The idealism of a borderless world has been replaced by a picture of dark secrets, crime and unfettered capitalism.

In this talk I want to consider the development of a set of processes which I think have become profoundly significant in the contemporary world, that is the development of a range of interdependant offshore worlds. These offshore worlds have become significant, and have transformed much of the optimism that many commentators expected to develop during the period of the 1990s. In the 1990s there was much discussion of borderlessness. There was a famous book by Kenichi Ohmae called The Borderless World, and he brought out in this world the free flow of ideas of individuals, investments and industries, and the emergence of an interlinked economy. He thought this erosion of national sovereignty would touch local communities, positively transform friendship, families, and especially economic life during the 1990s. This borderless world would generate many new business opportunities, international friendship, and so on. Many of the writers about mobilities took up that theme, and showed in various ways how this borderless world was positive and creative and leading to new mobile opportunities, new mobile lives, and so on. But for a variety of reasons this optimistic sense of boundless growth didn’t turn out to be a long-term future. For various reasons, including the September 11th attack on the World Trade Center, people became increasingly aware of what we might call the ‘dark side’ of globalization. Many people noted the ways in which moving across borders, and not just consumer goods and new experiences, but also many risks; environmental risks, terrorism, trafficked women, drug runners, international criminals, outsourced work, slave traders, smuggled goods, oil spills, untaxed income, asylum-seeking, and so on.

The growth of offshoring

This is then reflected in many texts that develop in the early years of this century, that is texts which set out, describe and evaluate various kinds of doom-laden futures. One book became very popular, Collapse by Jared Diamond, which is an international bestseller, establishing how and why societies sometimes collapse when they are at the height of their powers and their carrying capacity. One of the ways in which this pattern of development is reflected, is the growth of offshoring. A general offshore world seems to be reaching into most societies around the world, restructuring global power and domination. What this involves is the moving of resources, practices, peoples and moneys from one territory to another, and as they travel they are often hidden from view from the public and public authorities. Offshoring involves rule-breaking, getting around rules and regulations that are illegal, going against the spirit of the law (even if what is done is technically legal), and the use of laws in one jurisdiction to undermine laws that operate in another. This has come to spectacular attention through the tax-escaping movement of income and wealth, which has become a matter of much public debate, as well as many other economic and social practices that escape offshore, somewhat concealed, often
made secret and those secrets often involving lies. So borderlessness and secrecy get linked together. There are a number of these offshore worlds; there’s the offshoring of taxation and wealth, there’s the offshoring of much work, the offshoring of waste (and especially e-waste), there’s the offshoring of energy so that almost every country depends upon offshore energy resources, there’s the offshoring of torture which has come much to the fore post-September 11th, and there’s the offshoring of CO2 emissions. So there is a way in which the open world has turned into its opposite: into a dark world.

Treasure islands

One of the writers on this, William Brittain-Catlin, talks of the negative dark spirit today pervades the offshore world and its network of secret paraphernalia and hidden practices. A most interesting writer called Nicholas Shaxson, who has revealed much of the way in which taxation now is undertaken, says, “offshore is how the world of power now works”. My favourite quote on all of this is from the multi-billionaire, Warren Buffett, who says, “there’s class warfare all right, but it’s my class, the rich class, that’s making war and we’re winning”. One of the ways in which that winning is taking place is through the emergence of what Nicholas Shaxson calls ‘treasure islands’, a very clever term for the 70 or so jurisdictions in the world, tax havens, through which most companies and most rich individuals move their money, or ‘park’ their money, as some people put it. These tax havens include perhaps the most famous tax haven of Switzerland, but also Jersey, the Cayman Islands, Monaco, Panama, Dubai, Lichtenstein, Singapore, Hong Kong, Gibraltar, and the City of London and Delaware. Some people say Delaware is the largest tax haven of all, and there’s a building in Delaware which has 200,000 companies registered. It’s a small single building but in a kind of way it’s the largest and most valuable building in the world. A recent report from the charity Action Aid reported how of the hundred largest companies in the UK, 98 had accounts in tax havens. One of the ways in which this takes place is through the extraordinary complexity of these various offshore entities. Many of these companies have many, many offshore entities linked to them. The world’s largest accountancy company, WPP, was divided up into 618 offshore entities; Goldman Sachs has 4,000 separate corporate entities scattered over the world. The one bit of Goldman Sachs that people know about, the big headquarters in New York, is, in a way, just the tip of an iceberg and below the iceberg there are many other entities. The scale of offshore mobile money has grown enormously from something like 11 billion US dollars in 1968 to 21 trillion US dollars in 2010, which is a sum about equivalent to a third of the world's GDP in 2010.

Good façade, between stability and movement

Central to the idea of these tax havens, these offshore worlds, is the good facade, which involves a very interesting combination of stability and movement. So the good facade is stable, it’s a place to do business, everyone trusts that money is safe, that companies can form and be re-formed, that a person’s word can be trusted, that there’s secure legal environment, and that banks do not go bust or get accused of fraud. But at the same time there is mobility that ensures that money can move safely in and out of the treasure island, that people can move in or out. This necessitates both absolutely secure communications and also good transportation. In general, people say that Switzerland is the best example of the good facade.

Democracy depend on reshoring

So the question is, what is the 21st century going to be like? Is this world of offshoring going to continue? And indeed, that maybe we haven’t seen anything yet in the form and extent and scale and impacting of offshore worlds. So we might think one possibility is extreme offshoring, or the other possibility that there is a significant and systematic rejection of offshore worlds, and we might want to think of the necessity to bring it all back home. There are, here and there, little islands in a potential archipelago of onshoring, and various campaigns to reshore, or onshore, taxation, to reshore aspects of the movement of waste, of manufacturing, of money, and indeed to some extent, of democracy. It’s extremely hard to understand how a country can be democratic without most of the resources
Movement

Movement is the crossing of space by people, objects, capital, ideas and other information. It is either oriented, and therefore occurs between an origin and one or more destinations, or it is more akin to the idea of simply wandering, with no real origin or destination.

En savoir plus x

Mobility

For the Mobile Lives Forum, mobility is understood as the process of how individuals travel across distances in order to deploy through time and space the activities that make up their lifestyles. These travel practices are embedded in socio-technical systems, produced by transport and communication industries and techniques, and by normative discourses on these practices, with considerable social, environmental and spatial impacts.

En savoir plus x

Associated Thematics :

Lifestyles

- Diversity of lifestyles
- Inequalities
- Digital technologies

Policies

- Cities & Territories

John Urry
Sociologue

British sociologist John Urry (1946-2016) was Distinguished Professor at Lancaster University. He was co-founder and director of the Centre for Mobilities Research from 2004 to 2015 and, in 2015, he...
co-founded the Institute for Social Futures. He wrote seminal mobilities texts such as Sociology Beyond Societies and Mobilities.

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