolled in part by the Siemens Brothers, linked U.S. investors with their business interests in Jamaica and Cuba. Bright’s second mission, in 1870 and 1871, further demonstrated the driving force of U.S. interests: rather than starting from Antigua, the political seat of the Leeward Islands Colony, or Jamaica, the most important British colony in the northern Caribbean, Bright began in Puerto Rico, linking San Juan to St. Thomas, St. Thomas to St. Kitts, and from St. Kitts to Antigua and on down the chain of the Windward Islands: Guadeloupe, Dominica, Martinique, St. Lucia, St. Vincent, Barbados, Grenada, and finally Trinidad. He also linked San Juan directly to Jamaica, and Jamaica to Colon, Panama. Trinidad was linked to Georgetown, Guyana, thus connecting the entire British Caribbean with the exception of British Honduras on the Central American coast. The decision to connect Jamaica to Panama, and not British Honduras, again represented a political-economic, not technological, call, due to British and U.S. agricultural and shipping interests in Panama. Bright’s cables enabled the formation of the West India and Panama Telegraph Company in 1869, and the Cuba Submarine Telegraph Company in 1870.7

More classically “political” concerns seem to have motivated the British Parliament to appoint a Royal Commission in 1884 to investigate the possibilities for a more direct cable-route from the British Caribbean to the seat of Empire. Messages carried by the West India and Panama Company from the Caribbean to Britain had to pass through the U.S. cable system to get to Newfoundland before being relayed to the U.K. The Royal Commission recommended a more direct cable route linking Halifax, Nova Scotia, to Bermuda, the British colonial outpost in the northern Atlantic. In 1889, the Halifax and Bermudas Telegraph Company was granted a twenty-year subsidy from the Crown to create it, and in 1890, the Governor of Bermuda sent his first telegraph to Queen Victoria. Another cable company, the Direct West India Cable Company, laid its own cables from Jamaica to the Turks and Caicos and from there to Bermuda, creating for the first time a “direct” link from the West Indies to Britain.8 Bermuda, thus, became a key node in the telecommunications network, a po-
sition it maintains today. The Turks and Caicos, also, became an important transfer-point in this emerging global network.

By the turn of the century, Parliament had become increasingly involved in the “private enterprise” of telegraph cable industries. The growing importance of cable communications for British military and commercial interests led even industry founders like Bright to begin to make noises for nationalization:

It may be safely averred that the railways, steamships and telegraphs are combinedly our [sic] most powerful weapon in the cause of Inter-Imperial Commerce . . . What has so far been done to foster trade between the scattered units of the Empire by direct, efficient and cheap telegraphic communication has been almost entirely due to private enterprise. Today the service is good but costly and imperially speaking incomplete . . . No government should be precluded from interfering with private enterprise where desirable in public interests in contradistinction to the interests of the shareholder (Bright 1911, qtd. in Barty-King 1979:113).

Meanwhile, the cable companies faced for the first time a serious competitor in the form of the Marconi wireless radio. The British Post Office offered the Marconi Company a contract to construct an “Imperial Wireless” telegraph system and in 1927 and 1928 the system provided service in Canada, Australia, India and South Africa. In the same years, the Pacific Cable Board, a submarine cable telegraphy company, suffered a revenue loss of 80,000 pounds. Dominion governments with heavy investments in both submarine cables and the businesses dependent on them (to say nothing of political administrations and militaries) called for the British government to protect their interests. An “Imperial Wireless and Cable Conference” was held in 1928, and was attended by representatives from across the empire, charged “[t]o examine the situation which has arisen as a result of the competition of the Beam Wireless with the Cable services, to report thereon, and to make recommendations with a view to a common policy being adopted by the various Governments concerned” (quoted in Barty-King 1979:15).

The Conference recommended a merger between the wireless and cable services, and the creation of an Imperial Communications Advisory Committee to oversee policy changes. The merged companies were to be British-controlled, and the British government assumed the right to take them over in the event of an emergency. The merged companies were to form a holding company, named Cables and Wireless, Ltd., and a communications company, named Imperial and International Communications, Ltd. Each was to have an identical board of directors, two of whom, including the chairman of the communications company, were to be approved by Parliament. The name of the communications company became Cable and Wireless, Ltd., in 1934, and it, and the companies that would become its subsidiaries, were restructured. The West India and Panama Company took over the assets of the Direct West India, Halifax and Bermudas, and Cuba Submarine Companies, and, in 1938, it changed its name to Cable and Wireless (West Indies), Ltd., to become the subsidiary of Cable and
Wireless, Ltd. that serves the West Indies to this day (see Baglehole 1969:15–19; Barty-King 1979:203–228).

At its formation as Imperial and International Communications, Ltd., the communications company adopted the phrase, “Via Imperial,” to describe its network of cable and wireless routes. Images of Roman goddesses girdled by coaxial cables, popular in the nineteenth century (Fig. 2), gave way to images of the globe, interconnected by the “thin, red lines” (Graves 1946) of cable and wireless routes. The frontispiece to Graves’s book of that title (Fig. 3), a history of Cable and Wireless during World War II, is illustrated with reproductions of the clock faces at Electra House, the company’s base of operations. The two clock faces represent the northern and southern hemispheres, from vantage points above the poles, and, as the caption indicates, can “show the time in any
part of the world.” The company’s main cable and wireless routes are represented with solid and dashed red lines, the lines that “constitute[e] the British Empire’s worldwide ‘Via Imperial’ network of 355,000 miles, including 155,000 nautical miles of submarine cable and nearly 150 wireless circuits.” The great “Via Imperial” is maintained by “10,000 men and women of 57 different races through some 200 stations and in 70 countries.” The gender and race markers convey the sense of an empire bridging differences in language and custom, standing above local concerns (and gender ideologies, perhaps), like the polar perspective employed on the clock-face maps. The Via Imperial is cast as the unifier of a multiethnic empire styled after the Roman Empire. Like the Roman Empire in the popular British imagination, the British Empire portrayed here stands outside of time and space: the viewer of the clocks can see all time itself, and can speak across vast distances in the flash of an electrical signal. Cable and Wireless enables and draws from a vision of empire as transcendent unity.

On the ground, however, this vision tripped up on its own interconnections. Caribbean political rhetorics during the time of Bright’s and Pender’s cable
ventures there focused on the incorporation of Caribbean peoples into Empire as a new kind of subject—specifically, as “British subjects” in their own right. But this incorporation got snared in understandings of race, class and production. The abolition of slavery from 1834–1838 left colonial administrators with the problem of what to call the newly-freed (Trouillot 1989:704). Trouillot documents the colonial debates over the so-called “ordeal of free labor” in the Caribbean, as planters and colonial officials sought to negotiate the emerging power of an increasingly independent “peasant-proprietor” class of people. Colonial officials gradually came to adopt the term “peasant” to characterize Caribbean peoples, in a complicated move to simultaneously recognize the new reality of Caribbean political life, and to attempt to reassert plantation agricultural regimes (Trouillot 1989; Lobdell 1988).

But these peasants were not merely cultivators. Many had begun a migration circuit that took them to sugar plantations in Cuba, the Dominican Republic and Puerto Rico, and to construction projects in Panama—a similar circuit to that traced by Bright’s submarine cables. Once abroad, these “peasants” acquired and asserted a strong sense of themselves as “British subjects”, demonstrating their participation in and strategic use of the universalist aspirations of British imperial consciousness. A historian of British West Indian migration to the Dominican Republic notes that West Indian migrants displayed “some conceit as [members] of the British Empire” (Bryan 1985:245). A commentator writing from Central America during the 1930s recorded “the big problem is the Jamaican Negro, proud of being a British subject. When the latter, with his ‘cocky’ attitude, is placed under the eye of a white boss from the south of the Mason and Dixon line, trouble is bound to ensue” (quoted by Bryan 1985:245; see Maurer 1997a:45–46).9

By the end of the nineteenth century, meanwhile, the Colonial Office reorganized local governance structures in the Caribbean colonies—an effort to plug these colonial governments more directly into the central switchboards of Empire. In part a cost-cutting measure, in part a response to the Morant Bay Rebellion in 1865 and other insurrections of newly-freed blacks,10 and in part a means both to support the local plantocracy (who feared a loss of their position if not their property and lives), and to keep them politically in check, Britain abolished the locally-constituted legislatures of most of its Caribbean possessions and instituted direct “Crown Colony” governance. Power was centralized in territorial Governors and Presidents who answered directly to the Crown (Knight 1990:281–282; Rogers 1970). Knight comments that Crown Colony governance “retarded political development in the West Indies by consistently denying the legitimacy of political organizations while elevating the opinions of selected individuals” and that, in “so doing, it narrowed rather than broadened the social base of political power” (Knight 1990:283).

Yes, and no. While Crown Colony governance was decidedly anti-democratic and may have served to delegitimate colonial governments, it also had an-
other effect. With governors as “direct representatives” of the Crown residing in Caribbean territories, Caribbean peoples may have begun to feel more like subjects of empire than forgotten peasantries or vassals of local elites. It is during this period, for instance, that British Virgin Islanders began to write petitions, grievances, and requests for aid and justice directly to their governor and in the name of the Crown, referring to themselves as “British subjects” and “His Majesty’s civilise [sic] people” (see Maurer 1997a:44–45). So while Knight is certainly correct to claim that Crown Colony governance narrowed the social base of political power in the classic democratic sense, still Crown Colony governance imparted a cultural politics of belonging to empire.

Education in the West Indies also imparted a sense of belonging to the British Empire (cf. Anderson 1983), but a paradoxical sense for those who would never truly become imperial subjects. At first an endeavor controlled by religious denominations like the Anglicans and Methodists, education gained Crown Colony support, and governments, rather than religious bodies, assumed near-total control in the early twentieth century. Public education has paradoxical effects. On the one hand, by keeping the curriculum resolutely British, colonial governments hoped to ensure a generation of “loyal” subjects who could assume positions in the local civil service and maintain imperial control. As C. L. R. James wrote, “When I left school I was an educated person, but I had educated myself into a member of the British middle class” (quoted in Knight 1990:286). The Colonial Office’s “Report of the Education Commissioners” for 1938 stresses the role of education for “the needs of daily life and citizenship” (Colonial Office 1939:27) and continues:

the able and intelligent craftsman (and craftsmanship is an ideal that applies to the desk, the field, and the running of the home as much as to the bench) is as good a kind of citizen as we can wish to produce, that it is his outlook, his thought and his language that we wish to impart and develop (Colonial Office 1939:28).

On the other hand, education helped to create “a cadre of leaders throughout the region [with a] strong sense of local identity and acute knowledge of English political institutions” and also helped to ignite “the ambitions of the local poor” (Knight 1990:286, 285; cf. Anderson 1983). Members of the urban poor and new elites lent their support to Fabian Society-influenced political reformers and millennial movement leaders. Creating loyal subjects ended up creating forceful opposition to imperial rule.

Intra-Caribbean migrations brought many West Indians both wage work and class consciousness. These, along with the internal reorganization of colonial governance in the late nineteenth century and new education programs and possibilities, all contributed to West Indians’ sense of themselves as British subjects. At the same time, however, these same processes worked to undermine that sense. Caribbean imperial subjects were never completely wired into the circuits of rule and subjecthood colonial planners constructed. The turn of the
century and the inter-war years disrupted Caribbean political and historical trajectories, as they did for empire more broadly.

**Commonwealth and Nationalization**

During World War II, when Japanese, German and Italian forces cut several key cables in the Cable and Wireless’s network, the British government chose not to exercise its right to take over the company, leaving it to the company’s wartime management to keep the cable and wireless services up and running throughout the war (Graves 1946). The fall of Singapore to the Japanese in 1942 seriously damaged communications in China, Australia and New Zealand (Baglehole 1969:25). Cable and Wireless found itself crucial to the war effort. At the same time, however, negotiations were underway radically to reshape the organization of the company, in line with a new philosophy of governance in the empire and a new vision of the economy. Sir Campbell Stuart, chairman of the Imperial Communications Advisory Committee, proposed seats on the committee for representatives from countries in which Cable and Wireless operated. The company resisted this, but in 1944, against its wishes, the new advisory committee met. Named the “Commonwealth Communications Council,” it investigated schemes for nationalizing communications companies in each commonwealth dominion, “each exercising complete individual sovereignty, the United Kingdom corporation being responsible for the upkeep of the strategic cables” (Baglehole 1969:25). As Barty-King explains:

> The concept of an imperial ‘chain’ of communications radiating from the ‘Mother Country,’ with a British company operating both ends, no longer appealed, and from now on each Dominion Government sought to establish its own direct communication with other members of what was now called the British Commonwealth of Nations (Barty-King 1979:223).

Spurred on by the threat of foreign, and especially U.S. wireless competition, and seeing a means of maintaining some degree of British control of communications technologies and routes in the Commonwealth by providing “technical assistance” to nationalized telecom companies, the Communications Council and the British government supported nationalization. Nationalization occurred in 1946 through the Cable and Wireless Act, and on 1 January 1997 Cable and Wireless shares were transferred to the British Treasury. The “dominions” (originally “white” settler colonies)—not the “colonies” (mainly “black”)—got to nationalize their subsidiaries. Other subsidiaries remained under the ownership of Cable and Wireless, or, technically, the British public.

Nationalization made sense not only in the face of U.S. competition and the nationalist aspirations of leaders in the Dominions and colonies; it also made sense under a new vision of the economy, championed by John Maynard Keynes during and after the war years. In this vision, economies were like the living-spaces of modern families: domestic, private affairs were best left to the
“heads” of national households. The nation in this model is akin to the family, conceptualized as an economic unit independent from, though interlinked with, other such units. Success in the world economy depended upon successfully managing the “home economy” by providing full employment, decent wages, welfare and pension provisions, stable currencies, and so on. Nationalization of “domestic” industries was a central pillar of this strategy. Yet nationalization required a redefinition of the corporate entities that had driven the economy of empire since at least the mid-nineteenth century. “Imperial” ventures became “national” ventures, and new nations had to cooperate in a new “commonwealth” to realize the goal of a stable international order made up of stable national entities.

Nationalizations in other Commonwealth states took place as these states achieved independence. In Jamaica, Barbados and Trinidad at the time of independence, an American firm, Continental Telephone (Contel), purchased domestic telegraph and telephone companies, while Cable and Wireless maintained control over international lines. Contel subsidiaries were nationalized in these countries in the mid-1960s, under pressure from trade union and black-power groups (Noguera 1997:1). But several Caribbean territories remained under colonial control, among them, Bermuda and Tortola (British Virgin Islands), which became the sites of new technological development and new telecommunications routes. Cable and Wireless operated in these places, testing new technology and consolidating new connections, and not in other places where nationalization was a risk. New cables connected Bermuda to the United States in 1962, and Tortola to Bermuda in 1966; new technologies, like radiotelephones in the mid-1950s, tropospheric scatter microwave systems in 1965, and an “Eastern Caribbean” microwave system in 1972, debuted in the remaining colonial possessions of the eastern Caribbean. In 1977, Tortola became the company’s Caribbean Operations Center for the new Eastern Caribbean microwave system. In pursuing this strategy of testing and implementing new technologies in the remaining colonies, Cable and Wireless increased the importance, indeed, the centrality, of Tortola and Bermuda (and, to a lesser extent, the Turks and Caicos) to the emerging global telecommunications network (see Dunn 1995:148).

Post-World War II images in Cable and Wireless promotional materials highlighted the new commonwealth ideology undermining empire during this period, and stressed science and technical achievement—transcendence through technology—over any notion of transcendence through imperial unity. Technology, not Empire, was universal. Big machines and nifty gizmos dominated here; photographs of the period favor operators in “local” garb sitting at “modern” (read universal) technology (Figs. 4, 5). In line with the vision of “commonwealth,” in which local governments got home rule, cable and wireless companies got nationalized, and new nations got to settle disputes and work together for the common weal in international forums, images from this period
noted “difference” but emphasized the way technology bridged those differences. If we can all speak to each other, thanks to the technology of Cable and Wireless, we can all come to an understanding with each other.

A 1945 advertisement for the Cable and Wireless station in Barbados captures this new imagery well (Fig. 6). The ad consists of a line-drawing of two faces; one in profile “whispers” into the ear of one facing front, its hand behind the ear of the other. A radio-tower emanating signals in concentric circles is superimposed on the hand of the whispering person. The copy reads:

Science has conquered space and time. The furthest corners of the earth can now speak together, freely and intimately, as two men face to face. Across the vast network of CABLE AND WIRELESS routes, nation speaks to nation—At a key point in the Empire’s system stands the Company’s wireless station in Barbados, linking the West In-
dies with London and Montreal and relaying traffic between the United Kingdom and Australia.

Although the corporate rhetoric emphasizes technology, it also stresses intimacy—the private whisperings between good friends (or conspirators?)—and personality. Technology will not erase difference, the ad seems to say. National and personal uniqueness are served, not obliterated, by telecommunications. More communication means more international and interpersonal understanding. Nation speaks to nation as man speaks to man. Man here is a universal man who has access to modern technologies, but as a modern man, he also comes with a culture, with a distinctiveness, which renders him different from other men and necessitates communication so that each may pursue his interests with-

![Image of Cable and Wireless's post-War cosmopolitanism (from Barty-King 1979).](https://example.com/cable-wireless-post-war-cosmopolitanism)
out harming or hindering others. It is a vision of diplomacy, cosmopolitanism, and modernity.

Man here is also clearly “man,” not “woman,” and stands in contrast to the goddesses of earlier imagery. In Cable and Wireless’s official history books, “locally-trained girls”—in “Western” garb—give telecommunications technology “the human touch” (Barty-King 1979, Figs. 139–41, captions; reproduced as Fig. 5 here). “Cosmopolitan” men communicate across great distances (no matter what they are wearing, apparently), while “local” women add that “touch!” Here, women come to stand in for the uniqueness and distinctiveness of the national entity, for tradition and culture, while men take charge of the ma-

Figure 6. A 1945 advertisement for the Cable and Wireless station in Barbados.
chinery of modernity and technology, the material aspects of modern nation-building (Chatterjee 1993; Nelson 1999).

Other images from this period similarly capture this marriage of diversity with universal modernity. Brochures and postage stamps commemorating the Bermuda-to-Tortola link in 1966 proudly sport the “big machines” that make global communications possible—cable-laying ships, wireless towers, but also capture the uniqueness of the islands—beautiful scenery and beaches, the sea, as well as their modernity—atop the island on the postage stamp sits a telephone, complete with its own submarine cable, and a television set drawn bigger than the radio-tower (Figs. 7, 8).

Caribbean political discourse at mid-century resonates with the corporate imagery employed by Cable and Wireless. In emphasizing technological progress and “big machines”—radiotelephone relays, cable-laying ships, switching stations, and so forth—Cable and Wireless propounds a vision of modernity linking state, machine, and “man” with modernist production and accumulation strategies. The post-war boom of the 1950s created economies of scale and encouraged both Caribbean out-migration to the industrial urban centers of North America and independence movements. Elites in the Caribbean sought greater autonomy from Britain, and won some measure of legislative autonomy by the late-1950s. To achieve their goal of political autonomy, Caribbean elites and intellectuals emphasized the importance of modernization, together with the need to forge a “culture” so that Caribbean peoples could become modern exemplars of the spirit of post-war utopian United Nations cosmopolitanism. The focus of elites’ attention was what they called the “state machinery,” and the problem of modernization was cast as a technical and engineering problem for the state to solve (Maurer 1997a:76–84). It was an economic problem only insofar as the state needed to gain control of the economy, rendered as an objective entity “out there”—or, more precisely, “in here,” inside the boundaries of the state—and subject to rational tinkerings and adjustments of state economic planners. Modernizers sought to make Caribbean peoples into citizens of the world who could stand as equals with their fellow world citizens in the international halls of places like the United Nations. In order to do this, they sought control over

Figure 7. Stamp commemorating the 1966 Bermuda-to-Tortola link.
an economy rendered as their own. Nationalization of industry and import-substitution industrialization, even if not practiced or implemented, were the ideological order of the day.

As one example of mid-century Caribbean political rhetoric, take Norman Cameron’s 1948 essay, published in 1959, entitled “Thoughts on the Making of a New Nation.” Cameron, a Guyanese nationalist, had explicitly universalist plans for the “new nation” that the West Indies would become. He writes that his pamphlet on “the part every individual could and should play in preparing himself for this attractive but most serious business of being responsible for every one’s own government,” is offered up “for the reading public, i.e., to everybody” (Cameron 1959:3, his emphasis). The Caribbean should become a
new nation that will “provid[e] something original to the cause of Peace and Civilization in general” (p. 8).

What has the Caribbean to offer the cause of peace and civilization? And how to create this new nation? In attempting to answer these questions, Cameron detailed, and in so doing almost caricatured, the disciplinary technologies of modernity, especially education and hygiene. Under the heading “Health,” Cameron advises West Indians interested in embarking on the project of creating a new nation to begin “simplifying and balancing” their diets; to observe “moderate use of, and even complete elimination of alcohol and tobacco;” to get plenty of rest and exercise; and to keep “a sharp watch on one’s mental health” (p. 12). Disciplined bodies create ordered citizens and strong, new nations. In a section entitled, simply, “WE,” Cameron writes, “the stronger an individual has made himself, the more he will bring to his group;” “training must start now. Now is the period of preparation for the New State. We must be prepared to meet it” (p. 15).

The creation of an orderly mind and body, in the production of a rationally devised nation-state, liberates, according to Cameron, the full measure of human capacities:

If the individual is conceived of not merely as a wage-earner or as a skilled technician but as a happy healthy independent yet industrious and co-operative being, he will be assisted to recover that first sense of wonder and curiosity towards the universe, its beauty and power, a sense which is so often destroyed by the average schooling with its concentration on the acquiring of skills (p. 22).

The purpose of educating the citizen of the new nation is thus not merely to make him a productive member of modern society, but to help him realize his human potential. Cameron’s philosophy of human potential echoes the Keynesian rhetoric of mid-century economic planners. Economic planning was not to serve the goals of efficiency, but “progress,” and a specific vision of progress based on the flowering of human creativity. For Keynes, “the creative force of the economy . . . was enterprise, by which he meant the creation of goods that contributed to the pleasure of human interaction”—such as intimate conversations held at great distances—and “aesthetic satisfaction” (Escoffier 1995:106). Keynes rejected pure utilitarianism as an end in itself, and stressed that the function of the economy was to improve the quality of life. As he reflected, in 1949, “the Benthamite calculus, based on an over-valuation of the economic criterion,” is “the worm which has been gnawing at the insides of modern civilisation and is responsible for its present moral decay” (Keynes 1949:96–97).

A new state was in the making as Cameron wrote, one that would aspire, but ultimately fail, to become Cameron’s “new nation.” Seeking to unify a region fragmented by British colonial administration, Caribbean regional leaders, such as Phyllis Shand Allfrey, Norman Manley, and Eric Williams, many inspired by the Fabian movement, sought to create a Federation of the West Indies. Between
1958 and 1962, they succeeded in federating Jamaica, Anguilla, Antigua, Barbuda, St. Kitts, Nevis, Dominica, St. Lucia, St. Vincent, Grenada, Trinidad, Tobago, Barbados, and Guyana. The Federation collapsed in 1962 with the withdrawal of Jamaica. But the Federation years did represent an effort to create a new collective identity, a spiritual essence to contribute to Cameron’s cause of “peace and civilization.”

As Cameron and other West Indian leaders were planning a new Federation, the BVI opted to remain a colony and did so by stressing both their “Britishness” and their “ancient and historical connection” (Minutes 9/14/51) to the other British Caribbean islands. In the same year that the BVI reviewed radiotelephone proposals, it received its own ceremonial mace, representing the presence of the Sovereign in the territory (Minutes 4/4/51, 9/13/51). And from 1953 onwards, metaphors of the state as a “machine” occurred in legislative council documents and the popular press (Maurer 1997a:76–84).

BVI political rhetoric began to carve out a distinctive space for the territory in the Commonwealth. At the same time that the BVI legislature opted to remain outside of any greater West Indian Federation, and affirmed its loyalty to the Queen, it also voted into existence its own public holidays, its own government seal, and other trappings of independent nationhood (see Maurer 1997a:84–87). Like Cameron’s citizens of the world, whose differences determine their contributions to the projects of “peace and civilization,” British Virgin Islanders during this period were making differences they could then find and offer up to a new commonwealth in an effort to realize their human potential.

Privatization and Monopoly

The 1970s and 1980s were a period of privatization of telecommunications (and other industries) in the Caribbean, and throughout the world. Commentators often view the period as one of “re”-privatization, without exploring the difference in character between privatizations past and present. Some explain the “trend” toward privatization in terms of two interconnected processes. First, the debt crisis of the 1970s and 1980s, brought on by the OPEC price rise and the devaluation of the U.S. dollar (Strange 1994; Helleiner 1994; McMichael 1996), rendered national governments unable to service the loan obligations they had incurred as they poured government funds into national development projects, including telecommunications projects. “Heavy investment by state-owned telcos in extending and improving their networks, which had become more than 75 percent digital during the 1980s, was an important factor leading to government divestment” (Noguera 1997:3). Second, according to these authors, advances in technology made it impossible for governments alone to fund telecommunications. As Dunn comments, government acquisitions of telecom companies “were feasible propositions in the 1960s and even early 1970s, when the basic technology of telecommunications in use in the region was still a rel-
atively stable body of knowledge which could easily be acquired and managed. But, starting in the 1980s, both global market conditions and technological applications underwent dramatic transformations, leading to major policy changes” (Dunn 1995:136).

This second explanation echoes the globalization literature that places technological change and abstract “global markets” at the base of the causal chain. New technology like digital cable lines did not cause privatization; rather, privatization made possible the digitalization of the West Indies telecommunications system. Privatization did not occur because the technology became too complicated for nationally-owned companies to manage; rather, the technology became complicated only after Cable and Wireless, with the indirect assistance of the International Monetary Fund (which encouraged selling off public utilities as a means of servicing debt), reasserted control over the region’s telecommunications. Indeed, privatization allowed Cable and Wireless to develop and showcase new technologies: in 1986, Dominica’s telecommunications system was digitized as a showcase for new digital and fiber-optic technology, and in 1991, the entire regional system of Cable and Wireless (West Indies), Ltd. was digitized.

The first explanation, linking privatization to the debt crisis, seems more in line with other developments in the Caribbean and throughout the world during this time, although it smacks of functionalism. I would lay the emphasis on strategic political decisions of corporate and government actors rather than abstract global economic forces (Helleiner 1994). The IMF encouraged rapid privatization in 1970s and 1980s. More recently, the General Agreement on Tariffs and Trade (GATT) and the North American Free Trade Agreement (NAFTA) have encouraged trade liberalization and the selling-off of state-owned industries. Caribbean countries found loans tied to liberalization, and in many cases IMF loan conditions compelled Caribbean governments to privatize state-owned utilities. Cable and Wireless—itselF, privatized under Thatcher in 1981—stepped into the breach, buying up state telecom companies and reconnecting its global network. In Jamaica, for instance, Cable and Wireless went from holding 9 percent of total equity in Telecommunications of Jamaica in 1987, to owning 79 percent in 1989 (Dunn 1995:136).

Privatization did not occur in a vacuum, necessitated by some agentless global change. Cable and Wireless was well-positioned to step into the IMF’s debt-management regime, since it “had an intimate familiarity with the networks and policymakers” (Noguera 1997:2). As Dunn writes:

[Privatizations] were also facilitated by a century of traditional ties which left a legacy of loyalty to the company among policy-makers. Particularly in the Eastern Caribbean, many senior civil servants and even political leaders were formerly employed by the company. And important sporting competitions, including the West Indies Test cricket and other activities are sponsored by Cable and Wireless (1995:137).

Thanks to this old-boy network and company loyalty, negotiations over privatization were clandestine, and not debated publicly (Noguera 1997:3). By the
late 1980s, Cable and Wireless controlled telecommunications in fifteen
Caribbean territories (Dunn 1995:137).

Cable and Wireless adopted a new corporate strategy as it underwent acqui-
sition of local Caribbean telecom companies. Rather than total ownership, Ca-
ble and Wireless sought to become the majority owner in local telcos, and con-
struct a “federation” of companies under its mantle. At the same time, majority
ownership meant majority profit-taking from newly-privatized telecommuni-
cations ventures.

Cable and Wireless corporate rhetoric from the 1980s and 1990s emphasizes
the company’s new, “flexible” approach to telecommunications development.
It focuses neither on the universality of technological modernity, nor the uni-
versality of imperial grandeur. Rather, the rhetoric here is of diversity, the
uniqueness of each territory in which Cable and Wireless operates, of partner-
ship and differentiation. Focus is on offering the specialized customer the spe-
cialized services he or she requires: “Cable & Wireless does not bring with it
the baggage of nationality, or a hidden agenda of preferred goods. We bring only
our experience and expertise—and what you need” (Cable and Wireless 1997).
Each customer is conceived of as a niche market unto itself. Cable and Wire-
less can help each unique customer deal with their unique problems: “[W]e
have been out in the world long enough to know that each country and each
company is unique—and therefore, so too must be the means by which its prob-
lems are solved” (ibid.). And Cable and Wireless is a “partner” in the techno-
cratic problem-solving of its customers:

We work with you to find that solution. Cable & Wireless is the perfect partner. We are
in more partnerships in more parts of the world than any other telecommunications com-
pany. We work with Governments and with other companies—or with both together. . . .
[W]e are sole partner of only 30 of our 84 operations throughout the world (ibid.).

The rhetoric here places governments, companies, and Cable and Wireless all
on the same level; so who actually is in charge, here, and who is a partner?16
Cable and Wireless itself, meanwhile, is now a “federation”: “Cable & Wire-
less is a Federation of companies—locally autonomous, strong regionally and
linked globally. Where our customers’ need [sic] can be handled locally, they
will be. Where they require global attention, they will be handled globally”
(ibid.). While there is still an element of the modernist teleology of corporate
and technological development, the company’s rhetoric stresses differentiation
and diversity in achieving progress:

Inevitably, the higher up the technological escalator a company or country goes, the
more global will be its thinking and requirements. Our Federal network is uniquely po-
positioned to help those who require the third and most sophisticated sector of our opera-
tions—differentiated services . . . (ibid., original emphasis).

In place of the “Via Imperial,” we find a new “Global Digital Highway,” which
connects “100 major cities like a string of pearls” (ibid.). Different privatiza-
tions, thus, contain different visions of global systems. The “re”-privatization
of the late twentieth century is not the same as the private corporate control of the late nineteenth century.

The flexibility and diversity rhetoric in the Cable and Wireless promotional material echoes Caribbean elites’ responses to the debt crisis, responses which have included the creation of specialized financial services in the region. From the 1970s to the 1990s, Caribbean economies were sent into shock. The oil and debt crises, Trinidad’s oil boom and bust, the end of the Lomé preference system for agricultural produce, and several severe hurricanes devastated Caribbean economies (Deere 1990; McAfee 1991). New philosophies of “development”—specifically, ones committed to trade liberalization and a scaling-back of government-supported social welfare policies—also hit Caribbean countries hard. At the same time, local elites and the IMF encouraged new industries like financial services, data processing, ecotourism, and export processing as new strategies for development, and encouraged as well the “structural adjustment” and debt-refinancing necessary to build these new industries. These are industries that require that each island market itself as having something different to offer international capitalists than the other islands. Competition of this sort spelled the end of federation efforts, even as the smaller banana-islands of Dominica and St. Lucia tried to breathe life into them through the Organization of Eastern Caribbean States.

Political rhetoric from the 1970s to the 1990s, especially that of leaders deeply involved in Caribbean “restructuring,” is entirely different in tone from earlier discourse. As an example of this rhetoric, take William Demas’s pamphlet, “Towards West Indian Survival.” Demas, a Trinidadian, was the head of the Caribbean Free Trade Association (CARIFTA) during the 1970s, the president of the Caribbean Development Bank in the 1980s, and the inaugurator of Cable and Wireless’s training college on Barbados. His pamphlet, published in 1990, supplants Cameron’s cool modernity with post-Fordist panic. Where Cameron made almost no mention of the market, Demas is almost exclusively concerned with it. Where Cameron wrote of the new nation and its state, Demas makes only passing reference to either nation or state. Where Cameron asked, what can the Caribbean offer global culture, Demas asks, what can the Caribbean offer the global market. Cameron sought to make West Indians “citizens of the world;” Demas, in contrast, emphasizes the uniqueness, difference, and particulars of different types of West Indians who will compete on the world market.

Demas’s booklet is actually a rather insightful document on the erosion of West Indian economies in the face of global free trade. He seeks to make a case for regional self-sufficiency, together with export-driven economies based on specialized agricultural products (such as flowers rather than bananas), specialized manufacturing (through export processing zones), and specialized services (especially tourism and finance). Demas states at the outset that his concern is to strengthen the Caribbean’s “ability to survive in the rapidly changing
world environment resulting from economic, technological and geo-political forces, all working simultaneously with unprecedented speed” (Demas 1990:1). The discourse is not of universal modern principles, but of crisis. “Small” is no longer “beautiful,” but “vulnerable” (p. 2); yet that vulnerability, Demas argues, can be turned into strength.

Demas briefly mentions that there is a “non-material” side to survival. “[S]urvival’ must surely mean a growing sense of West Indian cultural identity vis-à-vis the outside world (or a greater sense of self) . . . In brief, ‘West Indian survival’ calls for continuing creativity in cultural expressions as well as in the emergence of similar creativity in feeding ourselves and in the production of export goods and services to the rest of the world” (pp. 1–2). The Caribbean, according to Demas, must find its niche in an emerging world market. The goal of cultural creativity is to find and then solidify the characteristics that make West Indians “unique.” This will assist the Caribbean in “targeting] more precisely our manufactured products to overseas markets (or, more precisely, market segments) at which we are aiming” (p. 30). This is decidedly not the Keynesian vision in which productivity permits the flowering and enjoyment of creativity, but rather one in which the flowering of creativity permits, and indeed is a necessary condition for, productivity. Aesthetics is fully caught up in the utilitarian logic. “Culture” is portrayed as unique and marketable, and necessarily subject to the universal laws of market logic. West Indians, Demas writes, must embrace a new set of “values:” “To Train, To Work, To Save” (p. 17).

Although Demas is critical of neoliberalism, he adopts its rhetoric and proposes solutions quite in keeping with it. Recognizing the dangers global economic integration poses to regional economies, Demas urges a kind of “niche-building” in which all is subordinate to the inexorable logic of the global market. Cameron’s vision was of a West Indies whose internal differences constituted its strength and its contribution to world society. Demas’s vision is of a West Indies whose difference to the outside world must become its strength lest it fail in the world market.

In the British Virgin Islands (and elsewhere), this kind of rhetoric translates into marketing the territory as an offshore financial services center. Local promoters emphasize the territory’s uniqueness and difference from other Caribbean places and other tax havens in an effort to attract foreign investment. The BVI’s success is not dependent on dollars invested, but rather on fees levied on incorporation and transactions. It market itself as a “stable” jurisdiction, whose banks and telecommunications services are reliable and efficient. And it markets itself as a country of trustworthy, respectable people (see Maurer 1997b; on the Cayman Islands’ similar strategies, see Roberts 1994a; 1994b).

Such market-cum-political rhetoric also translates into increasing political fragmentation in the region. If every territory’s success in the world market comes about through its purported “uniqueness,” it behooves each territory to
stand alone, to maximize its distinctiveness and create a sort of brand-name recognition among international investors. Recently, such rhetoric has included calls for the independence of Nevis from the two-island commonwealth of St. Kitts and Nevis. It also includes calls for maintaining colonial ties: the British Virgin Islands and other remaining colonies in the Caribbean make much of their connections to “Britain” and “British law and order” in an effort to distinguish themselves from other tax havens (Maurer 1997b).

HACKING THE NET

Like Laura in Islands in the Net, I am tempted to view the world in terms of good and bad capitalism. But I also led to question whether my moral assessments make any sense in the context of the transformations and discontinuities this essay has attempted to describe. Tax havens can be considered “bad” because they seem to erode or subvert political and economic sovereignty. At the same time, when “good” people decide to deal with “bad” tax havens, other sorts of questions about political sovereignty take center stage. Listen to Charles Kindleberger, an internationally respected professor of economics and expert on the world financial system, discuss offshore finance and political sovereignty:

If it be agreed that some protection is now needed or will ultimately be needed for the unsophisticated investor and holder of money—a requirement of disclosure by the issuer of securities, . . . or deposit insurance, and some surveillance of illicit financial dealing by insiders, drug dealers, the Mafia, plundering dictators, tax evaders, whether in foreign bank accounts or currency transactions, there should be some harmonization of various national laws, making differences in legal approaches unimportant as incentives for movement of capital. Such harmonization would be difficult to achieve in a world of sovereign states (Kindleberger 1987:73).

Kindleberger continues by attacking the “sovereignty” of tax haven jurisdictions themselves, in order to protect the sovereignty of “legitimate” states:

It involves ganging up on the Luxembourgs, Liechtensteins, Bahamas and the like to undermine their advantage as tax havens emanating from the sovereign right to set levels of taxation and to protect business dealing within the jurisdiction with laws ensuring secrecy (ibid.).

Kindleberger thus distinguishes “good” states from “bad” states, and draws the line between good and bad capitalism similarly. Yet before concluding, Kindleberger must make a further distinction, between good and bad people:

Loopholes are helpful when innocent people are being oppressed by foreign governments: the secrecy involved in Swiss bank accounts served a noble purpose in the 1930s when it protected the assets of Jews being persecuted in Nazi Germany. But the same laws that are needed in a few difficult situations are harmful when they are taken advantage of en masse to undermine the sovereignty of the countries from which the money comes, and especially when they protect the gains of criminals, scofflaws and spivs (ibid.).
He admits, however, “The line drawn is narrow and twisting” (ibid.). Much like Laura’s cable.

To bring Kindleberger to bear on the BVI case: offshore finance, while currently providing the backbone of the BVI’s economic boom, also makes BVI incredibly vulnerable to global financial movements. Offshore finance also necessitates the BVI’s continued colonial relationship with Britain, and subordination to the United States through a Mutual Legal Assistant Treaty—another partnership between unequals—that gives U.S. federal authorities the right to investigate financial activity, criminal or not, inside the BVI (Maurer 1995).

I wonder, however, whether my fears for the future of sovereignty represent what Diane Nelson (1999) has aptly termed “ethnostalgia”—although here, perhaps, it is a sort of modern “sovereignostalgia” for the cosmopolitan vision of sovereign states, each standing alone and all interconnected in a world community mediated by the United Nations and the cause of “peace and civilization.” Of course, this vision is for a world that never was, except in the words of corporate and political rhetoric. Sovereignostalgia is a symptom of a teleological history in which all places “without” sovereignty in the formal, political sense should tend toward it. Like capital and information, people everywhere want to be “free,” or so the story goes. This vision of the history of technological interconnection, financial flexibilization, and liberal sovereignty is a comfortable one, in which greater communication leads to greater peace among sovereign nations interlinked by flexible trade and finance. The lesson Laura learns in Islands in the Net is far more difficult. Tug where we may at the cables linking technology, finance and politics, the neat narrative of liberal progress short-circuits.

And yet it is an electrified narrative, and carries with it a lot of power. Caribbean tax haven promoters and others are currently rewiring the narrative, rerouting power away from sovereignostalgia while they hack the net of telecommunications, finance and politics. They write new software for the hardware already in place, or ignore the hardware altogether and find alternative routes to alternative modernities. Gregory Staple’s typology of telecommunications companies provides a useful heuristic device for thinking about the contrast between arguments for re-nationalization and sovereignty on the one hand, and the kind of world put into practice in offshore financial services, on the other. Staple describes two paradigms in telecommunications: a “Heavy Carrier” paradigm, and a “Light Carrier” paradigm. The Heavy Carrier paradigm, which is “nationalistic, monopolistic, and hardware intensive,” consists of: (1) “a facilities regime based on carrier ownership of half circuits which are interconnected at midpoint,” and (2) “a complementary financial regime: it compensates or settles carriers for interconnecting their half circuits through a 50/50 division of an agreed accounting rate.” In the telecommunications field, Light Carriers currently challenge Heavy Carriers. Light Carriers offer “international services by re-selling, re-routing, re-packaging or re-programming the
offerings of heavy carriers.” In contrast to the hardware-intensive Heavy Carriers, the Light Carriers are software-driven. They “may enter a market without owning a single international cable or satellite circuit” (all quotations from Dunn 1995:146).

Efforts of leaders bent on furthering offshore finance in their territories may represent a type of “light-carrier strategy”: rather than building a big new infrastructure—either industrial, or financial—financial light carriers simply use whatever hardware is already in place (telecom links, corporate structures), craft new kinds of “software” like financial legislation, and repackage and resell financial potentialities. Questions of sovereignty or morality are beside the point here. What we find, instead, is a strategic “hacking” of the network of telecommunications, politics, and global capital. Perhaps the islands in the net of offshore finance are a new beachhead for the world we will inhabit as we enter the new millennium. Or are they perhaps momentary configurations of power and knowledge, temporary informatics of domination (Poster 1990; Haraway 1997)—like colonial communications technologies, aimed at control but leading to contestation—that contain new power sources that can blow the fuses of the circuits of modernity?

NOTES

1. At the time I was making the final revisions to this essay, in the late spring and early summer of 2000, the major industrial powers began an apparent crackdown on offshore financial service centers (at the same time, incidentally, that they began overhauling their own estate tax systems and debating the merits of continuing to allow internet commerce to proceed tax-free, thus rendering “onshore” and “offshore” less and less distinct from one another). The Financial Action Task Force (FATF), a body operating in the offices of the Organization for Economic Cooperation and Development (OECD) but not, apparently, directly under its authority, issued a series of reports condemning certain offshore centers for money laundering. Another organization, the Financial Stability Forum, arguing that offshore finance is a threat to global economic stability, and citing evidence of capital flight into or through offshore centers, similarly issued a report condemning offshore centers. One striking fact about these actions is the manner in which certain countries or territories managed to get off the “blacklists” compiled by these organizations—as the British Virgin Islands did the FATF list, because of its colonial connections to the United Kingdom. This suggests, as this essay argues, that cultural politics and not economic necessity or economic rationality guide the changing configurations of offshore spaces. See Financial Action Task Force 2000; Financial Stability Forum 2000; for some background to these recent developments, see Hampton and Levi 1999 and Hampton and Christensen 1999.

2. Bermuda also occupies a key position—but not a technological one—in the Fiber-optic Link Around the Globe (FLAG) project sponsored by Nynex. As Stephenson wryly observes, “A new company called Nynex Network Systems (Bermuda) Ltd. was formed to serve as the worldwide sales representative for FLAG, and FLAG’s world headquarters was sited in Bermuda. This might seem a bit peculiar given that none of the money comes from Bermuda, the cable goes nowhere near Bermuda, and Nynex is centered in the northeastern United States. But since FLAG is ultimately owned and controlled by a Bermuda company and the capacity on the cable is sold out of Bermuda, the
invoices all come out of Bermuda and the money all comes into Bermuda, which by an odd coincidence happens to be a major corporate tax haven" (1997:110).

3. Political fragmentation is a familiar story in the Commonwealth Caribbean (Lowenthal 1984); nonetheless, attending to the specificities of such fragmentation may reveal that the parallels between this and earlier historical moments are more apparent than real.

4. My approach, at the end of the day, is thus ethnographic and anthropological rather than political economic. It is not my intention in this essay to craft a new theoretical language for understanding capitalisms. Rather, I wish to point toward the shortcomings of available languages while highlighting that analysts can only ever approach the political economic through their own specific cultural lenses. See Gibson-Graham 1996 and Maurer n.d.

5. Viewing telecommunications in the Caribbean together with finance and political rhetoric represents a supplement to the existing literature on mass media and communications technologies in the region. See, for example, the work of John Lent (1977; 1990), and Daniel Miller and Don Slater’s recent work on the internet (Miller and Slater 2000). I am grateful to one of the anonymous reviewers for bringing this literature to my attention and for clarifying the connections between these authors’ projects and my own as represented in this essay.

6. I would like to thank Susan Coutin for phrasing these questions so cogently.

7. The first telegraph messages along this new cable system were transmitted from Barbados in 1872. The Barbados Times of 9 March 1872 heralded the news with the following announcement:

The Telegraph Company have given notice that the cable is laid and in working order all along the line from Havana to Demerara and through the States to Newfoundland and from there to the U.K.; and the communication being completed, messages can be forwarded from this island to any part of the world (Barty-King 1979:31).


10. Not to mention poverty and unrest more generally; see Richardson 1992. I am grateful to one of the anonymous reviewers for directing me to this source.

11. In the emerging “Third World,” this often meant import substitution industrialization strategies—and, in the British colonies and decolonizing nations, a new definition of what counted as an “import,” as formerly “imperial” goods were now “foreign” or “non-national” goods. In the new politics of commonwealth, “grants-in-aid” replaced direct “foreign” investment.

12. In another paper (Maurer n.d.), I explore connections between Keynes’s visions of the domestic economy, and the domestic interior designs of his sometime lover, the Bloomsbury artist Duncan Grant.

13. Cameron was writing in the context of the aftermath of World War II, which saw the stationing of troops throughout the Caribbean, as well as the aftermath of two royal commissions of inquiry sent to report on labor disturbances during the late 1930s. As one anonymous reviewer pointed out, these commissions reported a lack of proper nutrition in the region. See West India Royal Commission 1939; 1945; French 1988, Stolberg 1989.
14. The contrast between Cameron and the Colonial Office’s 1938 report on education is striking. Cameron’s document propounds a vision of subject-formation based on self-discipline—monitoring one’s diet, “mental health,” etc. The Colonial Office document emphasizes externally imposed regimens, like time-schedules, to forge new subjects: “After religious instruction,” the school day will begin with “agriculture, housecraft, and constructional work;” followed by “nature study.” “In the afternoons there will be English” and “At the end of the day there will be a free period where everyone may follow his own bent” (Colonial Office 1939:26–27). The obvious comparison is to Foucault 1977.

15. On Federation, see Mordecai 1968; Knight 1990.

16. Thanks to Susan Coutin for noting this point.

17. Demas’s reference is to Schumacher 1989.

REFERENCES


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Minutes of the Legislative Council of the British Virgin Islands, Road Town, Tortola, British Virgin Islands, 4 Apr. 1951; 13 Sept. 1951; 14 Sept. 1951.