

To What Extent is the Neoliberal Paradigm Limiting in the Study of 'offshore'?

Written by Pia Muzaffar

This PDF is auto-generated for reference only. As such, it may contain some conversion errors and/or missing information. For all formal use please refer to the official version on the website, as linked below.

To What Extent is the Neoliberal Paradigm Limiting in the Study of 'offshore'?

<https://www.e-ir.info/2008/02/03/to-what-extent-is-the-neoliberal-paradigm-limiting-in-the-study-of-%e2%80%98offshore%E2%80%99/>

PIA MUZAFFAR, FEB 3 2008

"Neoliberal economists typically ignore the existence and role of the offshore economy in their analysis. This is an extraordinary omission, which speaks volumes about their political values." (Christensen 2007:216)

This essay first critically examines the construction of 'offshore' both within the parameters of a neoliberal analysis and in light of some of its critiques, looking initially at the broader context of economic globalisation's supposedly inexorable advance, and then at offshore understood as a competitive state strategy in natural response to the exigencies of the global market. I then explore moments of disjuncture that threaten the smooth functioning of the neoliberal narrative, arguing that a *genealogical* or more broadly poststructuralist/constructivist methodology is far more useful to the study of offshore than neoliberalism's ideological postulations. I specifically interrogate the notions that offshore represents an outcome or phase of a linear teleology of global finance, and indeed that the phenomenon of offshore is a mechanistic, 'automatic' development taking place outside of human or political volition. Finally, I consider the role of the neoliberal framework in the process of offshore's 'moral dislocation', concluding that neoliberalism seeks to frame highly political and morally-charged operations within a bland discourse that insists on the neutrality of the market. Thus it is necessarily flawed in its contribution to the study of offshore, because it attempts to disguise the invariably political and pragmatic functions of offshore in the contemporary global political economy.

I. Neoliberal Narratives, and Other Stories

The present preoccupation with the theme of 'globalisation' among IPE scholars and other contemporary discourses tends to construct offshore as something which reflects, or indeed exemplifies, the increasing pressures towards deregulation, the rise of finance, and the corresponding decline of the state (in other words, the increasing subservience of the once sovereign state to global capital). An observable demarcation is drawn: first, the postwar Bretton Woods international order of "embedded liberalism" (Ruggie 1982), characterised perhaps somewhat nostalgically as the era of regulation and the general ability of states to exert some form of control over capital; the Fordist 'social-compromise' in which state sovereignty could be used to secure certain obligations from business and finance. Second, the international order's subsequent evolution from the late 1970s onwards to the present neoliberal or post-industrial era, in which global capital has thrown off its state-imposed shackles to become the "mastering force" (Helleiner 1993:20) in world politics. According to one prominent commentator, "[I]ike a phoenix risen from the ashes, global finance took flight and soared to new heights of power and influence in the affairs of nations" (Cohen 1996:268). This development is presented as a natural progression, in distinctly linear terms; from the local to the national to the transnational (for such an evolutionary narrative, see for example Martin 1994:255). It is something

To What Extent is the Neoliberal Paradigm Limiting in the Study of 'offshore'?

Written by Pia Muzaffar

bound up with the inevitable advancement of humankind and its increasingly efficient and superior technologies of communication. Furthermore, to a great extent, globalisation is seen as something apolitical and beyond our control – either as individuals or as national governments.

[T]he evolution of the international financial system... characterized by the acceleration of international capital movements ... [has] challenged the capacity of the state to provide effective governance not only of financial markets themselves, but also of economic affairs generally.

(Cerny 1994:332)

Within this broader structure, then, the presence of offshore centres and tax havens – characterised by low regulation and low taxation – is understood to exert a downward pressure on governments, compelling them to keep regulation and corporate taxation low (Johns and Le Marchant 1993). This naturally undermines the sovereign ability of the nation-state to make policy, wherever policy objectives conflict with the need to maintain conditions that attract investment. In business circles and neoliberal thought generally, this development is welcomed as global capital's somewhat automatic response to the "myriad of taxes and regulations" it is forced to negotiate (Hampton and Abbott 1999:13), and as evidence of governments' slow adaptation to the requirements of global business. Though it is not necessarily accurate to claim that neoliberal scholars and policy-makers 'ignore' the presence and role of offshore, it is certainly true that, as far as possible, offshore is incorporated into existing frameworks of analysis – it becomes "part of the neo-liberal ideology of 'deregulation'" (Picciotto 1999:64) – rather than presenting a reason to revise those frameworks. For example, despite the obvious logical inconsistencies that arise from a simplistic analogy between the firm and the state, prominent neoliberal economists like Milton Friedman seek to apply unproblematically the notion of free 'competition', as a mechanism to maximise efficiency, to the state.

Competition among national governments in the public services they provide and in the taxes they impose, is every bit as productive as competition among individuals or enterprises in the goods and services they offer for sale and the prices which they offer.

(Friedman 2001)

Outside of neoliberal and business circles, such developments are often lamented rather than celebrated; however, significantly, even critical accounts tend to lapse into the same determinism exhibited in the analyses cited above. Global capital remains the prime mover, its internal dynamic propelling it further and further from any state control, rendering it increasingly able to "effectively to cast judgement on the fiscal and monetary policies of nation states themselves through the disciplinary fear of capital flight" (Hampton and Abbott 1999:2). This notion of the "capture of the state" (Christensen and Hampton 1999) or the "competition state" (Cerny 1997) resonates with Simmel's *Philosophy of Money*, in which he treats 'money' as something essentially abstract and which can therefore manipulate human geographies and territorialities – it "has no definite relationship to space: it can exercise its effects upon the most remote areas" (1990:504). Offshore, Picciotto notes, is understood as "an expression of the limits that capital can impose on the forms and functions of the state" (1999:48).

The danger of such representations, however, is their tendency to dichotomise 'state' and 'capital' too simplistically,

To What Extent is the Neoliberal Paradigm Limiting in the Study of 'offshore'?

Written by Pia Muzaffar

without serious investigation into the historicity and complexity of these two naturalised categories. They also seem to characterise the market, finance, or capital more broadly “as an autonomous powerful agency” (de Goede 2005:4) – in other words, as something separate from the human and collective subjectivities which produce and sustain it (see Roberts 1994:91). This is both ahistorical and disempowering, since it seeks to present as natural or ‘technical’ certain power practices which not only find their legitimation in human discursive practices, but also clearly benefit certain groups of people at the expense of others – as Scholte notes, “offshore finance has been largely reserved to large corporations and so-called high net worth individuals” (2005:21; see also Palan 2003:187). Any meaningful critique of this system, then, must interrogate not only the material practices of a system which appears unjust or amoral, but also the *discursive* practices which reinforce and legitimise it. Narratives of ‘globalisation’ and offshore finance lose their analytical value once they become ideologies or “legends”, identifiable because they run “far too smoothly” (Auerbach, cited in Shapiro 1993:56).

II. The Pertinence of Poststructuralism

International Political Economy remains one area of IR which has yet to embrace poststructuralist thinking wholeheartedly, or even engage with it in a serious way (de Goede 2003). Many IPE scholars do not recognise its value, arguing that postmodernist preoccupations with discourse and knowledge practices are of limited use to a discipline characterised and constrained by certain empirical and material realities (see, for example, Laffey 2000:441). As Campbell notes, power has become conceptualised in mainstream IPE as “a commodity to be wielded by agents” (1996:18), in contrast to poststructuralist theorisations which understand power as constitutive of social relationships and bound up with knowledge and discourse. Yet scholars who dismiss poststructuralist approaches on the grounds that they deal exclusively with discourse present a mistaken characterisation of one central tenet – [if] supportFootnotes –>[2] –>[endif] –>: namely that discourse is *constitutive* of material practices – “[t]o understand it simply as a discourse is to misunderstand discourse’s materiality” (Thrift 2001:430). For example, neoliberal narratives which posit the actuality (and inevitability) of the ‘globalisation’ process in fact materialise and legitimise that very process through the normalisation and repetition of otherwise banal concepts such as ‘going global’ or ‘global strategies’, therefore having a ‘real’ effect on actual processes and decisions made in business models, financial practices, law, and government. These discourses are then validated by a constructed ‘reality’ which, in circular fashion, then reinforces the validity of the discourse. The appearance of ‘truth’ thus “resides in the enhancement of the feeling of power” (Nietzsche 1967:290), which masks the utilitarian meanings of truths.

Orthodox approaches to historical phenomena – which construct such ‘legends’ as those described above – tend to first typologise a particular structure or reify a particular process or idea, before reading history backward in order to provide the teleological narrative to explain its realisation. This kind of approach “aims at dissolving the singular event into an ideal continuity... events are reduced to accentuate their essential traits, their final meaning... We want historians to confirm our belief that the present rests upon profound intentions and immutable necessities” (Foucault 1987:231). *Genealogy*, by contrast, (see Nietzsche 1998 [1886]; 1969 [1887]; and Foucault 1987) as a historical method developed by poststructuralist scholars, seeks out the suppressed alternatives; the historical contingencies; the discursive foundations for what is now perceived as natural or inevitable. Thus if ‘offshore’ can be revealed to be the production of conscious, deliberate and ongoing reconstructions of statehood, then uncritical narratives of globalisation and deregulation can be greatly undermined. Furthermore, this may enable a radical understanding of knowledge/power practices in the global political economy that invests criticism and discursive deconstruction with transformative potential.

To What Extent is the Neoliberal Paradigm Limiting in the Study of 'offshore'?

Written by Pia Muzaffar

Examples abound in which the simplistic neoliberal narrative is called into question or, alternatively, rendered entirely irrelevant. We can point, for instance, to Abbott's (1999) investigation into the offshore financial centre Labuan, the "pet project" of Malaysia's ex-prime minister Dr. Mahathir. He details how the Malaysian government poured resources into Labuan's development, and yet how its central motivations are not primarily rational-economic; nor can they simply be attributed to a strategy of accommodation to global financial exigencies as implemented by the archetypal 'competition state'. Rather, key ideological factors must be acknowledged, such as the fact that East Malaysia (where Labuan is located) is thought to lag behind the west of the country in terms of economic development, or more broadly the context of 'Vision 2020', Mahathir's expressed intention to make Malaysia a fully 'developed', 'modern' and industrialised nation by the year 2020. Reputation also remains a primary concern – as one commentator put it, "if you're not one of the top 200 banks in the world, they're not interested" (cited in Abbott 1999:195) – and potential operators are subjected to strict criteria to establish their credentials. Further motivations include the development of Islamic banking and Islamic offshore finance, and also certain nationalistic or developmental concerns: namely, particular benefits generated for the Malaysian economy, such as the creation of a captive market and the improvement of Malaysia's financial system more generally (1999:197-202). The significance of such factors is highlighted by the relatively negligible impact of Labuan's OFC status for island employment, or by the (similarly negligible) proportional contribution of offshore finance to both Labuan's economy and Malaysia's economy on the whole. In turn, the motivations behind international banks' decisions to commit to the Labuan OFC project should also not necessarily be viewed in purely economic terms; in fact many were concerned to show visible support for the project in order to demonstrate political commitment to Malaysia's (or Mahathir's) overall developmental vision.

Indeed, any investigation committed to disturbing the too-smooth narratives of globalisation and deregulation will find that such pragmatic, non-economic considerations are not, as the orthodox neoliberal might have you believe, an exception. Sovereignty is not necessarily being undermined; the state is not necessarily becoming subservient to the exigencies of global capital. In fact, as Palan (1998) argues, offshore exemplifies and makes explicit the palimpsest of pragmatic – and manifestly political – processes by which statehood and sovereignty are being continually reconstructed. 'Sovereignty' itself, which in contemporary discourses tends to be conceptualised as having a fixed (or *fixable*) meaning, is shown to have gone from representing a religious claim to the land, to embodying an independent, secular right over a certain territory. Later still it became bound up with emerging ideas about the 'nation' – the "imagined community" (Anderson 1981) – as agentive force, the symbol of national 'self-determination'. And this was further combined with juridical capabilities, or 'the right to write the law'. The present moment of 'offshore' marks yet another reconstruction of sovereignty, characterised by the "increasing use of sovereignty as a commercial asset" (Palan 1998:629-30). Palan introduces the notion of "sovereign bifurcation" (1998:627) to describe the strategy states employ in order to simultaneously pursue two contradictory objectives: the "traditional" forms and functions of statehood, and the "commitment to transnational capitalism" (2003:11) – without undermining state 'sovereignty' itself.

The very concept of abstracted (rather than literally geographical) 'shores' is also revealed to have developed over time in a piecemeal and instrumental fashion (Palan 1998:635-7). The principle of the Law of the Sea, which only became widely accepted around the beginning of the nineteenth century, was preceded for several centuries by actual claims and unilateral assertions over particular waters – thus, and for quite pragmatic reasons, the notion of sovereignty came to incorporate the important precedent of separation between literal, physical boundaries and juridical or 'fictional' boundaries. This also provided a model for the division, alteration, and limitation of 'sovereignty'. A further example of particular import for the study of offshore is the concept of corporate 'residence', which

To What Extent is the Neoliberal Paradigm Limiting in the Study of 'offshore'?

Written by Pia Muzaffar

originates in the fragmentary legal-pragmatic response to the proliferation of corporations towards the beginning of the twentieth century, and the need for the state (in this case, the UK) to demand taxes from companies conducting their "real business... where the central management and control actually abides" (Lord Loreburn [1906], cited in Picciotto 1999:49). However, such definitions are contestable from place to place, and the system has to be negotiated using a sort of trial-and-error methodology, in order to deal with flexible avoidance tactics of increasing complexity. "The tax authorities of the developed countries have done their best to combat each device as it became known... [but] they have hardly challenged the fertile minds and flexibility of the 'tax planning' industry" (Picciotto 1999:59). Significantly, the developments outlined above do not represent an evolutionary narrative; no latent *telos* underlies each progression. Rather offshore "took shape over time in bits and pieces and in a series of discrete policy decisions" (Palan 1998:640).

III. Offshore as Moral Dislocation

Why, then, should neoliberal (and other) accounts present the construction of offshore as a natural development? Why intentionally relinquish control over a system of such manifest importance? The answers to these questions appear just as instrumental, pragmatic and discrete as those motivations which ultimately contributed to the very creation of the offshore world. It has already been noted that offshore finance is in practice almost exclusively reserved for the extremely wealthy; high net wealth individuals and successful corporations display a remarkable tendency to consider themselves somehow above, or external to, national or social (and, some would say, 'moral') obligations such as taxation (Christensen and Hampton 1999:170). One commentator (Baker 2005) estimates the 'uphill' flow of capital – that which flows from poor to rich countries through the activities of wealthy individuals and companies – at roughly US\$500 billion every year, dwarfing the volume of aid flowing 'downhill'. Another study (Boyce and Ndikumana 2005) asserts that sub-Saharan Africa is in fact a net creditor to the rest of the world, since "external assets (i.e. the stock of flight capital), exceed external liabilities (i.e. external debt)" (Christensen 2007:218-9). Christensen explains this apparent paradox by noting that whilst the assets are *privatised*, largely channeled through or existing within offshore finance and banking centres, the debts exist in the *public* realm, falling upon the public institutions of government. He further highlights how activities traditionally understood as 'corrupt' and 'criminal' account for approximately 35 per cent of transnational "dirty-money" flows from poorer states; and yet how 'acceptable' practices such as "illicit commercial activity, incorporating mispricing, abusive transfer pricing and fake and fraudulent transactions account for 65 per cent of such flows" (Christensen 2007:219). Clearly, what Thrift and Leyshon term the "regulatory dislocation" of offshore (1997:61) may aptly be called a 'moral dislocation' also. As Roberts notes, "[f]ast-paced and complex international financial practices can slide between something that may be illegal according to one jurisdiction's laws but perfectly legal according to another's" (1999:133).

The moral dislocation of offshore, however, goes beyond this relativism created by the inconsistencies between different jurisdictions. What characterises the neoliberal conception of offshore is its framing of the kinds of processes outlined above as *non*-moral, as governed and motivated by basic market logic, or the logic of capital. This logic is seen to be "fairer", as Einaudi (1928:35-6) asserts, in reference to the example of tax havens exerting pressure on other jurisdictions to reduce tax levels to the lowest rate possible. "Tax is a cost of doing business so, naturally, a good manager will try to manage this cost and the risks associated with it. This is an essential part of good corporate governance" (P.J. Henahan, senior tax partner of Ernst & Young, cited in the *Irish Times*, 7/5/04). Indeed the whole discourse of offshore and global financial investment, despite being presented as rational, even mechanical, is couched in a particular ethic of rights and freedoms which transcend the nation-state and its particular jurisdiction. As Palan (2003:14) emphasises, highly ideological assumptions underlie presentations of natural 'rights':

To What Extent is the Neoliberal Paradigm Limiting in the Study of 'offshore'?

Written by Pia Muzaffar

of human 'rights' (the absolute freedom of the investor); sovereign 'rights' (the freedom of states, even little ones, to make their own laws); and even corporate 'rights' (the freedom to move elsewhere to avoid what is deemed to be excessive regulation or taxation). The global political order becomes "premised upon the dominance of the investor and reinforcing the protection of his or her property rights. The mobile investor becomes the sovereign political subject" (Gill 1998:25). Tax becomes a "cost" rather than a fundamental social obligation.

It is to this depoliticisation of finance, necessitating not "some sort of lapse or mistake but an express operation of... technologization: a reduction to calculability" (Edkins 1999:1), and the *willful* disregard to the social and political implications of financial activity, that I refer when I speak of the 'moral dislocation' of offshore. The insistence that offshore represents the subordination of the state to financial markets *is itself ideological*: as with the very origins of modern accounting and bookkeeping, the materiality of offshore structures – and not just the knowledge about it – has been discursively constituted "through the reiteration of norms" (Butler 1993:10). In other words, these are performative discourses; they tend "to *create* what [they] purported to describe" (Poovey 1998:56; original emphasis). Attempts to present it otherwise, to dislocate material practices from discourse and morality, have a clear ideological motive:

offshore provides the perfect legitimization of the goals of neoliberalism in terms of pragmatic social aims, defined as "what we can reasonably expect under the circumstances," conveniently forgetting that the realm of possibility is a socially constructed one.

(Palan 2003:15)

Rather than attributing the creation of offshore to a depersonalised dynamic – the transcendental power of capital – a poststructuralist approach demonstrates a constructivist insistence on human agency. This is crucial to any critical interpretation of offshore, since it necessitates a historicity which "means that global changes are *not* an inexorable economic process" (Picciotto 1999:43; emphasis added). To answer the question posed at the beginning of this section – why consciously seek to remove human agency and control from the global financial system? – it is clear that neoliberal discourses serve to obscure the pragmatic and manifestly political functions of offshore in the global political economy, whilst legitimising certain practices and ideological assumptions which they seek to present as natural and apolitical. As such, the neoliberal paradigm is not merely of limited use to the study of offshore; in fact, it must be decisively contested.

Bibliography

- Abbott, J. P. 1999. 'Mahathir, Malaysia and the Labuan International Offshore Financial Centre: Treasure Island, Pet Project or Ghost Town?' in M. P. Hampton and J. P. Abbott (eds.) *Offshore Finance Centers and Tax Havens: The Rise of Global Capital* (Indiana: Purdue University Press)
- Anderson, B. 1981. *Imagined Communities: Reflections on the Origin and Spread of Nationalism* (London:Verso)
- Baker, R. 2005. *Capitalism's Achilles Heel: Dirty Money and How to Renew the Free-Market System* (New Jersey: Wiley)

To What Extent is the Neoliberal Paradigm Limiting in the Study of 'offshore'?

Written by Pia Muzaffar

- Boyce, J. K. and Ndikumana, L. 2005. 'Africa's Debt: Who Owes Whom?' in G. A. Epstein (ed.) *Capital Flight and Capital Controls in Developing Countries* (Cheltenham: Edward Elgar)
- Butler, J. 1993. *Bodies That Matter: On the Discursive Limits of "Sex"* (London: Routledge)
- Campbell, D. 1996. 'Political Prosaics, Transversal Politics, and the Anarchical World' in M. J. Shapiro and H.R. Alker (eds.) *Challenging Boundaries: Global Flows, Territorial Identities* (Minneapolis: University of Minnesota Press)
- Cerny, P. G. 1997. 'Paradoxes of the competition state: The dynamics of political globalization' in *Government and Opposition*, 32:2, 251-274
- Cerny, P. 1994. 'The Dynamics of Financial Globalization: Technology, Market Structure and Policy Response' in *Policy Sciences*, 27, 319-42
- Christensen, J. 2007. 'The Corruption Interface: Tax Havens, Bankers and Dirty Money Flows' in *Accountancy Business and the Public Interest*, 6:1, 215-227
- Christensen, J. and Hampton, M. P. 1999. 'A Legislature for Hire: The Capture of the State in Jersey's Offshore Finance Centre' in M. P. Hampton and J. P. Abbott (eds.) *Offshore Finance Centers and Tax Havens: The Rise of Global Capital* (Indiana: Purdue University Press)
- Cohen, B. 1996. 'Phoenix Risen: The Resurrection of Global Finance' in *World Politics*, 48, 268-96
- de Goede, M. 2005. *Virtue, Fortune, and Faith: A Genealogy of Finance* (Minneapolis: University of Minnesota Press)
- de Goede, M. 2003. 'Beyond Economism in International Political Economy' in *Review of International Studies*, 29:1, 79-97
- Devetak, R. 1996. 'Postmodernism' in S. Burchill and A. Linklater (eds.) *Theories of International Relations* (London: Macmillan)
- Edkins, J. 1999. *Poststructuralism and International Relations: Bringing the Political Back In* (London: Lynne Rienner)
- Einaudi, L. 1928. 'La Coopération Internationale en Matière Fiscale' in *Recueil des Cours de l'Académie de Droit Internationale de la Haye*, 25, 1-123
- Friedman, M. 2001. Letter expressing support for the Center for Freedom and Prosperity's support of 'tax competition', available at <http://www.freedomandprosperity.org/update/u05-15-01/u05-15-01.shtml#3>; accessed 29/04/07
- Foucault, M. 1987. 'Nietzsche, Genealogy, History' in M. Gibbons (ed.) *Interpreting Politics* (Oxford: Basil Blackwell)
- Gill, S. 1998. 'New Constitutionalism, Democratization and Global Political Economy' in *Pacific Review*, 10, 23-38
- Hampton, M. P. and Abbott, J. P. 1999. 'The Rise (and Fall?) of Offshore Finance in the Global Economy: Editors' Introduction' in M. P. Hampton and J. P. Abbott (eds.) *Offshore Finance Centers and Tax Havens: The Rise of*

To What Extent is the Neoliberal Paradigm Limiting in the Study of 'offshore'?

Written by Pia Muzaffar

Global Capital (Indiana: Purdue University Press)

Helleiner, E. 1993. 'When Finance was the Servant: International Capital Movements in the Bretton Woods Era' in P. G. Cerny (ed.) *Finance and World Politics: Markets, Regimes and States in the Post-Hegemonic Era* (London: Edward Elgar)

Johns, R. A. and Le Marchant, C. 1993. *Finance Centres: British Isle Offshore Development since 1979* (London: Pinter)

Laffey, M. 2000. 'Locating Identity: Performativity, Foreign Policy and State Action' in *Review of International Studies*, 26:3, 429-444

Leyshon, A. and Thrift, N. 1997. *Money/Space: Geographies of Monetary Transformation* (London: Routledge)

Martin, R. 1994. 'Stateless Monies, Global Financial Integration and National Economic Autonomy: The End of Geography?' in S. Corbridge, N. Thrift and R. Martin (eds.) *Money, Power and Space* (Oxford: Blackwell)

Nietzsche, F. 1998 [1886]. *Beyond Good and Evil*, trans. by M. Faber (Oxford: Oxford University Press)

Nietzsche, F. 1969 [1887]. *On the Genealogy of Morals*, ed. by W. Kaufmann (New York: Vintage)

Nietzsche, F. 1967. *The Will to Power*, trans. by W. Kaufmann (New York: Random House)

Palan, R. 2003. *The Offshore World: Sovereign Markets, Virtual Places, and Nomad Millionaires* (London: Cornell University Press)

Palan, R. 1998. 'Trying to Have Your Cake and Eating It: How and Why the State System Has Created Offshore' in *International Studies Quarterly*, 42, 625-44

Picciotto, S. 1999. 'Offshore: The State as Legal Fiction' in M. P. Hampton and J. P. Abbott (eds.) *Offshore Finance Centers and Tax Havens: The Rise of Global Capital* (Indiana: Purdue University Press)

Poovey, M. 1998. *A History of the Modern Fact: Problems of Knowledge in the Sciences of Wealth and Society* (Chicago: University of Chicago Press)

Roberts, S. M. 1999. 'Confidence Men: Offshore Finance and Citizenship' in M. P. Hampton and J. P. Abbott (eds.) *Offshore Finance Centers and Tax Havens: The Rise of Global Capital* (Indiana: Purdue University Press)

Roberts, S. 1994. 'Fictitious Capital, Fictitious Spaces: The Geography of Offshore Financial Flows' in S. Corbridge, N. Thrift and R. Martin (eds.) *Money, Power and Space* (Oxford: Blackwell)

Ruggie, J. G. 1982. 'International Regimes, Transactions and Change: Embedded Liberalism in the Postwar Economic Order' in *International Organization*, 36, 397-415

Scholte, J. A. 2005. 'The Sources of Neoliberal Globalization', United Nations Research Institute for Social Development

To What Extent is the Neoliberal Paradigm Limiting in the Study of 'offshore'?

Written by Pia Muzaffar

(UNRISD) Programme Paper (Geneva: UNRISD)

Simmel, G. 1990 [1907]. *The Philosophy of Money* (London: Routledge)

Shapiro, M. J. 1993. *Reading "Adam Smith": Desire, History, and Value* (London: Sage)

Thrift, N. 2001. 'It's the Romance, Not the Finance, That Makes the Business Worth Pursuing' in *Economy and Society*, 30:4, 412-32

<!--[if !supportFootnotes]-->

<!--[endif]-->

<!--[if !supportFootnotes]-->[1]<!--[endif]-->In using the term 'neoliberalism' I refer only intermittently to individual 'neoliberal' writers: throughout the essay I use the expression more generally to denote certain elements of neoliberal doctrine of particular pertinence to this study, such as the belief in deregulation and minimal state intervention, the abstraction of finance from social or political volition, or the adamantly materialist approach to a system manifestly more "fictitious" than any before it (see for example Roberts 1991:91; Picciotto 1999:48). These of course influence and characterise other theoretical approaches that would be loth to find themselves under the 'neoliberal' banner; these may too come under criticism, though I refer to them as 'orthodox' or 'mainstream'.

<!--[if !supportFootnotes]-->[2]<!--[endif]-->Although 'poststructuralism' and 'postmodernism' are at best umbrella terms used to describe a broad range of theories and theorists (some of whom reject such labelling outright) and cannot therefore accurately be said to collectively present any coherent central "tenets", it is possible to attribute certain key themes or preoccupations common generally to 'poststructuralist' IR and IPE. Namely, the notion that power and knowledge mutually produce one another, and the rejection of a universal or objective reality or truth – intellectual and other endeavours are held to be "battlefields of contending representations" (Devetak 1996:185). Thus dominant discursive 'truths' constitute material 'realities'.