

Abstract

Title: In the Rear Regions of the Financial World. A study of offshore financial markets and economic crime.

Written in Swedish, summary in English. 335 pages.

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Doctoral Dissertation at the Department of Sociology, Göteborg University

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ISBN: 91-974437-1-9

ISSN: 1650-4313

Göteborg 2003

This dissertation deals with offshore financial markets and economic crime. Its aim is to contribute to greater sociological knowledge of these phenomena and their mutual relationship. The concrete issues concern how offshore financial markets and economic crime on such markets operate, what social functions they fulfill, and which social conditions underlie them.

The dissertation consists of four parts. In the first part, methods and types of material are discussed. The work is based primarily on case studies, whose sources consist of material from legal proceedings as well as documents from national and international agencies in the field.

In the second part, the dissertation's sociological perspective and analytical framework are treated. The perspective comprises a three-dimensional analytical model where social actions and relations are studied as practices built up from meaning, rationality, and capital. The perspective is constructed for financial and legal relations as well as economic crime.

The third part is the dissertation's empirical section and consists of three case studies. In the first study, it is seen how and why offshore financial markets arose during the late 1950s, and thereafter developed into an ever more integrated and significant portion of the global world economy by the early 2000s, often associated with tax havens. The second and third studies contain legal cases of economic crime via offshore financial markets. In the second study, a large number of international cases of historical character are examined generally. In the third, a smaller number of contemporary Swedish cases are considered in detail.

The fourth part recapitulates the main features of the investigation and fits them into a wider context. With the help of the analytical framework and case studies, it is shown how offshore financial markets constitute a specific international configuration wherein activities that are incompatible with national laws can be circumvented and concealed, through the fact that the markets are characterized by strict secrecy, absence of conventional regulations and laws, or total lack of taxation. As a result, the markets can function as "flags of convenience" for financial capital and as a "rear region" for economic crime. Activities that conflict with ideal norms can be located here and – using diverse "stagecraft accessories" in the form of fictitious testimonials, false invoices and dummy firms – are hidden so that one can present oneself in a desirable manner in the front regions "onshore". Thus one erects the "façade" which becomes a kind of shell hiding the actor's secret life in the rear regions of the financial world.

Finally it is argued that economic crime is a differentiated phenomenon which takes manifold forms and is caused by widely distinct social conditions, where processes that involve monetarization and juridification of a practice are the critical elements. A certain sort of personality or social relationship beyond this plays only a secondary role in understanding economic crime.

Key words: offshore financial markets, offshore financial center (OFC), tax haven, economic crime, case studies, human action, social practices, monetarization, juridification.