

UC Irvine

UC Irvine Previously Published Works

Title

Belonging, Citizenship and Flexible Specialization in a Caribbean Tax Haven

Permalink

<https://escholarship.org/uc/item/8rx099bc>

Journal

PoLAR: Political and Legal Anthropology Review, 16(3)

Author

Maurer, WM

Publication Date

1993

Peer reviewed

Bill Maurer
Stanford University

“Belonging,” Citizenship and Flexible Specialization in a Caribbean Tax Haven (British Virgin Islands)

People in the British Virgin Islands (BVI) with citizenship rights call themselves “belongers.” At present, about nine thousand immigrants from other Caribbean places live in the BVI, working primarily in construction and service jobs. They make up fully 50 percent of the population. These people without citizenship rights call themselves “non-belongers.” Belonger and non-belonger are recent legal categories which, in the letter of the law, have nothing to do with citizenship. but rather land ownership and labor.¹

This paper is about how and to what effect legal personas defined in the land, labor and citizenship laws of the British Virgin Islands and the United Kingdom have turned into categories of identity. It is also about how immigrants deal with their position as essential yet unwanted members of a state increasingly dependent on the offshore financial services business — the transnational network of banks and corporations operating out of so-called tax havens like the BVI. The offshore finance sector is a recent development in global capitalism and is integral to what David Harvey (1989) has termed a “regime of flexible accumulation.” I hope to show how this new economic sector was itself encouraged by and has fostered a retrenchment of ideas about gender, family, race and class encoded in new laws and embodied in new state practices (cf., Martin 1992). This paper is based on dissertation field research which I have just completed, and is a preliminary attempt to bring together my ideas on citizenship and identity in the British Virgin Islands.

Making “Belongers”

The BVI is a dependent territory of the UK whose official currency is the US dollar. It has had its own locally-elected legislature since 1950. This Legislative Council created the categories “belonger” and “non-belonger” in the late 1960s in order to stave off a perceived English takeover; after neglecting their colony in the Caribbean for much of the century, white English people were now coming with hopes of earning a fast buck in the tourist business and in land speculation. Since at the time both Britons and BVI Islanders had the same citizenship, the BVI Legislative Council concocted believer status as a means of placing some checks on the activities of their fellow citizens from across the Atlantic.

A *belonger* is (1) any person born in the BVI, (2) any person whose mother was born in the BVI, or (3) any "legitimate" child of a man born in the BVI. *Belongers* automatically have rights to purchase land and to work without restriction. *Non-belongers* must apply for licenses to purchase land, and must obtain work permits. *Belonger* status is *not* the same as citizenship. As I will discuss in a moment, BVI citizenship policy is dictated by the UK, not by local legislation.

In the late 1960s the BVI witnessed intense economic development with the construction of several luxury tourist facilities. The BVI labor force was too small to absorb the boom in construction, service and middle-management jobs this created, and as a result very large numbers of *down-islanders* (that is, people from other eastern Caribbean islands) began to arrive. Legislation designed to keep the English at bay served equally well to prevent immigrants from buying land and to keep them out of management positions and shunt them into service jobs and manual work.

Although the terms *belonger* and *non-belonger* entered the law books in 1969,² they did not achieve widespread popular use until 1975, with the passage of a labor code.³ Labor regulations then required that employers have proof of their prospective employees' *belonger* status, and compelled every employer and employee to fill out various forms. Since every working person now had to have papers on file either with their employers or the Labour Department (or both), state power and practices came into people's everyday lives in a new way as all people of working age marked state-created categories of personhood on a form next to their name and sex (cf. Collier n.d.). *Belonger* and *non-belonger* became identities when people who had come to the BVI as children reached working age and discovered, as one high school teacher put it, "that they didn't belong." So, she continued, "they got restless and angry."

Immigrants from the Dominican Republic faced a special problem under these new laws. Many of these people consider themselves "return migrants," as they are the illegitimate children of BVI men who emigrated to the Dominican Republic in the first quarter of this century. They had grown up in the Dominican Republic thinking of themselves as "BVIlander-Dominicanos" and, upon returning to their homeland, found suddenly that they did not belong unless they could prove legitimate birth.

Making Citizens

While the *legal* meaning of *belonger* and *non-belonger* has not changed, the *popular*, identity-infused definitions have, as a direct result of changes in British citizenship policy. In 1981 the UK enacted the 1981 British Nationality Act.⁴ One of the purposes of the Act was to exclude colonials from full membership in the British nation. As Paul Gilroy (1989)

has discussed, the British Nationality Act effectively denied British citizenship to the children of immigrants to Britain from newly-independent Caribbean nations, and thereby solidified a racial notion of “Britishness.” In the BVI, however, the Act was greeted by many belongers with pleasure, especially as political turmoil in the Dominican Republic and Guyana brought more and more immigrants from those countries, and as the BVI achieved one of the highest standards of living in the Caribbean. BVI Islanders found themselves reluctant to share the spoils of their economic prosperity, even with their long, lost Dominicano cousins.

Among other things, the Act based a person’s citizenship on that of her/his mother, or on that of her/his father if the person was of legitimate birth. In other words, the new Act provided that citizenship pass on in a fashion almost identical to how *belonger* status passes on in the BVI. But this is with one crucial exception: one’s place of birth *can* determine *belonger* status, but has *no* bearing on citizenship. This means that persons in the BVI who have *belonger* status because they were *born* there, but whose mothers or fathers were *not* born there, are *not citizens* under the Act. As non-citizens, such belongers are not eligible for passports, cannot vote, and are considered outsiders by BVI Islander citizens. As a direct result of the 1981 British Nationality Act, people living in the BVI have recast the meaning of the identity categories *belonger* and *non-belonger* to correspond with the meanings of citizenship contained within the Nationality Act. *Belonger* as a category of identity has come to mean “citizen;” *non-belonger* has come to mean “non-citizen.”

But the Nationality Act did much more to BVI ideas about identity than cause people to recast its terms. In addition to providing that citizenship depend on mothers⁵ and legal fathers, the Act also created three kinds of citizenship (each of which is passed on through mothers and legal fathers). Formerly, people with citizenship rights in the UK and any of its colonies were “United Kingdom and Colonies Citizens,” or simply “British subjects.” The 1981 Act abolished this all-encompassing citizenship, replaced it with “British citizen” (for people in Great Britain itself), “British Dependent Territories citizen” (for people in places like the BVI), and “British Overseas citizen” (mainly for white people in former African colonies who desired that their protection under the Crown continue), and set up a system of passports for each kind of citizenship. It is a mistake, however, to see the Act as creating just three categories of citizenship where there had been one, because each British Dependent Territories passport specifies the dependent territory in which the bearer of the passport holds citizenship. The Nationality Act thus created as many citizenship categories as there are dependent territories — in the Caribbean today there are six⁶ — plus a category for “real Britons” and a category for people in former colonies who consider themselves “real Britons.” (Again, we might think of the work of Paul Gilroy (1987) here on race and British citizenship.)

The Nationality Act and Flexible Specialization

In the midst of this changing legal landscape, the BVI Legislative Council put into place the legislative foundations for the offshore financial services business. Having a citizenship of their own allowed BVI Islanders to construct a taxation system that could shelter the new classes of foreigners (i.e. the British) from British tax laws. The BVI became a tax haven.

People who use tax havens look for jurisdictions with political and legislative stability since their business relies on predictable banking, corporation and tax laws. Hence offshore bankers and investors prefer to set up in places where political control is not likely to be contested by groups or parties with conflicting ideological or ethnic affiliations. One trade publication, for instance, advises offshore investors to avoid tax havens with competing ethnic and racial groups (Kinsman 1978:43). For BVI Islander legislators, the British Nationality Act, which denied half the territory's population citizenship rights, turned out to be a handy way to ensure this kind of political stability. Government is stable since, under current definitions of citizenship, no voting block of down-islanders or Dominicans could ever form. Partly as a result of this, and as one member of the Legislative Council boasted in a recent interview with a finance magazine, "we don't have political parties or trade unions" (Euromoney 1989:51). The conjuncture of citizenship laws and political stability with the financial services sector exemplifies the processes David Harvey details in *The Condition of Postmodernity* — a proliferation of categories of citizenship and identity has contributed to the development of specialized financial practices at the same time that such practices have led to an invigoration of local class and national interests.

It might seem to be an exaggeration to claim that the British Nationality Act created a proliferation of citizenship and identity categories, but it was *experienced* this way by BVI Islanders and other eastern Caribbean peoples. One prominent BVI barrister told me that when the Act came along, he and his colleagues thought, "uh-oh, now everybody [is] going to have a nationality of their own!" Furthermore, the passage of the Act corresponded in time to the granting of independence to many of the UK's Caribbean possessions — between 1973 and 1983, eight new independent states came into being out of the former British West Indian colonies.⁷ Thus, with "British citizen," "British Dependent Territories citizen" in its different varieties, and "British Overseas Citizen," also came "Antiguans," "Kittitians," "Grenadians," "Vincentians," and so forth, all as legal citizenship statuses.

In the BVI, the Nationality Act heightened people's awareness of their citizenship, residence and employment rights in different jurisdictions — what immigrants and locals alike call status. Today migrants especially connect status to economic success. Guyanese immigrants say they long for status in the US because they think that adding US status to their BVI status

will have a multiplying effect on their economic situation. One successful immigrant credits his multiple statuses for his prosperity: A Bermudian, he has status in the US, Bermuda, the BVI, Holland, the Netherlands Antilles, the UK, Portugal, and the Azores. "With EEC integration," he says, "I will be extremely fortunate!" For immigrants, the possibility of economic gain from multiple statuses mitigates any feelings they might have to pressure the government of reform legislation affecting them. Thus, since the late 70s and early 80s, most BVI Islanders and immigrants have valued having multiple statuses, and many have gone about getting them.⁸

Remaking Families: Paternity, Race, Class and Identity

In order to obtain multiple statuses, immigrants use state practices to remake their families. Children born out of wedlock who would have citizenship rights in the BVI if their parents were married can legitimate themselves; they can pick up the necessary papers at courthouses in the countries of their birth or their parents' birth, have their parents married, and take a trip to the local Registrar of Births, Deaths and Marriages to make up a birth certificate, or have the original register changed to indicate that they are now "legitimate" children. They can come back to the BVI, documents in hand, and petition for status. Some go even further. One BVI Islander-Dominicana told me, "I didn't come here with just paper, you know — I came here with my father!" Her father then personally signed the Birth Register when she registered her birth — at age 29 — in the BVI.

Although laws governing belonger status and the British Nationality Act suggest that rights are passed through mothers, what gets created in immigrants' practices is, in nearly all cases, paternity. Remember that the children of *BVI Island* women are always BVI citizens regardless of the woman's marital status — so here rights *are* passed through mothers. But children of *immigrant* women are citizens *only* if the woman is married to a BVI man. The primary issue in deciding citizenship in these cases is legitimacy; and here legitimacy is inseparable from paternity.

I want to make it clear that I do not take paternity (or maternity, for that matter) as given, natural, or self-evident (see Delaney 1991:15; Delaney 1986): the BVI Islander-Dominicana who brought what the law considered her father to the BVI for him to claim paternity by signing a Birth Register demonstrates that paternity in this case is inseparable from — indeed, it's constituted by — state practices. Note also that paternity has tangible effects — it creates subjects who are citizens. Hence, legally and practically speaking, men's contribution to procreation is an active one: it generates new citizens.

Ideas about shared substance passed down patriline figure rather importantly in current BVI Islander conceptions of race and class. BVI Islanders say that they can tell the name of a

person — the *patronym* — by looking at their face, and family names go hand in hand with class identities and statuses, since it is generally known which families own what businesses and properties. A BVIlander expressing her opinion on the influx of Dominicans into the BVI believes that the so-called return migrants “can’t possibly be from our boys because our boys who went over there were dark dark, and these people saying they’re BVIlanders are light, Spanish-looking.” This woman believes that “race” is inherited through the male line, and this idea dictates many BVIlanders’ attitudes towards immigrant women. Many say that some Dominicans are whores; some say that all down-islander women are whores. To people who think of them as prostitutes, immigrant women pose a threat to the orderly heritability of name, face, race and class.⁹

Immigrant women, thus, face hardship in maintaining respectability and sometimes physical well-being. Stories circulate about men posing as immigration officers threatening immigrant women with expulsion if they do not have sex with them. Also, the Immigration Department requires that all immigrants give a refundable bond of several hundred dollars in case they do anything to warrant deportation. BVIlanders employing immigrant women as domestics often put up that bond and place strict controls on their servants’ free time to guarantee its security. In one case I know of, the domestic is not allowed to leave the house except on errands, and cannot use the phone. In 1986, male immigration officers were accused of attempting forcibly to remove pregnant immigrant women from the territory (remember, although not all children born in the BVI are citizens, they *are* all legal belongers, with rights to work and to purchase land). This incident prompted one local commentator to characterize his compatriots’ alleged actions as a “pharaoh-like hunt for pregnant mothers without rights of abode” (Rhymer 1986:5).

Ideas about the heritability of class, race and national identity don’t just keep immigrant women subordinate; they seem to be intimately tied to the offshore finance business. Let me quote from the offshore financial trade publication I mentioned earlier. The author, giving advice to potential investors on how best to choose a tax haven, writes: “*Racial* considerations are important in many of the havens. Several have widely mixed racial make-ups, a potential factor in the stability of the country” (Kinsman 1978:43, original emphasis). This seems in line with BVI beliefs about the danger of immigrant women to racial order. Brochures advertising the BVI to potential investors place a heavy emphasis on the islands’ British heritage of law and order. BVIlanders themselves also speak of law and order as *the* defining feature of BVI society, and as something seriously in jeopardy because of the large numbers of non-belongers in the territory. Marilyn Strathern has recently observed a similar deployment of an imagined British heritage in England. She writes that some white English political leaders have stressed that recapturing traditional values — notably, a law-abiding citizenry and traditional families — “will bring the bright future promised by [what the

English fantasize as] American enterprise" (1992:45). A BVIlander voicing his opinion of continued colonial rule resonated with this when he told me, "We have the best of both worlds: British law and order, and the American dollar."

For BVIlanders, since identity is heritable, their heritage of British law and order ought not be put at risk. Immigrant women's sexuality must be controlled, either through marriage or other means, since heritability occurs through the male line and unmarried immigrant women have the potential to confuse these male lineages by giving birth to illegitimate children of different fathers, names, classes and races. They have the potential to break down law and order.¹⁰

Conclusion

New citizenship policies have created a proliferation of citizenship categories and "statuses." New state practices help both locals and immigrants to restructure their identities along the lines of a discourse of heritability. This makes class and race appear genetic (Austin-Broos 1988, in Smith 1992:285); it makes "paternity," and it makes paternity central to legal, economic and social status. For BVIlanders, heritable identity takes an unexpected path as the offshore finance sector demands the law and order of "British heritage." For immigrants, this discourse of heritable identity compels them to remake their families, but as they do so they contribute to and "realize the structures of inequality that constrain their own possibilities" (Collier 1988:2). Remaking their families, they reinforce the common sense understandings of paternity, family and nation which provide the legal underpinning of the offshore finance business in the BVI and which deny them status in the first place.¹¹

In a recent article, Mindie Lazarus-Black has shown that "certain rules and juridical processes of the . . . state are . . . constituent of local family ideology and practice," and that therefore "studies of kinship must encompass simultaneously the legal forms and forces of the state and the common sense understanding of kin which evolves in local communities" (Lazarus-Black 1992:119). BVI and UK laws and state practices have helped people redesign kin and reshape identity directly, through belonging and citizenship laws, and indirectly, through the offshore finance business. At the same time, the presence of large numbers of immigrants has led BVIlanders and immigrants alike to think and talk more about race, class, kinship and descent as they try to acquire different statuses. Gender and sexuality have become central tropes in this talk, which is informed by an overarching discourse of heritability. Race, class and gender, construed in terms of heritability, fit into as they structure people's conceptions of "nature" and "law and order." People's identities and their attitudes about belonging and non-belongers thus seem natural and rational at the same time that they encourage the happy coincidence of the territory's "British heritage of law and order" with the offshore finance business.

Notes

1. Research for this paper has been supported by grants from the Tinker Foundation through the Center for Latin American Studies at Stanford, the John D. and Catherine T. MacArthur Foundation through the Center for International Security and Arms Control at Stanford, and the National Science Foundation, Law and Social Sciences Program (SES-9208273). I am most grateful for these sources of support. I would also like to thank the British Virgin Islands Community College and the British Virgin Islands Public Library. Special thanks go to all those who agreed to be interviewed and shared so freely their experiences with me. I owe great debts to Jane Collier, Stefan Helmreich, Michael O'Neal, Nikolai Ssorin-Chikov, Joel Streicker, and participants in the AAA panel for their comments on earlier drafts. This is a version of a paper presented at "Sanctioned Identities: Legal Reconstructions of Personhood," 91st annual meeting of the American Anthropological Association, San Francisco, December 1992.

2. Specifically, in the Immigration and Passport Ordinance, 1969 (4/1969) and the Non-Belongers (Restrictions as to employment or occupation) Ordinance, 1969 (5/1969). The Aliens Land Holding Regulation Act (2/793) was renamed the Restricted Persons (Commonwealth Citizens) Land Holding Regulation Ordinance in 1970 (9/1970) and renamed again in 1977 the Non-Belongers Land Holding Regulation Act (31/1977). Although it would be interesting to do so, I will not in this essay explore the changing legal personas defined by these land holding acts or trace how a labor category came to bear on a land holding category. For the acts and ordinances cited here and below, see WILIP 1992.

3. Labour Code Ordinance (Act), 1975 (7/1975).

4. British Nationality Act 1981 (U.K.) (Gazetted in the BVI at G.32/1988).

5. I recognize that the term "mother" is just as much a legal construct as "father." The Nationality Act calls attention to the legality of fatherhood (a man is only one's father if he's married to one's mother, by written legal definition) but does not do so for motherhood, taking it as "natural." I do not mean to imply anywhere in this essay that motherhood is more natural or less legally constructed than fatherhood. The law simply constructs motherhood as natural.

6. They are: Bermuda, Cayman Islands, BVI, Montserrat, Turks and Caicos Islands, and Anguilla.

7. These are: Bahamas (1973), Grenada (1974), Dominica (1978), St. Lucia (1979), St. Vincent (1979), Belize (1980), Antigua and Barbuda (1982), and St. Kitts-Nevis (1983).

8. I do not mean to naturalize a kind of acquisitive rationality here; rather, as I hope to make clearer later, I see the conjuncture of BVI and UK legal changes post-1980 with the offshore financial services sector as productive of this rationality; people now see "status" as "resources," etc. The kind of rationality the people I work with evince is not, I would argue, evidence of human rationality or human nature but rather "a constitution of social relations after culturally and historically specific notions of rationality and nature" (Ssorin-Chaikov n.d.). Part of the purpose of this project is to untangle these notions.

9. There have been moves recently to eliminate what some lawyers call the "legal disabilities" of children born out of wedlock. These have come from the Anglican and Methodist churches. Yet no progress has been made because even these churches' congregations (which are almost exclusively BVI islander) are split on the issue, and are split along gender lines. Most women oppose granting equal status to illegitimate children. Men, for the most part, are in favor of it. At the base of this difference of opinion is an argument about class and its heritability. Women perceive men's "outside" children as a threat to their own children's inheritances and ultimately to their own and their children's class status. Men, thinking in terms of a discourse of heritable identity, assume that however many children claim their paternity, all will inherit their fathers' class status. Men argue something like this: My family is well-off, and my family name is associated with relative wealth. If I give my children my

name, who will argue that they are not well-off, too? No one's ever heard of someone with my family name not being well-off.

10. See Martinez-Alier and Austin-Broos (Austin-Broos 1988, in Smith 1992; Martinez-Alier 1974), who discuss how an overarching discourse of heritable identity has influenced Caribbean ideas about race and class.

11. I don't want to suggest that the discourse of heritable identity is the only discourse through which immigrants and locals think about their participation in the BVI "nation"-state. As I've discussed elsewhere, many down-islanders, especially young men who were born in the BVI but are not citizens, argue that place of birth alone, and not paternity, should determine citizenship. As a calypsonian put it, "Where we born is where we from." And as these youths will say in the heat of arguments, "I born here!"; i.e. don't push me around. I "belong." See Maurer 1993.

References

- Austin-Broos, Diane
 1988 "Class and Race in Jamaica," paper prepared for the Conference on the Meaning of Freedom. University of Pittsburgh. The selections used in this essay were quoted in Smith 1992.
- Collier, Jane
 1988 *Marriage and Inequality in Classless Societies*. Stanford: Stanford University Press.
 n.d. "From Duty to Desire: Remaking Families in a Spanish Village." Mss.
- Delaney, Carol
 1986 "The Meaning of Paternity and the Virgin Birth Debate," *Man* (n.s.) 21:494-513.
 1991 *The Seed and the Soil: Gender and Cosmology in Turkish Village Society*. Berkeley: University of California Press.
- Euromoney*
 1989 British Virgin Islands: A New Force Emerges (sponsorship statement). *Euromoney* special supplement, May 1989, pp. 47-53.
- Gilroy, Paul
 1987 "There Ain't No Black in the Union Jack." Chicago: University of Chicago Press.
- Harvey, David
 1989 *The Condition of Postmodernity*. Baltimore: Johns Hopkins University Press.
- Kinsman, Robert
 1978 *The Robert Kinsman Guide to Tax Havens*. Homewood, IL: Dow Jones-Irwin.
- Lazarus-Black, Mindie
 1991 "Why Women Take Men to Magistrate's Court: Caribbean Kinship Ideology and Law," *Ethnology* 30(2):119-133.
- Martin, Emily
 1992 "The End of the Body?" *American Ethnologist* 19(1):121-140.
- Martinez-Alier
 1974 *Marriage, Class and Colour in Nineteenth Century Cuba: A Study of Racial Attitudes and Sexual Values in a Slave Society*. Cambridge: Cambridge University Press.
- Maurer, Bill
 1993 *The Land, the Law and Legitimate Children: Thinking Through Gender, Kinship and Nation in the British Virgin Islands*. Forthcoming.
- Rymer, Elihu
 1986 "Talking About the BVI," *BVI Beacon*. March 27, 1986, pp. 5, 13.
- Smith, Raymond T.
 1992 "Race, Class, and Gender in the Transition to Freedom." in *The Meaning of Freedom: Economics, Politics, and Culture after Slavery*, Frank McGlynn and Seymour Drescher, eds., pp. 257-90.
- Ssorin-Chaikov
 n.d. "Ethnicity and Informal Economy Among the Siberian Evenki." Mss.

Strathern, Marilyn

1992 *After Nature: English Kinship in the Late Twentieth Century*. Cambridge: Cambridge University Press.

West Indian Legislation Indexing Project (WII.IP)

1992 *British Virgin Islands Consolidated Index of Statutes and Subsidiary Legislation to 1st January 1992*. Barbados: Faculty of Law Library, University of West Indies.