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National Identity and Economic Development in Market-Dominant Small Jurisdictions

Abstract: Small jurisdictions that are globally competitive in providing cross-border financial services—market-dominant small jurisdictions (MDSJs)—occupy fascinating and unique positions in global markets, reflecting the complexity of their linkages with major economies. This article explores how the distinctive features of MDSJs highlight important dimensions of the relationship between national identity and economic development. I review literatures that aim to explain how jurisdictions behave in the economic context, focusing on concepts of nationalism, national identity, and nation branding, and how such phenomena might impact one another. I then assess their application to the relationship between national identity and economic development in MDSJs, where realities of size and geography prompt substantial outward orientation and incentivize innovations in law and finance to service economic activity largely occurring elsewhere. The article culminates with a vivid case study—the role of national identity in developing, marketing, and maintaining Bermuda’s outsized role in global insurance markets.

Keywords: culture, economic development, globalization, national identity, nation branding, international competition, law and finance

I. Introduction

Small jurisdictions active in cross-border financial services have been conceptualized and labeled in various ways, most of them negative. Typically they are lumped together as parasitic “tax havens” offering capacity to shield economic activity in major economies from taxation, or as “offshore financial centers” offering secrecy that facilitates all manner of nefarious activities.¹ However, while financial abuses and other forms of wrongdoing surely occur in smaller jurisdictions (as they do in larger ones) (Bruner 2016, chaps. 10–11), there is ample evidence that at least some smaller jurisdictions have competed effectively in global financial markets by providing real, value-added

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¹ For prominent examples, see Palan, Murphy, and Chavagneux (2010); Zucman (2015). See also Tanzi (2001) (characterizing such jurisdictions as “fiscal termites” undermining major economies’ tax bases). For discussion of this literature, see Bruner (2016, 19–25). On the distinction between these characterizations, see Palan, Murphy, and Chavagneux (2010, 23–30) (observing that “offshore financial center” is “the less pejorative designation,” but pejorative nonetheless).

services (Morris 2010a). I have termed them market-dominant small jurisdictions, or MDSJs (Bruner 2016).

These jurisdictions occupy fascinating and, in some respects, unique positions in global markets, reflecting the complexity of their political, legal, economic, historical, and cultural linkages with major economies. This raises important questions about how they formulate their own capacities and global relationships, and how they market what they have to offer. Simply put, how do small jurisdictions active in cross-border financial services conceptualize their national identities? And how do those identities factor into their economic development strategies?

This article explores how the distinctive features of MDSJs highlight important dimensions of the relationship between national identity and economic development. These include, among other things, the delicate balance between conveying distinctive financial specialization, on the one hand, and familiarity of core legal and market structures, on the other; the complex interplay between national identity and national brand in small, outward-oriented economies; and the ambivalence that may arise from capitalizing on legal and market linkages that generate lucrative opportunities, legitimate successes, and sources of contemporary national pride, yet which may also serve as reminders of painful colonial histories and threaten cultural homogenization amid powerful global market forces. In these and other respects, MDSJs may help illuminate dynamics that can arise to varying degrees in any jurisdiction pursuing economic development through engagement with global markets. Accordingly, further study of such dynamics in small jurisdictions active in cross-border financial services may contribute to broader understanding of how national identity impacts formulation of economic policies and development strategies more generally.

Part II reviews literatures that aim to explain how jurisdictions behave in the economic context, highlighting general insights regarding how national identity might factor into economic development. This discussion focuses on concepts of nationalism, national identity, and nation branding, and how such phenomena might impact one another. Part III, then, assesses their application to the relationship between national identity and economic development in small jurisdictions, where realities of size and geography prompt substantial outward orientation and incentivize innovations in law and finance to service economic activity largely occurring elsewhere. This includes discussion of MDSJs and culminates with a vivid case study—the role of national identity in developing, marketing, and maintaining Bermuda’s outsized role in global insurance markets. Part IV briefly concludes.

II. Nationalism, National Identity, and National Brand

Collective identity figures centrally in several literatures that aim to explain how jurisdictions behave, including in the economic context. This section canvasses them to highlight general insights regarding how national identity might impact economic development strategies. This requires disentangling and then exploring potential relationships between various concepts that implicate collective identity, each of which has an economic dimension or expression—nationalism, national identity, and nation branding.

A. *Nationalism and National Identity*

Benedict Anderson describes the nation as “an imagined political community—and imagined as both inherently limited and sovereign” (Anderson [1983] 1991, 6). In Anderson’s conception, the nation is

imagined in that “the members of even the smallest nation will never know most of their fellow members”; it is imagined as limited in that “even the largest of them . . . has finite, if elastic, boundaries, beyond which lie other nations”; it is imagined as sovereign in that “nations dream of being free”; and it is imagined as a community in that “regardless of the actual inequality and exploitation that may prevail in each, the nation is always conceived as a deep, horizontal comradeship” (ibid. at 6–7). The latter elements reflect the importance of distinguishing between concepts of nation and state, in that a nation may lack formal sovereignty yet want it, or may at least remain ambivalent about persistent linkages with distant powers.²

In the multidisciplinary literature on nationalism the concept has long been deployed in a manner that (implicitly or explicitly) reflects concerns about its potential exclusionary and isolationist impacts—politically, socially, and economically.³ However, those approaching the subject from a constructivist perspective have explored the possibility that nationalism, including “economic nationalism,” could prompt inward orientation in some contexts while prompting outward orientation in others (Abdelal 2001, 2–3, 29–42; Shulman 2000, 365–69).⁴ Small jurisdictions, in particular, vividly illustrate the potential for nationalism to combine with—and perhaps even express itself through—substantial outward orientation (Ahlerup and Hansson 2011, 435; Nakano 2004, 224; Shulman 2000, 370);⁵ the dynamics of this are explored below (Part III). From this perspective, as Rawi Abdelal explains, a more open-textured conception of nationalism involves “the attempt to link the idea of the nation to specific goals,” whatever they may be (Abdelal 2001, 1). On this approach, economic nationalism involves “economic policy that follows the national purpose and direction” (ibid. at 33), without assuming that this necessarily directs economic policies inward.

Framing the matter in this content-neutral way suggests that economic nationalism is inherently bound up with identity. Economic nationalism, as a phenomenon, can be understood as “a set of policies that results from a shared national identity” (Abdelal 2001; also Shulman 2000, 368), insofar as national identity impacts “interpretations of the purposes of economic activity, the legitimacy of certain economic institutions, and the meaning of [the nation’s] economic interdependence with others” (Abdelal 2001, 2). Simply put, “[w]hat societies want depends on who they think they are” (ibid. at 1)—and this basic insight regarding the impact of national identity on the formulation of economic policy has been fruitfully deployed in a range of international and comparative studies.⁶

At the same time, this approach embeds within it an important distinction between national identity and nationalism. National identities, Abdelal clarifies, “are shared interpretations of the meaning of

² For example, Anderson distinguishes “official nationalisms” from “popular nationalisms” (Anderson [1983] 1991, 109–11, 159–60).

³ For discussion of such assumptions, see Abdelal (2001, 2); Ahlerup and Hansson (2011, 433–35); Aronczyk (2013, 27–28); Bond, McCrone, and Brown (2003, 372); Nakano (2004, 211); Shulman (2000, 365–66).

⁴ Empirical findings reflect these complexities. Compare Lan and Li (2015) (finding that “increasing a region’s foreign trade reduces its economic interests in its domestic market and thus weakens its nationalism”) with Breunig et al. (2021) (finding “little evidence that economic openness has an impact on the level of nationalism”).

⁵ Empirical findings likewise reflect these complexities. Compare Alesina, Spolaore, and Wacziarg (2000) (finding that “the economic benefits of country size are mediated by the degree of openness to trade”) with Breunig et al. (2021, 430) (clarifying that their own findings, problematizing the link between economic openness and nationalism, do not contradict Alesina, Spolaore, and Wacziarg’s finding that free trade “is more beneficial for small countries”).

⁶ These include, for example, Abdelal (2001) (exploring how post-Soviet states’ respective national identities led some to reintegrate with Russia while others turned toward Europe); Suckert (2023) (exploring the role of “economic identity” in campaigns for and against Brexit); Sybblis (2021) (exploring the role of “community economic identity” linked with a particular industry in conditioning responses to potential legal and economic reforms).

the nation,” being “a matter of social construction.” Nationalism, by contrast, involves “the use of the symbol of the nation for specific political, economic, and cultural purposes”—that is, it represents “the nation connected to a project.” In this sense, national identity and nationalism can be viewed as mutually constructed, in that nationalism draws on conceptions of national identity to legitimate particular projects, yet those very projects can be understood as “proposals for what the content of national identity should be.” As this framework implies, the substantive content of national identity may be contested (Abdelal 2001, 24–28, emphasis removed),⁷ suggesting that national identity might be operationalized as a variable in social scientific study by reference to these two dimensions—the forms that substantive conceptions of the content of national identity might take, and the manner and degree of contestation among competing conceptions (Abdelal et al. 2006; also Sybblis 2021, 931–36).

B. *National Identity and National Brand*

Numerous complexities remain to be theorized and empirically examined if we are to develop a more comprehensive understanding of how national identity impacts strategies for economic development—in small jurisdictions or anywhere else. Extant literature highlights the intricate interplay of various forms of contestation—past vs. present framing, domestic vs. cosmopolitan associations, empirical vs. aspirational focus, cultural vs. economic aims, internal vs. external audiences, substantive vs. reputational preoccupations, and so on (Abdelal 2001; Shulman 2000; Suckert 2023; Sybblis 2021; also Part III of this article).⁸ Before turning to potential impacts of national identity on economic development in small jurisdictions, however, more remains to be said about how economic identity might be deployed instrumentally—including through construction of a national “brand” with an eye toward appealing to global markets.

National identity can be deployed instrumentally to advance a wide range of goals, including in the context of economic policy and development. At the same time, however, economic goals and beliefs may become important substantive elements of national identity (Abdelal 2001, 25; Suckert 2023, 1728). Economic successes may become symbols of the nation and represent sources of national pride (Nakano 2004, 220, 224; Shulman 2000, 373; Sybblis 2021, 914). Although cultural and economic drivers of behavior are often treated as being distinct from one another, it is increasingly recognized that economic factors may take on great cultural significance (Suckert 2023, 1726–27). Accordingly, Lisa Suckert describes “economic identity” as reflecting a “set of shared assumptions about what economic practices, institutions and conventions should characterize a nation’s economic system and distinguish it from others” (ibid. at 1731). Such dynamics may become particularly powerful to the extent the nation’s economy becomes “tied to an industry or enterprise that forms a unique social connection between community members in a place”—what Martin Sybblis calls “community economic identity” (Sybblis 2021, 887).

As noted above, extant literature points toward various forms of contestation in the articulation and deployment of national identity in the economic context—including past vs. present framing, domestic vs. cosmopolitan associations, empirical vs. aspirational focus, cultural vs. economic aims, internal vs. external audiences, substantive vs. reputational preoccupations, and so on. It is crucial to recognize that instrumental deployment of national identity toward the goal of attracting cross-border financial services activity may systematically skew discourse related to national identity in each of these

⁷ Naturally, the roles and strategies of leaders loom large here (McDermott 2020; Sybblis 2021, 888–90).

⁸ Dimitrova-Grajzl, Eastwood, and Grajzl (2016, 1) find that longevity of national identity “is statistically significantly positively associated with the extent of national pride.”

respects—toward present framing, cosmopolitan associations, aspirational focus, economic aims, external audiences, and reputational preoccupations.⁹ When we ask how national identity might impact strategies for economic development, we are effectively focusing on a specific, context-driven, and instrumental way of defining and presenting ourselves.

As we will see, these dynamics stand out vividly in the activities and communications of economic development agencies—public or private entities focused on advancing a jurisdiction’s interests in global markets by marketing national attributes thought to be attractive to external investors and customers (Bond, McCrone, and Brown 2003, 373–76). Such efforts are intrinsically bound up with cultivation of a national “brand” drawing on “identity resources” to reconcile historic national characteristics with contemporary development imperatives through processes of “reiteration, recapture, reinterpretation or repudiation, which derive from economic agents’ perceptions of their nation’s economic attributes and their normative beliefs regarding the qualities necessary for economic success” (ibid. at 376–77, emphasis removed).¹⁰ From such processes emerge what marketing professionals term a jurisdiction’s “competitive identity” (Aronczyk 2013, 135, quoting nation-branding professional Simon Anholt), developments prompting John and Jean Comaroff to inquire whether we will increasingly see an “identity economy” writ large, involving “the increasing distillation of both nation and state into the vocabulary of business enterprise” (Comaroff and Comaroff 2009, 8, 118; also Aronczyk 2013, 9, 168–70).

Recognition that identity can be marshaled to “brand” a jurisdiction to appeal more effectively to external markets has prompted a multidisciplinary literature focused on “nation branding.” Although “there is no single definition” of nation branding, the core idea is that a nation “can be viewed as a brand as it can be viewed as a compound of contemporary and historical associations that have relevance for marketing.” In this spirit, “nations are now actively competing internationally to help market their countries’ products and services as well as to capture tourists, foreign investment and international students, among other targets”—and these efforts are inherently bound up with constructed depictions of national identity (Hao et al. 2021, 46–47; also Aronczyk 2013, 15, 67–68).¹¹ A recent literature review sorts marketing studies on nation branding by four themes—“country image and reputation,” “nation brand personality,” “strength,” and “integrated marketing communications” (Hao et al. 2021, 47–51).¹² Unsurprisingly, marketing literature on nation branding tends to focus on “the external audience of a country brand,” prompting the authors of this literature review to conclude that “more work is needed particularly to examine the domestic population or the internal audience” and that “more insightful application of the case study approach may result in the identification of evidence fostering newer interpretation of nation branding strategy” (ibid. at 64).

⁹ For example, I have explored elsewhere the relevance of cultural and geographic proximity to major economies, investment in human capital and professional networks, and cultivating the perception of balanced regulation to the success of “market-dominant small jurisdictions” (Bruner 2016, 45–47). See also Sassen (2012, 89–91, 226–27) (discussing “denationalization” of identities in “global cities”); Bond, McCrone, and Brown (2003, 374–76) (observing “the reconciliation of the past with the perceived *contemporary* national interest” among “those that mobilise national identity for *economic ends*” and the association of reputational concerns with “the external mobilization of identity”).

¹⁰ The former two processes are employed where a positive historic attribute is thought to offer contemporary economic advantage. The latter are employed where a historic attribute is now regarded negatively, in which case it must be reinterpreted in some manner or discarded (Bond, McCrone, and Brown 2003, 377).

¹¹ On identity dimensions of branding more generally, see Hanson (2022).

¹² The authors present a twenty-year literature review, covering the period 1998–2018 (Hao et al. 2021, 47–48).

Such dynamics have received sustained attention, however, through other disciplinary lenses. Melissa Aronczyk observes that modern nation branding “is linked to concrete structural changes in the political and economic dynamics of the nation as well as changes in the perceived role of the nation in the latter decades of the twentieth century” (Aronczyk 2013, 34), notably involving greater policy emphasis on carving out a profitable role in globalizing markets. From this perspective, “national identity is acknowledged more in terms of its fitness for capital attraction than for its cohesive or collegial properties,” such that “cohesiveness and belonging are seen to follow from the nation’s fitness for capital attraction, as state policies and corporate practices are mutually configured to favor economic growth as the engine of citizen’s well-being” (ibid. at 22).

Consequently, the nation-branding project gives rise to multiple forms of complex tensions related to the expression of national identity. The first, internal to the nation-branding project itself, is the challenge of balancing “differentiation” with “standardization”—articulating a national brand that at once serves to “distinguish its object from its counterparts to allow it to emerge from a cluttered and competitive environment,” yet which simultaneously conveys that it “remain[s] rooted in a relational context of functional similarity” in the marketplace (Aronczyk 2013, 75, emphasis removed). As Comaroff and Comaroff describe it, “difference adds value,” yet “it cannot diverge too far from palatable prototypes”—the idea being for the nation to locate “a market niche for its uniqueness” (2009, 124–25). Nation branding, Aronczyk explains, aims “to articulate the special and unique difference of the national client” but “only insofar as it corresponds to patterns of consumption” measured by reference to preferences of foreign investors and others (2013, 31).

This points toward a second tension between external and internal determinants of national identity. To understand nation branding and its consequences, Aronczyk observes, “we must take into account both the external motivations of identity projection and the claims made for internal, collective self-identification” (Aronczyk 2013, 79). This starkly raises issues regarding who should “determine what constitutes legitimate culture and national identity,” given the fact that nation branding inherently threatens to subordinate a range of domestic perspectives to those of “branding and marketing experts” (ibid. at 5).

As discussed below, managing potential tensions arising from inconsistent external and internal constructions of national identity may complicate economic development in small jurisdictions active in cross-border financial services.

III. Identity and Development in Small Jurisdictions

The foregoing perspectives help illuminate how national identity might factor into economic development in small jurisdictions, where realities of size and geography naturally prompt substantial outward orientation and incentivize innovations in law and finance to service global markets for economic activity largely occurring elsewhere. This section applies such insights in the context of small jurisdictions that are globally competitive in providing cross-border financial services—market-dominant small jurisdictions, as I have described them (Bruner 2016)—and then turns to a particularly vivid case study assessing how national identity factors into Bermuda’s outsized role in global insurance markets.

A. *Competition in Cross-Border Financial Services*

In prior work, I develop a framework for understanding how certain small jurisdictions have managed to compete effectively in global financial markets. Although they are often lumped together and pejoratively dismissed as “tax havens” or “offshore financial centers,” I argue that at least some of them are better conceptualized as “market-dominant small jurisdictions” (MDSJs) that compete effectively in global markets by providing real, value-added services (Bruner 2016; 2018).

MDSJs reflect a suite of contextual features, characteristics, and development strategies, which I summarize through a five-part ideal type.

1. “MDSJs are small and poorly endowed with natural resources, limiting their economic-development options.” This prompts “substantial outward orientation” and creates “a strong incentive to innovate in law and finance.”
2. “MDSJs possess legislative autonomy.” This is the critical resource enabling innovation in law and finance, and it is important to observe that it need not take the form of full sovereignty. This is particularly the case where linkages with a major economy’s legal system and market structures prove beneficial, as with British Overseas Territories benefiting from resort to English common law and connections with London’s financial market.
3. “MDSJs are culturally proximate to multiple economic powers, and favorably situated geographically vis-à-vis those powers.” This may arise from colonialism, common histories, and/or geography, and such ties permit these jurisdictions to “perform important regional and global ‘bridging’ functions in cross-border financial services.”
4. “MDSJs heavily invest in human capital, professional networks, and related institutional structures.” Such investments “foster a financial professional community with the incentives and capacity to develop centers of specialization in cross-border finance.” In other words, they develop private-sector capacity to operationalize innovative structures introduced through public policy.
5. “MDSJs consciously balance close collaboration with and robust oversight of the financial professional community, seeking at once to convey flexibility, stability, and credibility.” In essence, these jurisdictions simultaneously endeavor to avoid underregulation in the eyes of foreign regulatory counterparts and to avoid overregulation in the eyes of global markets. At the same time, they “bring private-sector insights and experience to bear upon the creation, maintenance, and marketing of cutting-edge regulatory regimes in high value-added areas of cross-border financial services.” (Bruner 2016, 41–49)¹³

Although definitively establishing causation remains a challenge (Bruner 2016, 49–50), I have examined several successful small jurisdictions through this lens to demonstrate their close adherence to the MDSJ ideal type.¹⁴ In a spirit of avoiding selection on the dependent variable, then, I have

¹³ The notion of “bridging” functions draws from global cities literature, which emphasizes participation in “global circuits” of economic and financial activity (Sassen 2009, 209–13; Sassen 2012, 111–14).

¹⁴ Much like Bermuda in global insurance markets, Dubai has become “an increasingly dominant center in the emerging field of Islamic finance”; Singapore is “a rising power in wealth management”; Hong Kong provides “a critical gateway to

distinguished others that are not small or are not market-dominant, exploring critical respects in which they deviate from the MDSJ ideal type.¹⁵

How might economic identity emerge as a salient factor from, and affect ability to capitalize on, such features and strategies? As a threshold matter, each element of the MDSJ ideal type is straightforwardly translatable into a self-referential “we are”-type statement, reflecting the fact that each element either constitutes a contextual feature or characteristic intrinsic to these jurisdictions, or a development strategy built on them. This is most vividly illustrated by a given jurisdiction’s bridging functions, reflecting both their affinities with major economies and their distinctive specialized services, which are often rooted in “the deep economic history of a place” and reflect “different resources and talents for producing particular types of capabilities” (Sassen 2012, 114–15). From a marketing perspective, collective self-identification along such lines conveys to markets that the jurisdiction’s distinctive contextual features, characteristics, and development strategies are hardwired into the system and the associated development model, enhancing the perceived credibility of their commitments to policies the market finds attractive (Sybbelis 2023, 602–07). This is effectively the foundation for the “bonding” thesis familiar to scholars of US corporate law federalism,¹⁶ and it applies with equal force in the international financial context (Bruner 2016, 43–44; Morriss 2010b, 130–31).

As the MDSJ ideal type implies, law and correlatively lawyers loom large in this mode of economic development. At its core, the MDSJ strategy involves deploying legislative autonomy to develop competitive innovations in law and finance, which requires substantial investment in professional capacity and collaborative engagement among a range of public and private actors. This is broadly consistent with law and finance literature focused on economic development, which similarly emphasizes the centrality of underlying legal structures (Pistor 2019; Deakin et al. 2017, 192–98; Haselmann, Pistor, and Vig 2010, 567–68). Lawyers are indeed at the heart of the action in this context, and are fairly characterized as “coders” of capital (Pistor 2019, 19–21, 158–82; also O’Hara and Ribstein 2009, 74–77)—particularly in common-law jurisdictions, which predominate in global finance.¹⁷

and from China’s enormous domestic market and production capabilities”; Switzerland has been “long dominant in cross-border banking”; and Delaware represents “the predominant jurisdiction of incorporation for U.S. public companies and a global competitor in the organization of various forms of business entities.” Although they “differ substantially in their respective geographic locations, cultural affinities, social and political dynamics, economic spheres, financial services strengths, regulatory postures, and legal traditions,” they all broadly resemble the MDSJ ideal type (Bruner 2016, 9–10 and chaps. 4–9).

¹⁵ For example, New York and London, although highly successful, differ starkly from MDSJs, notably in “their locations, historically positioning them as gateways to major domestic economies, their lower degrees of regulatory autonomy, and their greater breadth of financial services offerings, underwritten by the greater credibility that each derives from the support of a large sovereign.” The tiny island of Nauru, meanwhile, “lacks favorable geography, and failed to invest meaningfully in human capital, professional networks, and related institutional structures to develop real value-added financial services capacity, relying almost exclusively on low taxes and financial secrecy” (Bruner 2016, 11–12 and chap. 10).

¹⁶ “Because Delaware is so small, it uniquely relies on [the franchise] tax. This reliance serves as a sort of ‘bond’ to commit Delaware to continue to supply high-quality corporate law” (O’Hara and Ribstein 2009, 111).

¹⁷ Although this is sometimes attributed to varying degrees of investor protection, Katharina Pistor argues that common-law lawyers’ greater “autonomy from the state” and “opportunity to fashion new law subject only to occasional vetting by a court” have “given the common law the comparative edge in the coding of capital” relative to civil-law systems (Pistor 2019, 167–76). See also Berkowitz, Pistor, and Richard (2003) (arguing that how a country adapts legal transplants to its own system has greater effect on economic development than the legal family from which the transplant came).

Yet, more remains to be said about financial innovation, as such, serving as a development strategy for small jurisdictions active in cross-border financial services—a particular mode of economic development strategy that tends to be overlooked in law and finance literature, or summarily dismissed as abusive regulatory competition exploiting capital mobility (Pistor 2019, 67–76).¹⁸ To be sure, lawyers have found themselves the subject of unfavorable press following high-profile data leaks exposing complex cross-border financial arrangements at the behest of global elites (*British Broadcasting Corporation*; also Bruner 2016, 4–5, 196), and insightful sociological literature has explored how abusive financial conduct can become “routinized” through various “neutralization techniques” (Evertsson 2020).¹⁹ However, these literatures paint with too broad a brush to the extent they lump together MDSJs with jurisdictions operating as pure tax and secrecy havens (Bruner 2016, 192–202). As the ideal type above suggests, there is more to it with MDSJs, and in the section that follows I explore these dynamics more fully through Bermuda’s engagement with global insurance markets (Part III-B).

MDSJ strategies similarly defy straightforward categorization amid broader economic development literatures. Much of this literature focuses on competing perspectives regarding industrial promotion and trade in goods—notably, neoliberal economic arguments, rooted in “comparative advantage,” to the effect that openness enhances efficiency through national specialization in those areas where a country already excels (Bhala 1996, 5–46),²⁰ and critical responses to the effect that “infant industries” require protection before they can be expected to compete effectively, particularly in light of developed countries’ historical use of protectionist structures during their own developing stages (Chang 2002; Scott 2010; Shafaeddin 2000).²¹ MDSJs most assuredly depend on economic and financial openness, yet they do not comfortably fit within this discursive framework because the drivers of their international economic relations take a different form; they aim to position themselves in global corporate and financial networks, providing services that are compatible with and uniquely valuable to those networks, which more closely resembles “competitive advantage” in strategy terms.²²

The experience of MDSJs broadly resonates with dependency theory and structuralist economic theory, which emphasize global economic “core/periphery” dynamics and associated “structural heterogeneity” (Kvangraven 2020; Kufakurinani et al. 2017; also Di Filippo 2009; Martins 2017), insofar as MDSJs are themselves dependent on and reactive toward networks fueled by economic activity originating in major economies. Strictly speaking, MDSJs do not entirely fit within this discursive framework either, as this literature has mainly focused on dependency dynamics stemming from reliance on exports of primary goods to more industrialized countries (Cardoso and Faletto [1971] 1979, xix, 78–79, 186–87; Marini [1973] 2022, 116–21). By contrast, MDSJs’ peripheral status and specialized service orientation actually contribute to their competitive advantage, positioning them to perform critical “bridging” functions among major economies. At a mid-level of abstraction, however, dependency theory does offer insights that are useful in understanding tensions arising from inconsistent external and internal forces affecting economic development and national identity—notably, the general emphasis placed on the importance of local context in dependent jurisdictions and the particular focus on how their own domestic elites (public and private) endeavor to manage both external market linkages and internal distributive politics (Cardoso and Faletto [1971] 1979, 20–

¹⁸ For discussion of varying perspectives on capital mobility and regulatory competition, see Bruner (2016, 30–38).

¹⁹ Such work builds on pioneering work in sociology (see Sykes and Matza 1957).

²⁰ Comparative advantage exists where “a country has a greater margin of superiority, or a smaller margin of inferiority,” for a particular product relative to trading partners (Bhala 2012, 149–52).

²¹ On lingering effects of colonialism and its impacts on international economic law, see Anghie (2006); Hossain and Rahi (2018).

²² Competitive advantage places greater emphasis on fostering innovative modes of competition (Bhala 2012, 153–55).

22, 26–27, 35, 172–73; also Kvangraven 2020, 92–93). As we will see, tensions can arise between the externally directed ambitions of (public and private) elites in MDSJs, orienting and branding the economy toward global markets, and the interests of the broader population, who may not fully share in the resulting prosperity or subscribe to the externally marketed conception of national identity that underwrites it (Part III-B).

Although there are straightforward respects in which elements of the MDSJ ideal type might provide a foundation for nation-branding strategies like those described above (Part II-B), they likewise highlight challenges arising from the delicate balances that this mode of economic development inevitably involves. As discussed above, appeals to the essence or interests of the nation, closely bound up with national identity, can be double-edged, facilitating inward- or outward-oriented policies depending on the circumstances and how such appeals to national identity are deployed (Part II-A).²³ At the same time, excessive investment in a particular mode of specialized service, to the point that it becomes very highly identity-relevant, could inhibit a jurisdiction from taking advantage of beneficial diversification opportunities (Sybblis 2021, 884–85; also Sybblis 2023). These tensions reflect the practical significance of the final element of the MDSJ ideal type, balancing “close collaboration with and robust oversight of the financial professional community.” The underlying aim is to convey “stability and credibility to global markets and . . . foreign regulatory counterparts,” yet at the same time to “bring private-sector insights and experience to bear upon the creation, maintenance and marketing of cutting-edge regulatory regimes” (Bruner 2016, 46–47). Cultivating a national brand that at once conveys stability and credibility of underlying institutions, on the one hand, and dynamic capacity to innovate and diversify, on the other, is a delicate matter indeed—yet this is critical to small jurisdictions active in cross-border financial services, both as a matter of marketing and as a matter of prudent economic development.

B. Branding National Identity: The Case of Bermuda

Bermuda vividly reflects the foregoing dynamics, highlighting opportunities and tensions facing small jurisdictions active in cross-border financial services. At the same time, Bermuda highlights opportunities and tensions associated with instrumental deployment of national identity and nation branding as a means of competing in global markets.

As a threshold matter, Bermuda exemplifies each element of the MDSJ ideal type. Bermuda (1) is very small in population and land area, with very limited natural resources; (2) has ample legislative autonomy as a British Overseas Territory; (3) is culturally proximate to and favorably situated geographically vis-à-vis the United Kingdom and the United States, facilitating effective bridging of these common-law legal systems and related financial markets; (4) has heavily invested in developing human and institutional capital related to cross-border financial services, notably in the insurance sector; and (5) has walked a fine line to balance robust regulation with market-focused flexibility to facilitate innovation (Bruner 2016, 51–59; also Duffy 2004, 4, 12, 15, 422; Hall 2004, xviii; US Central Intelligence Agency 2024). Bermuda’s capacity to bridge the United Kingdom and the United States, in particular—capitalizing on cultural, legal, and market connections on both sides of the Atlantic—has proven significant, and strong marketing and brand consciousness emphasize this capacity (Bruner

²³ Ahlerup and Hansson (2011, 432) find that “nationalism may be a positive force at low levels . . . but a negative force at high levels” and suggest that “positive effects . . . include that nationalism can increase in-group altruism, trustworthiness, and state authority” while “negative effects include . . . prejudice, out-group animosity, and skepticism of new ideas and implementation techniques.”

2016, 53–56).²⁴ At the same time, Bermuda has carefully calibrated the message to convey that the jurisdiction is at once flexible and innovative yet well regulated, strenuously avoiding pejorative tax haven and offshore labeling (Bruner 2016, 56–58; Duffy 2004, 35, 420–22, 451–52).²⁵

Bermuda’s global dominance in the insurance industry particularly stands out (Bruner 2016, 59–67; BBDA, n.d., *Bermuda*, 11), and this is the natural starting point for analyzing how Bermuda’s national identity may factor into its role in global markets. Although insurance business was conducted in Bermuda by the late eighteenth century, Bermuda’s outsized role in global insurance markets dates to the mid-twentieth century (Duffy 2004, 4–6, 15, 483), reflecting concerted efforts to build on North American and European linkages to develop a competitive international business center (ibid. at 9–31) through initiatives spearheaded by lawyers and other professionals with international connections.²⁶ Today, Bermuda is the world’s top domicile for captive insurance entities (*Business Insurance* 2023; BBDA, n.d., *Bermuda*, 12) and the world’s leading market for insurance-linked securities (BBDA, n.d., *Bermuda*, 3, 12). At the same time, “Bermuda re-insurers make up about 36% of the global reinsurance market based on property/casualty net premiums earned” (ABIR 2023), and Bermuda “provides more than 35% of capacity for Lloyds of London” (BBDA, n.d., *Bermuda*, 11).²⁷ That Bermuda has fostered innovations useful to the global insurance marketplace is most vividly reflected in the spread of the captive insurance concept from Bermuda to numerous other jurisdictions—including the United States, where several states now vigorously compete for captive domiciling business (Morris 2010b, 136–38; *Business Insurance* 2023; also Duffy 2004, 38–43).²⁸

The insurance sector remains central to Bermuda’s economy. According to the government’s economic report for 2023, “International Business contributed the greatest amount to Bermuda’s economy in 2022,” representing “28.4 per cent of total GDP,” and “the insurance and reinsurance industry remain the biggest contributors to this sector” (Bermuda Ministry of Finance 2024, 1–2, 5–6). The government’s 2023–2024 budget statement explains that “the international business sector, in particular the insurance and reinsurance industry, continues to be the bedrock of our economy,” and emphasizes that “Bermuda’s economic stability during the peak of the pandemic . . . is largely a result

²⁴ On Bermuda’s constitutional status and the relation of Bermuda’s law and court system to those of the United Kingdom, see Bermuda Constitution Order 1968, BX 182/1968, sch. 2, ch. V (UK legal instrument enacting Bermuda’s constitution and establishing Bermuda’s judiciary); Supreme Court Act 1905, 1905:4 (Bermuda) s. 15 (declaring English law as of the date of Bermuda’s settlement, July 11, 1612, to be in force in Bermuda subject to subsequent modifications); Rules of the Supreme Court 1985, GN 470/1985 (Bermuda) Order 72 (establishing a Commercial Court as part of the Supreme Court); Court of Appeal Act 1964, 1964:221 (Bermuda) ss. 12, 16 (providing for appeals from the Supreme Court to the Court of Appeal); Appeals Act 1911, 1911:1 (Bermuda) ss. 1–2, 18 (providing for appeals from the Court of Appeal to the Privy Council). For additional background see Wilson (2022).

²⁵ Bermuda has, of course, been described as a tax haven (Palan, Murphy, and Chavagneux 2010, 126–27; Zucman 2015, 102–13).

²⁶ Catherine Duffy’s detailed history emphasizes several such individuals. See Duffy (2004) at 9–13 (Sir Henry Tucker, banking), 14–15 (Cornelius Vander Starr, insurance), 18–19 (William Kempe, law), 20–21 (David Graham, law), and 38–39 (Fred Reiss, insurance).

²⁷ Lloyd’s is “the world’s leading insurance platform,” organized through “specialist syndicates” of underwriters (Lloyd’s, n.d.). In this context, “capacity” refers to “the amount of premium income that a syndicate may underwrite for a year of account—that is the maximum amount of premium income, net of reinsurance premiums paid, that it may accept.” His Majesty’s Revenue and Customs, “LLM1120-Introduction to Lloyd’s: Syndicate Capacity.” *Lloyd’s Manual* (updated April 9, 2024). <https://www.gov.uk/hmrc-internal-manuals/lloyds-manual/llm1120>.

²⁸ For discussion of Delaware’s efforts to compete with the three “perennial leaders”—Bermuda, the Cayman Islands, and Vermont—see Bruner (2020, 87–93).

of the contributions of our most significant economic pillar” (Bermuda Ministry of Finance 2023, 4; also Burt 2022).²⁹

Viewed through the MDSJ lens, it is not difficult to perceive the host of ways in which various actors have sought to harness national identity toward the construction of a national brand in order to enhance Bermuda’s economic development. Bermuda’s financial marketing efforts describe their successes, and the capacities that support them, in identity-infused terms (Sybblis 2023, 608–12) that strongly resonate with, and in fact build on, the contextual features, characteristics, and development strategies associated with MDSJs. A one-page infographic produced by the Bermuda Business Development Agency (BBDA)—a public-private initiative (BBDA, n.d., “About BDA”)—encapsulates Bermuda’s outward-oriented national brand in the phrase “Bermuda is a blue-chip jurisdiction” (BBDA, n.d., “Bermuda: The Centre of It All”). This phrasing accomplishes multiple identity-related functions, both through association with positive concepts and dissociation from negative ones. The positive business and financial connotations are obvious, as “blue chip” commonly refers to stock of a well-known company with “a long record of profit growth and/or dividend payment and a reputation for quality management, products, and services” (Downes and Goodman 2003, 66). At the same time, this identity statement implicitly counters pejorative characterization as a tax haven by emphasizing legitimate value-added services.³⁰ Features summarized in the infographic to support this characterization include Bermuda’s stability; cultural, legal, and market ties with the United Kingdom and the United States alike (for example, the common-law legal system, pegging the Bermudian dollar to the US dollar, and English being “the main language”); favorable geography relative to these major markets, including an inset map placing Bermuda at “the centre of it all” between London and various North American financial and commercial centers; and their “World-class regulator” and reputation as a “Compliance and transparency leader,” coupled with “a deep talent pool of highly qualified professionals” attracted by “one of the highest standards of living in the world” (BBDA, n.d., “Bermuda: The Centre of It All,” emphasis removed). Such characteristics have similarly been emphasized by professionals marketing both Bermuda as a jurisdiction and their own capacity to help clients navigate it.³¹

Other marketing materials elaborate on this “blue-chip jurisdiction” identity statement and national brand. A BBDA brochure similarly supports this characterization by reference to Bermuda’s stability, its “400-year-old English common law legal system,” its “pro-business culture,” its “convenient geographic location” between New York and London, and its combination of a “robust and transparent regulatory environment” with the “nimble, strategic and open-minded approach of the island’s government and regulators” (BBDA, n.d., *Bermuda*, 1, 4–10; also Hart 2022–2023, 17–18). The brochure likewise emphasizes US and EU insurance regulatory recognition, in addition to being “considered by the EU to be a fully cooperative tax jurisdiction” (BBDA, n.d., *Bermuda*, 2, 5–6, 11). The brochure plays up the benefits of relative proximity among public and private actors in a small geographic space, observing that the “international business community, along with government and the regulator, is located within a square mile radius in the City of Hamilton . . . fostering a collaborative business culture where important and life-long relationships are formed easily” (ibid. at 7; also Burt

²⁹ Characterization of the international business sector as Bermuda’s economic “bedrock” arises in marketing materials as well (Smith 2023–2024, 18, 20).

³⁰ For example, Simpson (2002) cites these alternative characterizations in discussion of efforts to attract companies to park valuable intellectual property in Bermuda subsidiaries to defer or avoid US taxation.

³¹ For example, Appleby Global Group Services Limited (2024, 3–4) similarly describes Bermuda as “a global insurance and reinsurance hub and blue-chip jurisdiction” and their own Bermuda office as “the leader for re/insurance in Bermuda with the only dedicated insurance and reinsurance team on island.”

2022–2023, 11). This phrasing presumably resonates with UK counterparts, who likely associate it with parallel characterizations of the “Square Mile” in London, long cohabited by British financial and regulatory elites (Bruner 2013, 150, 244–45)—particularly in light of the Bermuda insurance sector’s strong connection with Lloyd’s (BBDA, n.d., *Bermuda*, 11). The more extensive 2022–2023 *Bermuda Business Review*, meanwhile, elaborates at some length and includes contributions from US and Canadian diplomats (Grissette 2022–2023, 101; Nasim 2022–2023, 103) as well as a representative of the UK-based “Bermuda Society,” which was formed to “promote Bermuda as a respected, top-tier jurisdiction for global business and strengthen the historic, mutually beneficial links between Bermuda, the UK and other international centres of excellence” (Bisset 2022–2023, 105).

The heavily marketed aim to balance regulatory stability and credibility, on the one hand, with flexibility to facilitate innovation, on the other, is amply evidenced in Bermuda’s laws and regulations—which to some degree reflect how Bermuda’s lawmakers and regulators want the jurisdiction to be perceived by global markets. The Bermuda Monetary Authority (BMA) is the financial regulator, including for insurance, Bermuda Monetary Authority Act 1969, 1969:57 (Bermuda) ss. 2–3, 20A, and the BMA’s mission includes both “[m]aintaining effective and proactive regulatory frameworks” and “[s]upporting responsible innovation locally and in global markets” (BMA, n.d.). The BMA’s board is required to include a supermajority of “eleven members appointed by the Minister [of Finance] from persons with experience of the financial services industry,” Bermuda Monetary Authority Act 1969, 1969:57 (Bermuda) s. 4(1), reflecting an institutional bridging of public and private sectors and clear sensitivity to market perceptions of the regulatory environment. In the insurance context, then, the Insurance Act 1978 similarly requires an “Insurance Advisory Committee whose function shall be to advise the Authority on any matter relating to the development of the insurance industry in Bermuda which the Authority may refer to it.” This committee similarly “may advise the Minister [of Finance] on any matter relating to the development and promotion of the insurance industry in Bermuda.” This structure further reflects sensitivity to market perception, as the committee “shall consist of such persons (not fewer than five in number) to be appointed by the Minister, as the Minister may think fit, but so that not fewer than three members of the Committee shall be persons appearing to the Minister to be knowledgeable about insurance business in Bermuda.” Insurance Act 1978, 1978:39 (Bermuda) s. 2C.

Bermuda has been aptly described as “the cockpit and testing ground of prototypes throughout every decade of international insurance” (Duffy 2004, 483), and this has been actively facilitated by the regulatory environment. Emblematic structures arising from the regulatory framework described above include the “Insurance Regulatory Sandbox” and “Innovation Hub” initiatives,³² both aimed at fostering technological innovation.³³ In a guidance note, the BMA explains that the Sandbox “will allow companies to test new technologies and offer innovative products, services, and delivery mechanisms to a limited number of policyholders . . . in a controlled environment and for a limited period of time,” subject to “appropriate safeguards.” This structure contemplates that, following “successful Sandbox proof-of-concept,” the company could transfer from a provisional to a standard form of insurance license. Bermuda Monetary Authority, Guidance Note: Insurance Regulatory Sandbox and Innovation Hub (September 2018), para. 4(i). The Hub, then, “may be used by

³² Bermuda Monetary Authority Act 1969, 1969:57 (Bermuda) ss. 20F–20I; Insurance Act 1978, 1978:39 (Bermuda) ss. 1(1), 4EG–4EJ, 5(3), 6A, 6E–6F, 13(2)–(3).

³³ Bermuda Monetary Authority, Guidance Note: Insurance Regulatory Sandbox and Innovation Hub (September 2018) app. III (providing examples focusing on emerging technologies). See also BBDA (n.d., *Bermuda*, 12, 15) (describing the purpose as being “to facilitate and promote the development of technological innovation in the insurance sector”).

companies that will eventually apply for entry into the Sandbox when the concept is sufficiently developed,” yet where “the company is still developing its thoughts and ideas and not yet prepared for proof-of-concept” (ibid. at para. 4(ii)). While clearly designed primarily to foster market innovation, the BMA emphasizes potential regulatory benefits insofar as the Sandbox and the Hub provide an opportunity “to use the lessons learned to update the BMA’s framework when required to avoid unnecessary discouragement of innovation”—the objective being “a modern regulatory environment that is both robust and pragmatic” (para. 6). Although these initiatives focus on insurance, reflecting Bermuda’s established dominance in the field, the BMA clearly contemplates extending their reach to other areas of financial services in the future (paras. 1, 4(iii)).³⁴

This gestures toward a more fundamental point regarding the broader economic development strategy. Like other MDSJs, Bermuda has sought to “leverage” its established insurance platform, and the institutional advantages that it embodies, to diversify into distinct though related areas of financial services—and the national brand and associated conception of national identity constitute the core mechanism for doing so. In essence, the idea is to communicate to the marketplace that the same suite of contextual features, characteristics, and development strategies that have made Bermuda successful in insurance render it an attractive jurisdiction in adjacent service domains.³⁵ As Bermuda Premier and Minister of Finance David Burt has expressed it, “[t]o many, Bermuda is known as the world’s risk capital,” referring to Bermuda’s established insurance platform, “but we are much more than that.” Bermuda’s financial center “is also home to a thriving asset management and funds sector, a hub for high-net-worth services and a growing centre for tech innovation” (Burt 2022–2023, 11).

Bermuda’s financial marketing materials naturally list insurance as the first “focus” industry (BBDA, n.d., *Bermuda*, 10–12), but others are expressly linked with the sorts of features discussed above. Bermuda’s asset management capacities build directly on their “significant centre for both traditional and alternative investments,” exemplified by Bermuda’s status as “the global leader in insurance-linked securities” (ibid. at 13).³⁶ Other focus industries, meanwhile, build on similar contextual features, characteristics, and strategies to those underwriting Bermuda’s dominance in the insurance sector. High-net-worth services benefit from Bermuda’s position as “a premier jurisdiction for trusts,” reflecting the common-law legal system and how “Bermuda’s regulatory regime carefully balances privacy while ensuring the highest standards of global compliance.” At the same time, “Bermuda’s stability, safety and easy accessibility from Europe, the Americas and other global locations make it an ideal jurisdiction in which to establish and maintain single and multi-family offices” (14). Facilitation of emerging technologies likewise builds on “a robust, fit-for-purpose legal and regulatory framework,” including the Insurance Regulatory Sandbox and Innovation Hub initiatives (15). The 2023–2024 *Bermuda Business Review* elaborates in a contribution from the Association of Bermuda International Companies, explaining that innovation “is a way of life and a matter of survival” for Bermuda; citing a suite of characteristics resembling those discussed above; and observing that the same “template of industry, government and regulator working closely together, established in Bermuda’s insurance, reinsurance and financial services sectors over 60 years, has also been applied to fintech” toward the goal of establishing Bermuda as “the Silicon Valley of the Atlantic Ocean and a global leader in digital assets” (Smith 2023–2024, 18–22). As the BBDA sums it up, although

³⁴ See also Bermuda Monetary Authority Act 1969, 1969:57 (Bermuda) s. 20F.

³⁵ For discussion of such a “leveraging” strategy to diversify corporate and financial services offerings, see Bruner (2020) (exploring Delaware’s efforts to expand from general corporate chartering into bank chartering and captive insurance domiciling).

³⁶ At the same time, Bermuda has increasingly competed for chartering of US-listed companies (Moon 2020).

insurance represents the “foundation of Bermuda’s international business sector,” Bermuda is “building on its traditional strengths—location, stability and its world-renowned regulatory regime—to grow from strength to strength as a premier international business and finance centre” (Hart 2022–2023, 17–18; also BBDA 2022, 11–16; Bermuda Ministry of Finance 2024, 13), clearly embracing the strategy of diversification through “leveraging” pursued by other MDSJs as well (Bruner 2020). Indeed, “stimulating economic diversification” is an important aim of the BBDA (Hart 2022–2023, 18; also BBDA 2022, 3, 6–7).

As discussed above, national identity is often contested, and outward-oriented nation branding may overlook how such messaging is perceived by internal audiences (Part II). Notwithstanding Bermuda’s extraordinary successes in the insurance sector and related domains of cross-border financial services activity, contestation dynamics are readily discernible in competing visions of Bermudian national identity and varying degrees of ambivalence regarding how Bermudian nation branding impacts the jurisdiction’s self-perception and culture. Despite longstanding English ties, Bermuda’s population is highly diverse. The majority of Bermuda’s population is Black, and although English is the official language, it is not the only language—Portuguese is also prominent (Bermuda Department of Statistics 2016, 31; US Central Intelligence Agency 2024). And despite having a very high per capita gross domestic product, ranking eighth in the world (US Central Intelligence Agency 2024), such aggregate figures obscure substantial inequities. For example, Bermuda’s 2016 census found that the “unemployment rate for blacks (9%) was triple the rate of whites (3%),” and that the “unemployment rate for Bermudians (8%) was nearly three times the rate of their non-Bermudian counterparts (3%)” (Bermuda Department of Statistics 2016, 55). The census similarly found substantial inequities in terms of income (*ibid.* at 70–71). To the extent that references to such realities appear in outward-oriented, finance-driven marketing materials, they are at most marginal and oblique.³⁷ Viewed through the lens of dependency theory (Part III-A), this naturally leads one to ask how effectively public and private Bermudian elites pursuing global linkages—and heavily marketing the compatibility of Bermudian identity with major Anglo-American economies and financial centers—have mediated these external linkages and internal cultural and socioeconomic realities.

Indeed, there are discernible tensions regarding the impacts of Bermuda’s nation branding, reflecting real contestation of Bermudian national identity and economic orientation. It is certainly noteworthy that the BBDA’s most recent chief executive was an American (from Florida) tasked with enhancing investment and economic growth in Bermuda, and whose career successes and transferable skills relate to “business advocacy” generally (Hart 2022–2023, 17–18).³⁸ The resulting national brand and associated perspectives stand in stark contrast with the impression of national identity that one gets from Bermuda’s Department of Culture, which emphasizes real complexities and challenges. Under the “National Cultural Heritage Policy for Bermuda,” covering the period 2021–2026, the stated “objective” is to “encourage national identity and pride by including Bermudian culture in every part of local life,” and the “vision” is a “shared cultural identity.”³⁹ In this context, “national identity” is understood to mean “a sense of a country’s common character, including the culture, traditions, and language,” which “must include aspects of each community as they interact to create a common system

³⁷ For example, Burt (2022–2023, 11) observes that global law and accounting firms “are employing and training Bermudians” and emphasizes that “our pipeline of local talent continues to build,” while Jones (2022–2023, 123–25) describes initiatives aimed at “helping generations of young Bermudians join the [insurance] industry,” which historically has been “largely staffed by ex-patriot workers.”

³⁸ David Hart retired in March 2024 and his successor had not yet been appointed as of this writing (BBDA 2024).

³⁹ Bermuda Department of Culture (2021, ii, 2); see also Progressive Labour Party (2020, 11, 25) (governing party platform calling for such a policy).

of being, thinking, and doing with the intention that this common sense of identity and pride will result in material and spiritual wellbeing for the citizenry” (Bermuda Department of Culture 2021, 42).

Consistent with this broader framing, the National Cultural Heritage Policy aims to move “beyond the simplistic formulations of character relating only to what could be expected from a custodian of beaches, sun, cocktails and sand” in order to “reinforce our identity as Bermudians and influence national development, including the ways that a constructive understanding of who we really are can be channeled into sources of revenue, particularly in the arena of cultural tourism and the creative industries” (Bermuda Department of Culture 2021, 3). This effectively expresses a desire to reformulate Bermuda’s national identity and to redirect economic development strategy toward communicating cultural distinctiveness, as opposed to familiarity to global market actors (*ibid.* at 3, 15), reflecting tensions of a sort that broadly resonate with those emphasized in dependency literature (Part III-A).

From this perspective, there would appear to be real ambivalence regarding the cultural and national identity-related impacts of global finance in Bermuda. On the one hand, the advent and growth of the international business sector could be viewed as Bermuda “divesting itself of its colonial identity,” insofar as the jurisdiction “has arrived as a major international business destination under its own steam”—reflecting the fact that, as discussed above, economic success can itself promote a sense of “distinct national identity” (Williams 2005, attributing this view to former Premier John Swan; also Part II-B). On the other hand, however, the National Cultural Heritage Policy tends to depict international business and finance as presenting challenges to the realization of the broader national identity-based objective and vision advocated, and the document as a whole—in contrast with finance-driven nation-branding efforts—conveys a desire to explore national identity in a more inwardly focused way, even if this is ultimately to be monetized through cultural tourism.⁴⁰

Such ambivalence is further reflected in the contrast between finance-driven and tourism-driven nation-branding efforts. In August 2021, the Bermuda Tourism Authority announced an initiative to “review and reposition Bermuda’s brand” (Bermuda Tourism Authority 2021). The aim was to reflect “authenticity and telling our story in ways that truly reflect who we are and what we have to offer,” placing “Bermuda’s people and culture . . . at the centre of our marketing efforts” (*ibid.*, quoting Chief Executive Charles H. Jeffers II). The result, titled “Lost Yet Found” and produced by Proverb—a Boston-based branding agency led by Daren Bascome, himself a Bermudian—“highlights Bermudian experiences and entices visitors to dive deeper into the island’s culture” (Finighan 2022). In Bascome’s words, this tourism-driven “nation-branding exercise” features “the unique sights, sounds, smells, tastes and temperaments of the island” (*ibid.*; also Muther 2022)—a presentation contrasting starkly with finance-driven nation branding emphasizing compatibility with foreign legal and market structures and related capacity to bridge major economies.

Meanwhile, realities given little attention in financially oriented nation branding come back into focus in the National Cultural Heritage Policy—notably, racial tensions (Bermuda Department of Culture 2021, 8), linguistic diversity (*ibid.* at 19), and the breadth of Bermuda’s global ties beyond the United

⁴⁰ Bermuda Department of Culture (2021, 8) (“Bermuda is built upon the mercantile society of our past, where the Bermuda Company was founded and intended solely as a financial vehicle—an attitude that has been passed down through multiple generations.”); (2021, 24) (aiming to “[e]xpand the definition of national planning beyond purely economic considerations to include a concern for impacts on heritage industries” and to “[r]ecognise the economic significance as well as potential impact of cultural industries on the national economy”).

Kingdom and the United States (30–31, 42–23). The policy particularly advocates pursuing linkages with “Caribbean nations that have similar historical, cultural, economic, and social experiences and challenges,” implicitly reacting to excessive emphasis on “political and trade connections with British and American interests” by contextualizing them amid the full range of “our society’s ‘core cultures.’”⁴¹ This element of the policy is striking given that, in global financial services markets, certain Caribbean jurisdictions are among Bermuda’s most significant competitors (Bruner 2016, 60; Moon 2020). Indeed, from a financial regulatory perspective, Bermuda has actively sought to distance and dissociate itself from perceived regulatory shortcomings in the Caribbean—notably in growth areas such as digital assets that are fraught with reputational hazard (Hall 2023).⁴² At the same time, there is a striking contrast between nation branding that promotes enduring linkages with UK institutions, on the one hand, and the governing party’s stated objective to achieve Bermudian independence, on the other.⁴³ Overall, the emphasis placed on such dynamics in the National Cultural Heritage Policy exposes the predominance of economic elites’ perspectives and interests in financial nation-branding campaigns, implicitly encouraging Bermudians to scrutinize their impacts across the whole population—including their compatibility with broader social commitments and perspectives on national identity.

The foregoing tensions reflect both contestation and ambivalence regarding the content of Bermudian national identity and its relationship with the international business sector. This remains fluid and dynamic, notwithstanding the stability and familiarity to global markets emphasized in nation-branding efforts directed at promoting Bermuda’s cross-border financial services capabilities.

IV. Conclusion

The distinctive features of market-dominant small jurisdictions highlight dimensions of the relationship between national identity and economic development in particularly vivid ways, including the delicate balance between conveying to global markets both the jurisdiction’s distinctive specialization and its institutional familiarity; the complex interplay of national identity and national brand in outward-oriented economies; and the tensions and ambivalence that these jurisdictions exhibit regarding legal and market linkages with major economies that substantially contribute to economic development yet which tend to marginalize competing conceptions of national identity.

In these respects, market-dominant small jurisdictions such as Bermuda—despite their distinctive contextual features, characteristics, and development strategies—may help illuminate dynamics that can arise to varying degrees in any jurisdiction pursuing economic development through engagement with, and alignment toward, global markets. Accordingly, concerted study of such dynamics in small,

⁴¹ Bermuda Department of Culture (2021, 29–31) (“Our identity as Bermudians is connected to the wider world through the roots of European explorers, enslaved people of African and Amerindian descent, mainland Portuguese and Azorean peoples, political and trade connections with British and American interests, and familial and historical connections with the Caribbean.”). See also Peets (2021) (speech by Minister of Youth, Culture and Sport Ernest Peets tabling the policy in the Senate); Famous (2022) (emphasizing Bermuda’s Caribbean ties).

⁴² On the reputational risks in this field, see Khalili (2023). See also Duffy (2004, 420); BBDA (2022, 14).

⁴³ Progressive Labour Party (2021), art. III(A)(v). The PLP’s constitution likewise expressly favors stronger Caribbean alignment (*ibid.* at art. III(B)). The PLP’s 2020 platform, by contrast, emphasizes their successes in “diversifying our economy, bringing new jobs in emerging industries like FinTech while growing established industries like insurance and tourism” (Progressive Labour Party 2020, 6, 8). The opposition party, One Bermuda Alliance, likewise emphasizes the economy, although focusing on Bermuda’s public debt burden (One Bermuda Alliance 2020, 4).

outward-oriented jurisdictions may contribute to broader understanding of how national identity impacts formulation of economic policies and economic development strategies worldwide.

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