



Critical review

Global finance and the growth of offshore financial centers: The manx experience

[S.Corkill Cobb](#)

[Show more](#)

Share Cite

[https://doi.org/10.1016/S0016-7185\(97\)00022-5](https://doi.org/10.1016/S0016-7185(97)00022-5)

[Get rights and content](#)

Abstract

The globalization of the world economy and the concomitant increasing complexity of the global financial system has resulted in a large number of relatively small places functioning as offshore financial centers (OFCs). OFCs provide an alternative avenue for capital to be invested (literally) in offshore markets. This paper argues that these small places have to strive hard to link in to the global economy in a reputable fashion and have to do so through the creation of *spatially focused* financial regulation and supervision. The importance of the constructs of trust, knowledge, reputation, and networks in the functioning of offshore financial services is explored. A conceptual framework is developed to illustrate how OFCs link in to the global economy along three dimensions: regulation, location, and function. A case study of the rise of the Isle of Man as an OFC provides empirical evidence regarding global-local linkages and the importance of creating an appropriately balanced regulatory regime.

References (94)

N. Thrift *et al.*

[A phantom state? The detraditionalization of money, the international financial system and international financial centers](#)

Political Geography (1994)

J. Langdale

[Electronic funds transfer and the internationalization of the banking and finance industry](#)

Geoforum (1985)

M.P. Hampton

Treasure islands or fool's gold: Can and should small island economies copy Jersey?

World Development (1994)

J. Agnew *et al.*

Mastering Space: Hegemony, territory and international political economy

(1995)

R.Z. Aliber

International Banking: A Survey

A. Amin

Post-Fordism: Models, Fantasies and Phantoms of Transition

A. Amin *et al.*

Globalization, institutional thickness and local prospects

Revue d'Economic Regionale et Urbaine (1993)

J. Asher

Banking without Glass-Steagall? Look overseas

ABA Banking Journal (1995)

S. Beevers

The Evolution of the Isle of Man as an Offshore Financial Center

A.L. Berger *et al.*

The transformation of the U.S. banking industry: What a long, strange trip it's been

Brookings Papers on Economic Activity (1995)



View more references

Cited by (42)

Zones and zoning: Linking the geographies of freeports with ArtTech and financial market making

2022, Geoforum

Show abstract

The Economic Growth Effect of Offshore Banking in Host Territories: Evidence from the Caribbean

2013, World Development

Show abstract

Setting Shari'a standards: On the role, power and spatialities of interlocking Shari'a boards in Islamic financial services

2011, Geoforum

Show abstract 

Subsidiary operations in offshore financial centers and bank risk-taking: International evidence

2022, Journal of International Business Studies

Offshore and the Political and Legal Geography of Finance: 1066-2020 AD

2021, SSRN

The role of tax havens and offshore financial centres in shaping corporate geographies: an industry sector perspective

2020, Regional Studies



View all citing articles on Scopus

Recommended articles (6)

Research article

Yield of bolting winter beet (*Beta vulgaris* L.) as affected by plant density, genotype and environment

European Journal of Agronomy, Volume 54, 2014, pp. 1-8

Show abstract 

Research article

Islamic financial system and conventional banking: A comparison

Arab Economic and Business Journal, Volume 13, Issue 2, 2018, pp. 155-167

Show abstract 

Research article

Anesthesia in a pediatric patient with ROHADD syndrome

Revista Española de Anestesiología y Reanimación (English Edition), Volume 65, Issue 9, 2018, pp. 525-529

Show abstract 

Research article

'Ground Zero' of Brexit: London as an international financial centre

Geoforum, Volume 125, 2021, pp. 195-196

Show abstract 

Research article

Quantifying what could have been – The impact of the Australian and New Zealand governments' response to COVID-19

[Show abstract](#) 

Research article

Assessing the impact of non-pharmaceutical interventions on the transmissibility and severity of COVID-19 during the first five months in the Western Pacific Region

One Health, Volume 12, 2021, Article 100213

[Show abstract](#) 

[View full text](#)

Copyright © 1998 Published by Elsevier Ltd.



Copyright © 2023 Elsevier B.V. or its licensors or contributors.
ScienceDirect® is a registered trademark of Elsevier B.V.

ELSEVIER

 RELX™