arts

MDPI

Article

Mythical Islands of Value: Free Ports, Offshore Capitalism, and Art Capital

Erik Post [1,*] and Filipe Calvão [2,*]

1 Department of Geography, The University of British Columbia, Vancouver, BC V6T 1Z2, Canada
2 Department of Anthropology and Sociology, The Graduate Institute of International and Development Studies, 1202 Genève, Switzerland
* Correspondence: erik.post@alumni.ubc.ca (E.P.); filipe.calvao@graduateinstitute.ch (F.C.)

Received: 17 August 2020; Accepted: 25 September 2020; Published: 28 September 2020

check for updates

Abstract: The Geneva Free Port in Switzerland has paved the way for a new generation of art and luxury free ports. These are critical spatial pivots for the management of art assets, including storage and transactions of artworks, and serve as proxy to examine mechanisms for the capture and generation of value, integral but also outside the global art market. Drawing from the trajectory of the Geneva Free Port and an interdisciplinary body of scholarship on "offshore" and other special zones of production, and value circulation in human geography, anthropology, history, and sociology, this article frames free ports in a longer genealogy of offshore capitalism. First, we claim that the emergence of the Geneva Free Port prefigures and helps illuminate contemporary transformations in offshore capitalism; second, these spaces are more deeply imbricated with public and state authorities than previously suggested. Finally, a holistic understanding of art capital—works of art for investment and asset management—requires an encompassing view of free ports not as accidental and exceptional features in the world of high art but as spaces deeply implicated in the creation and operation of the art market more generally.

Keywords: free port; offshore capitalism; art market; globalization; Geneva; value creation; tax evasion; art capital

1. Introduction

The world's largest art collection sits behind a complex of monolithic, drab-looking warehouses on the side of a busy intersection near the city center of Geneva, Switzerland. The Geneva Free Port, heir to a centuries-old practice of storing commodities in ports and harbors, is a secretive art storage facility and the precursor in the latest trend of art free ports for the super wealthy. With an estimated 1.2 million works of art in storage, this "compound of blocky gray and vanilla warehouses surrounded by train tracks, roads and a barbed-wire fence," according to Bowley and Carvajal (2016) writing for the *New York Times* in 2016, "illustrates the art-as-bullion approach to contemporary collecting habits (. . .) where masterpieces are increasingly being tucked away by owners more interested in seeing them appreciate than hanging on walls." In the last few years, in particular, art and luxury free ports—from Luxembourg and New York, passing through Singapore and other locations—have also multiplied (see Figure 1), following in the footsteps of the Geneva Free Port. At once at the service of art collectors and financial operations, the free port is the spatial pivot for complicated mechanisms for the capture and generation of value, integral but also outside the global art market. But what exactly are the free ports, how did they emerge, and are they a novel, or a perfected and expanded version of an old institution, now refined for the art world? The trajectory of the Geneva Free Port is illuminating to understand why free ports seem to be proliferating on a global scale and to examine the political and economic conditions of possibility for such spaces.

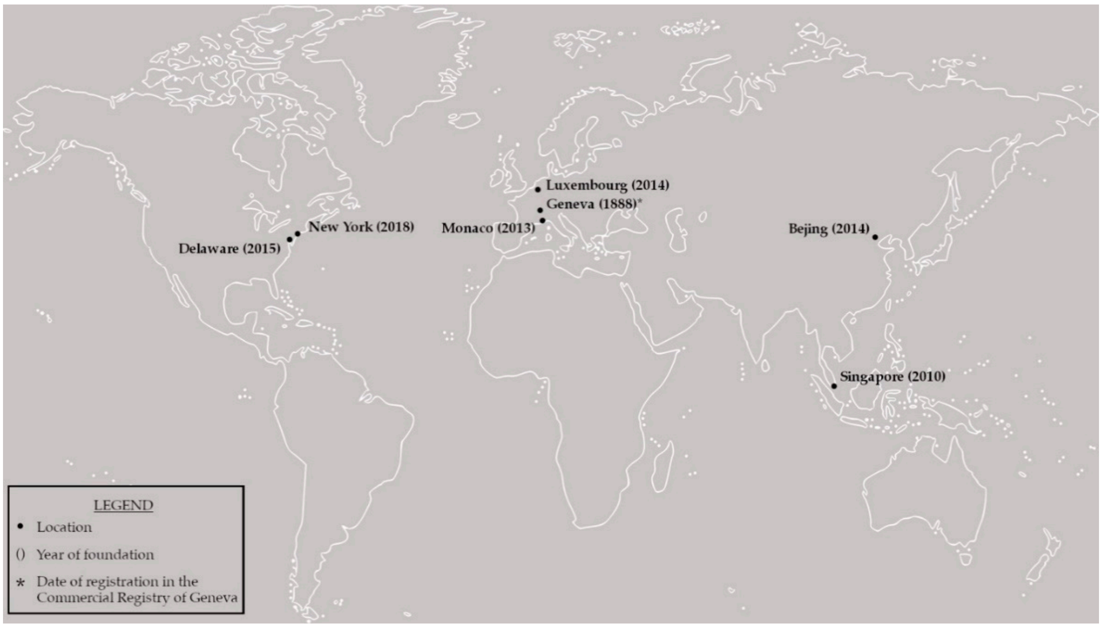

Figure 1. Map showing the locations of free ports as well as the year of their founding. Created by the authors.

Switzerland is a leading private banking and "offshore" financial center as well as one of the main commodity trading hubs in the world, where many commodities are bought and sold without ever entering Swiss territory. According to Jean Ziegler, Swiss sociologist and international civil servant, "the Swiss oligarchy functions as a fence for the world capitalist system" (Ziegler 1978, p. 15). In a country historically renowned for its banking secrecy and preferential tax regimes, this may account for why the Geneva Free Port has escaped high levels of scrutiny with city dwellers largely oblivious to its presence. Over the years living in the city, we have been told of apocryphal tales of fleeting wealth: inventory specialists asked to perform the occasional consultation at the free port and who claim to have seen a Damien Hirst painting pass by; a Swiss Sanctions Officer relaying an episode of dipping his hand into a diamond-filled crate; or, more commonly, of auctioneers and appraisal experts explaining to us the importance of the free port for high-rolling buyers from around the world who gather in Geneva for its biannual jewelry auctions. Art pieces, but also wines or archaeological goods land in a dedicated section of the international airport before being discreetly whisked away to the high-security storage facility. With no effective control or monitoring mechanism—despite enhanced audit efforts—it is said that out of every 1000 cargo loading trucks, only 5 will be checked for actual control. Beyond art storage itself, the story of the Geneva Free Port is illuminating as a proxy for the operations surrounding the transaction of artworks, at once integral to the global art market, yet outside it. Paradoxically, the efforts required to capture and generate value through works of art as tangible assets lie more in keeping it in place, securely stored "offshore," than in moving it around, materializing in spaces such as the Geneva Free Port the desire to hide assets. Despite the polysemic nature of these spaces—be they the enclaved, fenced off free port, the offshored tax haven, or other Special Economic Zones (SEZs)—their constitution in overlapping dynamics of closure and connection, integration and exclusion, and secrecy and visibility interest us here.

Over the past couple of decades, the world has witnessed an increase in spaces defined by extraordinary regulatory regimes that are ambiguously charted across national sovereignties and jurisdictions, be it as SEZs or the offshore financial centers of so-called "fiscal paradises." Free ports offer an evocative amalgamation of offshore economies while holding unique traits specific to the art world and critical to its understanding. Extraordinary and superlative as these spaces may be, and irrespective of the strength and actual efforts deployed to convey such an image, it may be deceiving to suggest that free ports are "offshored" in the sense of a physical location that is distant and out of sight, enclaved and de-territorialized, or unfettered by state regulations or custom duties (Orenstein 2019). For all the work of making anonymous shell corporations and untraceable tax havens, the presence of connections, assemblages, and relationships allowing for the semblance of separation is visible and powerfully real. Analyzing free ports as constituent of a broader move towards offshore economies is relevant in at least two different ways. First, it interrogates how sites of production are increasingly seen as receding into the intangible distance, a feature of late capitalism premised on the idea that such linkages ought to remain concealed. Second, they force us to ask important questions not just about the offshore as a geographical location but how it comes to be perceived as an extra-territorialized space. On both accounts, the "offshored" free port as a conceptual and actual location has become an unavoidable junction in a globalized art world.

We draw from an interdisciplinary body of scholarship on "offshore" and other special zones of production and value circulation in human geography, anthropology, history, and sociology to locate free ports in a genealogy of offshore capitalism and assess its ascendance as concomitant with the expansion of the global art market. Offshore capitalism is defined here in the articulation between opaque sites of value creation and circulation and invisibilized sites of production on the cusp of a financialized economy. The embedding of free ports within this history constitutes "an important knowledge gap" that has "largely passed under the radar of academic research" (Helgadóttir 2019, p. 5). We build upon the notion that free ports are not fully stable projects and need to be reaffirmed and redefined, relying on the interplay of very disparate processes for their concrete materialization to be achieved. We also reflect on the implications this has for artistic expression and art production. As noted by John Zarobell, "what is needed is a macro-level reevaluation of the global arts economy that highlights not simply the development of the business of the arts, but the way the visual arts have shifted as a result, becoming embedded in the process of economic globalization in the past decade" (Zarobell 2017, p. 9). Some artists and art theorists, such as Hito Steyerl and Stefan Heidenreich, have already begun to venture into this terrain (Heidenreich 2016a, 2016b; Steyerl 2017). With this article, we wish to make a modest contribution to this important creative endeavor while stressing that collaborations between artists, art theorists, and academics are critical to further exploring this terrain.

The article relies on a combination of different data collection strategies, reflecting the scale and complexity of processes pertaining to art free ports. Research was primarily conducted in Geneva between 2017 and 2020, with interviews and informal exchanges held with art inventory experts, auctioneers, art handlers, and a governmental representative for the sanctions unit of the State Secretary of Economic Affairs of the Swiss Confederation. Together, these interviews are representative of the multiplicity of actors and forms of expertise mobilized in and around the free ports. Given the sensitive nature of the information collected, and to preserve our informants' relationship to Geneva's Free Ports, we choose not to disclose the identity of our interviewees. In addition, research was based upon secondary data, including academic literature, documentary, and media sources.

In what follows, we briefly account for the spatial enclaving of art accumulation in a moment of deterritorialized value flows, giving rise to what we term "art capital." Second, we discuss how the free port can be considered as a particular manifestation of a so-called Special Economic Zone. Next, the proliferation of free ports is framed within the longer genealogy of foreign-trade zones and their "veneer of extraordinariness, of extraterritoriality, and hyperefficiency, which has distracted observers from what transpires inside" (Orenstein 2019, p. 12). Subsequently, we illustrate how the state and the world of high art are imbricated in the creation and operation of free ports. The last section concludes.

2. Art Capital and the Globalization of Finance, Production, and Space

What are the conditions under which the new art enclave of the free port is made effective and what are the analytical devices necessary for understanding this spatialization of the global art market? Anthropologists, sociologists, and human geographers have engaged anew with the materiality of space and territorialization, with growing attention devoted to scale-making projects and the reconfiguration of nature and space (Arboleda 2020; Bakker and Bridge 2006;

Moore 2015). The dual movement of dematerialized and re-territorialized production characteristic of the circulation of value in offshore capitalism brings uncertainty to the spatialization of value accumulation. Early conceptualizations of enclave economies among dependency theorists, bringing into relation forms of accumulation exercised by national bourgeoisies and those of territorially enclaved spaces ruled by state-owned corporations and multinational companies, already accentuated how the critical question remained "what their interaction is with capital accumulation on a global scale" (Cardoso and Faletto 1979, p. xviii). The analysis of global flows of value thus requires attention to the localized and often enclaved territories, such as free ports, and the social relations underpinning them.

The emergence of these "islands of value"—enclaved and offshored territories necessary for the circulation and accumulation of capital—signified a rupture in the global economy, no longer tied to colonial or national spaces. With the dawn of decolonization, financial deregulation, decreases in trade barriers, and offshored production, "a new global financial architecture was created to facilitate the easy international flow of liquid money capital to wherever it could be used most profitably" (Harvey 2010, p. 16). The emergence of free ports, we suggest, is indicative of the expansion of this movement to the art world. These spaces build upon features of offshore finance, explored in more detail below, and actively partake in the financialization of the economy as both a symptom and structural feature, lest we forget, as David Harvey reminds us (Harvey 2010, p. 21), that the Museum of Modern Art in New York lost its most significant patron with the collapse of Lehman Brothers in 2008.

This new financial infrastructure operates in conjunction with global production networks that extend across borders and jurisdictions. This development entails the deterritorialization of the state and diminished control over its territory, although it simultaneously points to the further internationalization of the state and the transnationalization of state sovereignty in the exercise of extraterritorial power. This dual movement gives rise to multiscalar "sovereignty regimes," in which these spaces are defined by so-called "graduated sovereignty" (Agnew 2005; Ong 2006). Unlike the much-touted notion of globalization as diminishing sovereignty *tout court*, these particular articulations of sovereignty regimes are unstable, contested, and negotiated, and thus the outcome of profoundly (geo)political processes (Easterling 2005; Glassman 1999; Palan 1998; Tsing 2005). Human agents and social agencies within socio-political, institutional, and cultural contexts, rather than mechanistic economic laws, produce and reproduce the international political economy of offshore capitalism. In this regard, what is paradoxical about free ports is how the capture of global value flows is rooted on their capacity to store goods and physically preclude their movement, running counter to the "the fantasy of frictionless accumulation" premised on an "empire of logistics" ensuring the unrestricted circulation of value (Orenstein 2019, p. 145).

Through this particular globalization of space, Coronil (1996, p. 79) suggests that "familiar spatial categories are uprooted from their original sites and attached to new locations." As space becomes fluid, history can no longer be easily anchored in fixed territories." In light of such geographical re-ordering, Jim Glassman cautions that a more expansive interrogation of processes and actors required for the capture and generation of value at a global scale needs to forego "a Weberian, national–territorial conceptualization of state" (Glassman 2011, p. 156). Given the transnationalization and extraterritoriality of states as well as the interpenetrations of state and capital, "states can be seen not as existing external to markets or production networks but rather as being produced and reproduced in the same processes" (ibid., p. 157). As such, interrogating the geographies of global flows of value also demands awareness to how interactions between spatial expressions of social systems articulate and are articulated by these free ports, without rigidly dividing political and economic processes, but rather analyzing them as intrinsically interpenetrated.

Finally, the multi-layered and multiscalar processes driving the reorganization of global space forces the conjuring of a new geographical topos: turning our gaze on the conditions of possibility for the reproduction of the West's own representational devices since the globalization of the art world would expose "a variety of multidimensional flows that demand a reconsideration of the center/periphery dynamic" (Zarobell 2017, p. 3; See also Coronil 1996). Unlike the intangible transferal of assets and transactions characteristic of offshore finance, the free port entails the physical movement of tangible assets. But as art-as-asset becomes physically dissociated from owner-qua-investor, the free port actualizes Appadurai's notion of "enclaved commodities" as opposed to "mobile commodities." From relics to ritual objects "whose commodity potential is carefully hedged" (Appadurai 1986, p. 24), the value of these enclaved commodities lies precisely in their ability to be sheltered from economic transactions. Unlike these objects emanating from "zones of activity and production that are devoted to producing objects of value that cannot be commoditized by anybody" (ibid., p. 22), the free port calls for the commoditization of artworks by enclaving them out of public sight as an invisible asset.

Art capital denotes not so much the material use value of art—be it a painting or other artwork, which remains largely visible and securely stored—but the exchange value of a heightened asset that increases value over time and benefits ownership by evading customs duties and other taxes. Responding to such shifts in the arts' global production networks has altered what is considered a "successful" artwork, requiring "a strong artistic brand, ample liquidity in the form of tradable artworks, galleries operating as market makers, and photogenic material objects that produce likable images on platforms such as Instagram and Facebook" (Heidenreich 2016b).

From the rise of art capital in the globalization of finance, production, and space, the following section focuses on the historical precedents leading up to the creation of the Geneva Free Port within a broader set of (extra)ordinary regulatory spaces to understand how it set in motion the new generation of art free ports.

3. The Free Port as (Extra)ordinary Regulatory Space

The origins of the Geneva Free Port can be traced back to 1854, when the Cantonal government of Geneva opened a warehouse that suspended taxes and duties on stored goods. In 1888, the canton of Geneva built new warehouses and founded the Geneva Free Port and Warehouses company Ltd. (*Ports Francs et Entrepôts de Genève SA*) to manage the warehouses. The company still manages the Geneva Free Port complex and has as a mission to "serve the economy of Geneva through the operation of free zones, strictly respecting national and international legislation," which it achieves through the renting out of spaces to tenants (Ports Francs et Entrepôts de Genève SA 2019).[1] To this day, the canton holds a majority stake of around 86 percent of the shares, with the remaining 13 percent granted to private entities.[2]

The space was historically used as a warehouse for the temporary storage of commodities heading to market immanently, including cereal crops, tobacco, alcohol, and tea. The area, known locally as "La Praille," sat in Swiss Federal land within the canton due to its proximity to the railway tracks. As a legacy of the era of "bonded warehouses" (Orenstein 2019), a silo for cereals farmed in the Geneva canton, originally built in 1952, still towers over the Port Franc area and is equally served by railway service. Today, the Port Francs' tenants predominantly comprise logistics firms as well as high-end art collectors, as the Geneva Free Port has progressively specialized into storing very high-value objects since the 1970s, in particular precious stones, jewelry, wines, archeological, and other cultural artifacts and art. In fact, the storage is reportedly home to the greatest amount of art—much of it of a quality befitting an international top-tier museum—in any one place on the planet (Korver et al. 2018). Often described as a vault for storage, the Geneva Free Port also functions as a space for the purchase and sale of artworks. The Geneva Free Port serves art collectors who either have large private collections or who pursue art collection as an investment portfolio, so-called collector-investors, both of whom

1 Although definitions vary, we follow the European Union Parliamentary Research Service in defining free ports or free zones as "enclosed areas within the customs territory of [a state] where non-[national] goods can be introduced free of import duty, other charges (i.e., taxes) and commercial policy measures" (Korver et al. 2018, p. 12).

2 Notorious free port-developer Yves Bouvier was reported to be the largest private shareholder stake in the company while he was CEO of the company *Natural Le Coultre*, which is specialized in art storage and logistics operations rented nearly a quarter of the Geneva Free Port in 2016. Bouvier sold *Natural Le Coultre* in October 2017 to the French logistics company *André Chenue*.

tend to demand the highest levels of security, confidentiality, and exemption from taxes that money can buy. To produce a space that is optimized for this goal and clientele, the Geneva Free Port is buttressed by an ensemble of security and logistics infrastructure as well as a specific juridico-political regime.

The Geneva Free Port is a highly securitized environment and has been described as having an "iron-clad", or "prison-like" security resembling "Fort Knox" (See respectively, *The Economist* 2013; Gompertz 2016; Laird 2012). Its perimeter is fenced off while its concrete facilities are equipped with state-of-the-art access control and security devices, including surveillance cameras, biometric scanners, latest-generation alarms, and the highest level of locks. Access to the facility is extremely limited, with entrance allowed only by those individuals that have been granted access by the owner to enter the space where the art is stored. The Geneva Free Port company maintains a policy of absolute confidentiality, refusing to confirm or deny the existence of particular objects in storage (Carver 2015). Furthermore, until 2007, the Geneva Free Port was not required to keep an inventory. Even though it now is required to do so, this change did not apply retroactively keeping items entered prior to 2007 off the books (Helgadóttir 2019).

Given the global scope of the Geneva Free Port's clients and the necessity of moving objects in and out of storage for shipment around the world, its geographical location in the middle of Europe and connections to major infrastructure are features that in part determine its location. The complex is situated right next to the airport of Geneva and to a major railway junction that connects it to the European railway grid (See Figure 2). Contracts with freight companies ensure that objects are transported directly from their place of arrival in Switzerland to the complex, minimizing exposure of objects to any risks while en route.

Figure 2. Picture taken by the authors in September 2020 of the fenced off Geneva Free Port flanked by railway tracks.

The facilities themselves are attuned to the conservation and trade of artworks through a climate and humidity control system of museum-quality as well as arrangements with restoration, appraisal, financing, and logistical companies specialized in arts and antiques that operate from within the premises of the Free Port. There are also private showrooms within the Geneva Free Port to allow artworks to be displayed to potential buyers without leaving the complex. This last point is critical since a significant advantage that the Geneva Free Port offers its customers is the exemption from a number of taxes through an exceptional juridical regime.

The extraordinary nature of the Geneva Free Port is most clearly expressed by the fact that many of the customs laws and taxation regimes in force in Switzerland do not apply to the complex, including import duties. Until 2007, the complex was not even considered to be technically part of Swiss customs territory and was thus treated as "foreign" soil. This is not necessarily unique, as there are many customs or bonded warehouses around the world in which dutiable goods may be stored, manipulated, or undergo manufacturing operations without payment of duty. In Switzerland alone, there were in 2014 at least 25 open customs warehouses equally specialized in the storage of art (Contrôle Fédéral des Finances 2014).[3]

However, the Geneva Free Port not only provides exemptions from duties but also Value Added Taxes (VAT). As an associate from a prominent Geneva-based art, storage, and transport company explains: "If you have paintings coming into the bonded warehouse—it comes under the name of an owner and also a value, both cannot be changed. Okay? It has to go out of the bonded warehouse with the same value to the same consignee" (quoted in Carver 2015, p. 192). Sales in the Geneva Free Port occur in a dedicated free zone and as such escape any VAT. The registered value of goods also depends "solely on self-declaration, which leaves significant room for over or under valuing" (Korver et al. 2018, p. 6). Moreover, these transactions also "fall outside of the Anti-Money Laundering/Combating the Financing of Terrorism legal and regulatory framework" (The Financial Action Task Force 2010, p. 15). Taken together with the fact that individuals and financial service providers operating from within the Geneva Free Port can bring in objects on someone else's behalf without disclosing the so-called ultimate beneficial owner, the Geneva Free Port can facilitate the evasion of capital gains taxes by objects' owners. Due to the complex's special status, it is nigh impossible for non-Swiss tax authorities to trace a person's ownership to objects stored there (Korver et al. 2018) besides the "legal doctrine of reasonable care, the care that is 'due' in due diligence", to recall Bill Maurer's account of the Organisation for Economic Co-operation and Development's (OECD) inaugural initiative against "harmful" offshore tax havens (Maurer 2005, p. 485). These factors lead art market scholar John Zarobell to echo the infamous history of Swiss banking secrecy and posit the Geneva Free Port complex as "the equivalent of the Swiss bank account for holders of luxury goods" (Zarobell 2020).

These factors have certainly made storage space in the Geneva Free Port a much-desired commodity. Already well established as a venue in global elite circles, the Swiss Federal Audit Office noticed a spectacular increase in the value of objects stored in the complex between 2007 and 2014, leading to a sum total of suspended duties and taxes in excess of 1 billion Swiss francs (CHF) (Contrôle Fédéral des Finances 2014). Demand for this space was "so great that a new 10,400-square-metre high-tech warehouse dedicated to art" was almost fully booked up just two months after opening (Bradley 2014).

Because of this success, it should come as no surprise that the concept is being replicated by others looking to "get in" on the game. To the extent that we can surmise, there are currently 7 additional free ports in operation specialized in arts and antiques and that offer similar, if not identical, benefits to the one in Geneva (See Figure 1 for a map of free ports in operation). They have all come into being after 2010, often with the deep involvement of individuals and companies closely associated with the Geneva Free Port. Yves Bouvier, "the free port king" (see footnote 2), for example, is the main owner of Le Freeport in Luxembourg, a majority shareholder of Le Freeport in Singapore, and served as an advisor to Beijing's free port. Swiss architects Carmelo Stendardo and Bénedicte Montat also designed the 2014 Geneva expansion as well as the Singapore and Luxembourg free ports (Chanjaroen and Miller 2020; Knight 2016).

Whereas these free ports are extraordinary in some ways, they are ordinary in the sense that they constitute particular articulations of a spatial phenomenon that is ubiquitous in the proliferating and deepening international trade and logistics system, the so-called Special Economic Zone (SEZ). And yet, it would be reductive to suggest that the new art free ports emerged solely in response to a flourishing, booming art market of record-breaking valuations. Instead, the next section discusses how free ports fit within a broader typology of SEZs and offshore capitalism.

---

[3] Customs warehouses or so-called bonded and open warehouses can be defined as "a building or other secured area in which dutiable goods may be stored, manipulated, or undergo manufacturing operations without payment of duty" (Korver et al. 2018, p. 13).

4. Offshore Capitalism, Free Ports, and Other Special Economic Zones

The offshore financial world conjures up images of intrigue and drama on pearly white beaches of tropical islands between a coterie of characters that include unscrupulous diplomats, despotic dictators, and cool gangsters. Some Romance languages suggestively term financial offshore centers as "fiscal paradises" (e.g., *paradis fiscaux*, *paradisos fiscales*, *paraísos fiscais*). Similarly, the *Paradise* Papers refer to a 2017 massive leak of documents relating to offshore tax havens and anonymous shell corporations, following the initial leaks that put the issue of tax havens and offshore finance on the radar (Bernstein 2019).[4] These images reflect a millennia-old cultural tradition of mythologizing islands, ranging from Plato's Republic to Thomas Moore's Utopia to the quixotic quests for discovering Hy-Brasil and Atlantis. Concretely real, offshore finance has also been imbued with near-mythical status through its involvement in epoch-making developments and unbelievable feats, such as serving as a conduit for drugs, arms, and concomitant political power ever since the Cold War (Sharman 2010a; Palan et al. 2010; Westad 2005). By embedding the free ports in a longer genealogy of offshore capitalism, this section will show how the image of these extraordinary regulatory spaces as mythical islands in an otherwise homogenous juridico-political regime of globally regulated markets is misguided.

The multiscalar and interdependent flows of goods and capital of a hitherto unseen scale that characterize offshore capitalism pass through a large extent by SEZs (Easterling 2014). These spaces of exchange are sufficiently central to the modern economic system that Corey Tazzara, a historical political economist, dubs them "the dirty secrets of modernity" (Tazzara 2018, p. 75). Others trace the lineage of SEZs further back, given that "since antiquity, governments, emperors, kings and queens have been providing traders and investors with special sites offering respite from normal import-export tax regimes and regulations ... [such as] at Delos in Greco-Roman times, and in Venice, Genoa and Marseilles during the Middle Ages" (Farid 2009).

Part of the challenge in historicizing these spaces is due to the unsettled definition of SEZs. Defining what constitutes one is very difficult, as the United Nations Conference on Trade and Development (UNCTAD) acknowledges when noting that SEZs "go by many names and come in many varieties and sizes. [Nethertheless,] they have in common that, within a defined perimeter, they provide a regulatory regime for businesses and investors distinct from what normally applies in the broader national or subnational economy where they are established" (UNCTAD 2019, p. 128). Orenstein correctly warns that presenting SEZs as having a "premodern lineage" would represent "a way of mythologizing it—that is, naturalizing it by transposing it from genealogy to ontology" (ibid., p. 6).

In line with recent work by historians, we posit that offshore capitalism finds its origin in the reaction to the centralization and eventual dissolution of the patchwork of extraterritorial juridico-political regimes that defined land and overseas empires (Benton 2005; Palan et al. 2010; Tazzara 2018). These variegated spaces were defined by an array of uneven benefits granted to imperial citizens, including settlers and merchants in colonies, trade companies, and imperial outposts. This facilitated capital accumulation and the generation of wealth at a hitherto unseen global scale that—to the frustration of the imperial governments—was often difficult to track and tax (Landes 1961). This haphazard territorial structure slowly morphed into the modern state apparatus, which deployed its administrative and regulatory power in pursuit of establishing and consolidating territorialized juridico-political regimes, for example, by centralizing taxation instruments and rationalizing revenue-generating institutions (Foucault 2007; Mitchell 2002; Scott 1998). Although this movement was neither uniform nor unidirectional and far from complete and totalizing, this increasing control abolished some of the imperial elites' benefits. Some territories with sufficient autonomy

[4] Tax havens can be defined as jurisdictions with sufficient sovereignty to "take advantage of this autonomy to create legislation designed to assist non-resident persons or corporations to avoid the regulatory obligations imposed on them in the places where those nonresident people undertake the substance of their economic transactions" (Palan et al. 2010, p. 9).

sought to benefit from this by creating localized regulatory regimes that specifically countered these centralizing tendencies, creating the first "modern" tax havens. An alternative way to facilitate the evasion of the newly instigated taxes and regulations of the modern state was created by British courts at the turn of the century. The legal innovation of "virtual residency" enabled companies that operated within the Empire to incorporate in Britain without paying tax since business activity did not actually occur there. This exception applied to the entire British Empire and was soon exploited by Bermuda, the Bahamas, and later the Cayman Islands, and Hong Kong (Palan et al. 2010).

Together, these developments enabled the creation of anonymous shell corporations, the stars that make up the constellations of offshore capitalism. Shell corporations, especially when "chained together" in an ownership structure, enable the establishment of a network of legal entities with anonymous owners. This occludes the identity of the so-called ultimate beneficial owner as well as the source of capital flows and assets registered on their books, creating "layers of transactions which are difficult if not impossible for law enforcement to follow" (The Financial Action Task Force 2010, p. 20). Far from being enclaved and severed from international capital circuits, some jurisdictions that harbor shell companies are densely linked to the global financial system, including places where capital can be accumulated exempt from taxes (Sharman 2010a). Interestingly, service providers who help create these anonymous corporate vehicles are often based in what the OECD terms "high-income countries" rather than on the much-discussed (and maligned) tropical islands (Sharman 2010b).[5]

While these spaces had existed since the turn of the 19th century, scholarship points to a sharp decline during the early twentieth century (Ogle 2017). The termination of the Second World War, however, gave rise to two developments that saw them re-emerge at an unprecedented scale and variety. First, the dissolution of the empires ended many of the specific juridico-political regimes that had thus-far remained in place. It also saw the return of citizens from former overseas territories to the homeland, many of whom sought to retain some of these former privileges (Ogle 2017). Second, a developmentalist ideology that became dominant in the post-war decades came to consider the creation of extraordinary juridico-political regimes as legitimate and effective sources from which development could emanate.

The intellectual foundations for this strategy were anchored in the so-called Prebisch-Singer thesis of the 1950s and the increasingly influential dependency theorists. These would argue that over the long term, primary commodities prices decline relative to the price of manufactured goods, which causes a chronic imbalance in the terms of trade of economies that produce primary commodities for export (Singer 1950; Prebisch 1950). This implied that former colonies and imperial peripheries would remain "trapped" in dependency relations since the prices they would need to pay for manufactured goods critical to modernization and development would rise disproportionately faster. The import-substituting industrialization strategy offered a plausible alternative, where the selective opening up of domestic economies and attracting international finance and industry with advantageous juridico-political regimes could bring in the knowledge and additional funds to speed up modernization efforts (Cardoso and Faletto 1998; Hirschman 1968; Marini 1991; Prebisch 1970). With the intensification of the Cold War, capitalist governments spearheaded by the US came to consider modernization and development to be one of the most effective preventative methods to nip the spread of communism in the bud (Bacevich 2002; Grandin 2006; Westad 2005). As such, the overlapping interests between governmental and private sector actors as well as overlapping geopolitical and geoeconomic rationales made a developmental model constructed around extraordinary regulatory spaces an influential blueprint for capitalist development policies in the second half of the 20th century. The most influential and widespread of these new extraordinary regulatory spaces created in the post-World War II period was undoubtedly the Special Economic Zone.

---

5 The Mossack Fonseca law firm, from where the Panama Papers leak of offshore entities originated, had offices in Panama and, not incidentally, Geneva.

The first modern SEZ is generally considered to be the Shannon Airport Free Zone in Ireland, created in 1953, with other SEZs adjacent to seaports or airports or along border corridors appearing in the 1960s. In a watershed moment in 1979, China inaugurated four special economic zones, Shenzhen, Zhuhai, Shantou, and Xiamen, where experiments in the management of market liberalization could occur and that were to serve as magnets for foreign investment (Bräutigam and Tang 2011). As evidence of the imbricated history of art production and SEZs, the Canton Export Trade and Commodities Trade Fair was founded in Guangzhou in 1957 to revive an older tradition in the export of oil paintings to Europe (Wong 2013, p. 37).

Through the so-called Washington Consensus, a set of ready-made and a-historical policy prescriptions was instrumental in further proliferating such exceptional regimes throughout the "developing" world. During the 1980s, the World Bank Structural Adjustment Programs, for instance, promoted the creation of these spaces as a universal cure to the global debt crisis. In the 1990s, the dissolution of the Communist Soviet bloc caused the former Soviet states to adopt this model on the advice of Western diplomats and economic policy officers sent to aid these newly independent states with their transition. These reforms were often devastating to the economies of these nations, leading to immense capital flight to the mutual benefit of local elites and the well-established tax havens as well as the financial and legal service providers needed to maintain this system (Gore 2000; Holmes 2012; Le Billon 2011; Stiglitz 2003).

Importantly, these policies were propagated by a host of actors across the globe, including intergovernmental institutions such as the United Nations Industrial Development Organization, whose training center was based in the Shannon Free Trade Zone but also the Chinese Communist Party, which was massively expanding and deepening the role of SEZs in the transition of the Chinese economy (Crane 1994; Neveling 2015). Eventually, these extraordinary regulatory spaces became sufficiently central to global capital circuits that they helped occasion a massive concentration of private wealth since the late 1970s (Zucman 2015). Since 2014, at least 1500 SEZs were established or were expected to open and this trend of ever-increasing SEZs is set to continue as global "competition for mobile industrial activity [engenders] more SEZs and new types of SEZs," as detailed in the recent and extensive UNCTAD inventory (UNCTAD 2019, p. 128). Although estimates vary due to the lack of a consensual definition, UNCTAD estimates that 5400 SEZs were operational in 2019, which exclude the province-sized Chinese economic zones as well as an additional 8400 "free points" (ibid.).

In turn, offshore financial centers as particular versions of extraordinary regulatory spaces also became central to global capital circuits, and were instrumental in orchestrating the global financial crisis of 2008–2009 by helping banks and companies hide underperforming assets and conceal serious losses in some of these jurisdictions while also playing a role in generating enormous amounts of liquidity (Palan et al. 2010). Inadvertently, this made art, a still largely unregulated market, an increasingly interesting asset to invest in, especially in light of the collapse in real estate prices accompanying the 2007–2008 crisis. Artworks were long-considered an unwise investment choice but have gradually become progressively incorporated in traditional capital circuits, leading to a situation in which "commerce and art have become closer than any moment in recent history" (Zarobell 2017, p. 2). Highlighting its relevance as an alternative to more traditional ways of capturing value, Deloitte estimates that the amount of value globally stored in the form of art and collectible objects exceeds $1742 trillion US dollars of wealth (Deloitte 2019, p. 22). Even if outperformed by other types of investments, collector-investors might still be eager to store value in art as risks and volatility have diminished in recent years, turning investing into arts into a subfield of modern portfolio management. Stefan Heidenreich explains that "while works of art do not pay rent, they are nevertheless a kind of real estate, titles to a piece of a limited body—no matter what, there are only so many Picassos" (Heidenreich 2016a).

Moreover, art assets can be liquidized advantageously in free ports, something other forms of long-term investment assets, such as land and buildings, cannot. More inventive legal constructions even pair different legal regimes to ensure the most advantageous tax and confidentiality arrangements possible apply to objects in the free ports. Companies operating in the Geneva Free Port are well-aware of this loophole and even used to cater specifically to it. As one Free Port associate put it, "you can use an offshore company to protect your name and so on, no problem. Or, we also have a fiduciary service that might be helpful for you in that our company sends the painting or the collection to the free port" (Carver 2015, p. 216). This has led to a situation in which an "archipelago of tax-free storage facilities around the globe play a leading role as tax shelters for collectors of fine art" (Zarobell 2020). With art offering both the advantage of unregulated markets as well as the potential for sound investment, it should not come as a surprise that "the global elite" seeking confidentiality and advantageous opportunities for the generation and capture of value have opted to invest in art.

Further pointing towards the importance of the intersection of the free ports within the wider international political economy of offshore capitalism is the fact that free ports are based in places known for wealth management, finance, and international trade, which in turn "consider a free port an addition to their attraction as an offshore financial center" (Korver et al. 2018, p. 5). From this perspective, free ports are simply the most recent materialization of "offshore" extraordinary regulatory spaces that have historically facilitated the accumulation of capital in private hands. They are not anomalies, nor do they recede into the background of deterritorialized production, but instead play a key role in capitalist development. Operating in a dynamic social system, free ports are simultaneously dependent on the exercise of state power while weakening the regulatory capacities of the state itself. The next section explores this dynamic.

5. The Art of Statecraft

Writing about the emblematic mythologized island state of Nauru, the smallest republic in the world, and once an enclaved "offshore" phosphate mine for Australia as well as an offshore tax haven that harbored over 400 banks, Keller Easterling describes it as the "confetti of Empire." Nauru's political, economic, and social reality has been profoundly shaped by imperial (geo)politics, eventually leading to its independence in 1999. The island seized upon the opportunity to valorize its sovereignty by creating a juridico-political territorial regime that enshrined highly favorable tax and confidentiality arrangements and selling "that state of exception as a commodity" (Easterling 2004). Scholars have long explored how state power is wielded to create the extraordinary conditions for economic actors in the formation of Empire, testifying to the imperial origins and nature of the structure of finance under offshore capitalism (Arrighi 2010; Harvey 2003; Palan 2015). In the words of historian Vanessa Ogle, these spaces are "the product of concrete, conscious, and deliberate government decisions and support, most typically pushed by lawyers, accountants, former diplomats and politicians who were now engaged in business, and former spies and people with ties to intelligence services acting at the behest of business groups as well as in their own interest" (Ogle 2017, p. 1433).

With regard to free ports, in particular, state power squarely lies at the basis of their creation and is intimately implicated in their operations. The Canton of Geneva in Switzerland still retains 87 percent of the shares of the Geneva Free Ports and Warehouses Company Ltd. In 2017, the Canton also financed its operations through a 90-year loan of 92 million CHF to the company. The role of public authorities is even enshrined in the company's mission statement, which not only states that it operates "in strict compliance with national and international laws," but also that "[i]n this respect, it is actively cooperating with the *political, administrative and judicial institutions*, especially with the Customs Administration" (Ports Francs et Entrepôts de Genève SA 2019, emphasis added). Similarly, Le Freeport in Luxembourg, although built and operated by a private corporation, only exists by the grace of amendments to the customs law that were passed by the Luxembourg Parliament in 2011. Its creation also enjoyed support at the highest levels of government, including Luxembourg's former Luxembourg's Minister of Finance, Pierre Gramegna, as well as its former Deputy Prime-Minister and Minister of Economy, Etienne Schneider. According to the latter, it was an element of the governmental policy to "contribute to the diversification of the Luxembourg economy, enriching and complementing both its logistics platform and its financial center" (quoted in Helgadóttir 2019, p. 12). In Singapore, too, the state is actively involved in the operations of the free port through the Singapore Economic Development Board, while the Singapore National Arts Council and the National Heritage Board each hold 5 percent of company shares (Ditzig et al. 2016).

The state is not just responsible for the creation of these spaces but also actively regulates their operations. In Switzerland, for example, the absence of customs controls and inaccessibility of the registry of the Geneva Free Port has been challenged and adapted. The Geneva Free Port was at the heart of a number of scandals related to looted antiquities and stolen artworks from the mid-1990s to 2010, which has prompted successive waves of increased governmental regulation.

First, in 2003, Switzerland became a party to the 1970 UNESCO Convention on the Means of Prohibiting and Preventing the Illicit Import, Export, and Transfer of Ownership of Cultural Property. Subsequently, the Geneva complex was incorporated into the Swiss customs territory in 2007 through a revision of the Federal Customs Act. In 2009, the Swiss government further decreed that the company would be required to maintain inventories of the warehouse's contents and the names of the individuals who disposed of the property. Customs officials were also empowered to conduct inspections of the premises. However, warehouse officials are only obliged to share records with customs officials upon request, and customs officials have no obligation to share this information with foreign authorities (Steiner 2017). Moreover, a government evaluation of the implementation of the Custom's law noted "that sometimes customs decides not to impose its own licensing requirements in situations where the warehousekeeper is uncooperative and especially when regional interests also come into play" (Contrôle Fédéral des Finances 2014, p. 14). The Geneva Free Port has taken additional measures as well, such as hiring independent archeologists to prevent further trafficking in looted cultural artifacts, although these measures did not address the risk of the complex being used for tax evasion and money-laundering (Bradley 2016).

In parallel with the global push against banking secrecy and money-laundering practices that began in the early 2000s, the Geneva Free Port business model came under increasing scrutiny by intergovernmental organizations, such as the Financial Action Taskforce (The Financial Action Task Force 2010). The Basel Institute on Governance, a non-profit organization affiliated to the University of Basel and funded by the island of Jersey, Liechtenstein, and Switzerland as well as Norway and the UK Department for International Development, notes that art is often linked to money-laundering activities due to "the volume of illegal or legally questionable transactions, which is noticeably higher in this sector than in other globally active markets" (Christ and von Selle 2012, p. 7).

Financial scandals, including one involving tax evasion and a Modigliani painting reportedly stolen by Nazis whose ownership could not be unequivocally established, as well as increasing geopolitical pressure by the US led to major regulatory reform. On 1 January 2016, the Swiss Customs Act and the Swiss Anti-Money Laundering Act fundamentally altered the Geneva Free Port's operations. In order to avoid the practice of storing valuables indefinitely and/or through an agent or shell corporation to circumvent capital gains taxes, the Swiss Customs Act imposed a six-month time limit on goods stored in the free ports and obliged the Geneva Free Port to list the ultimate beneficial owner in its inventory of goods. This represents a dramatic shift away from the previous unlimited time period that objects were allowed to "transit through" the warehouse. However, as Steiner (2017, p. 367) details, "the law does, however, permit the Swiss Federal Customs Administration to extend the time limits on stored objects if it finds proper grounds." How legal change has impacted the operations of the free port would constitute valuable empirical future research.

A second major tax evasion and money-laundering concern related to the free port was the frequent use of cash to buy and sell items within its complex, making the transfers difficult to track. To combat this, the Swiss Anti-Money Laundering Act required the involvement of a financial intermediary, such as a credit card company in transactions above 100,000 Swiss Francs, making them traceable to a client at this company (Steiner 2017). As an alternative, the seller may perform a due-diligence investigation to establish the legal provenance of the buyer's funds, leaving the door ajar for payments in cash. To what extent buyers opt for the involvement of financial intermediaries or whether they prefer to conduct private due diligence operations is unknown. Further research in this area would also be highly beneficial, given the concerns that due diligence requirements could be easily circumvented through the use of anonymous shell corporations (Helgadóttir 2019).

The free ports in Monaco and Luxembourg have also been subjected to stricter money-laundering regulation. The European Union (EU)'s Anti-money laundering (AMLD V)—Directive (EU) 2018/843 (European Parliament and the European Council 2018) explicitly designates free port operators and other actors in the art market as "non-financial obliged entities," which means that from 1 January 2020 onwards they fall under expanded customer due diligence requirements in addition to an obligation to report suspicious transactions to the relevant authorities.

Nevertheless, the free port business model is not static nor immobile. The regulatory activity outlined above significantly contributed to the proliferation of the business model from Geneva to other jurisdictions. The co-Founder of Le Freeport in Singapore explicitly alludes to this, when he stated that when the founders

> 'sensed a move toward increased regulation ... [t]hat is when we first conceived the idea of the FreePort in Singapore ... [h]ere, goods can stay in transit indefinitely without entering the country. Unlike Switzerland, no duty is ever levied here, no estimated V.A.T. deposited, and no customs inventory drawn up' ... the nature of the goods stored in the FreePort, their value, the identity of their owner, and any transaction within its walls remain confidential. (Lankarani 2009)

A business model premised on a juridico-political regime that enshrines confidentiality and advantageous taxation arrangements can suffer when regulation strives to fetter it. Le Freeport in Luxembourg has already been impacted by the adoption of the EU AMLD V directive: the occupancy rate is underperforming; some existing clients simply refused to declare the object's ultimate beneficial owners and took their business elsewhere (Korver et al. 2018). Perhaps in an attempt to assuage the threat that the Ministry of Economics and the Ministry of Finance might have second thoughts about the project, Le Freeport Luxembourg has strategically placed a former Minister of Economic Affairs and a former senior official from the Ministry of Finance and Foreign Affairs on its Board of Directors (Weeks 2020). The dynamic multiscalar interplay between the regulatory power of the state and these free ports can lead to unintended results. It has provided the impetus for the free port business model to seek safe harbor in more friendly waters abroad. Above all, what this illustrates is that these extraordinary regulatory spaces are not severed from state power but are dynamically entangled with it.

6. Representing and Capitalizing on the Global High Arts World

The sheer exercise of state power, however, is insufficient to maintain the operations of free ports. They can only function effectively by virtue of their position in a dense web of multiscalar social relations that make up the so-called "high" slice of the art world. The generation and capture of value through cultural artifacts fundamentally hinges on an ensemble of social relationships that imbue the objects with expertise, meaning, and the ability to be valorized and monetized. This is most clearly expressed in the ambition of free ports to serve as one-stop-shops for collector-investors, providing all the necessary services required through in-house expertise, affiliated companies, and the cultural prestige of the high arts world.

Based on conversations with art handlers, we were told that when art pieces arrive at free ports they are first subjected to a meticulous examination by a cast of gloved experts. Depending on the object, these could include restoration specialists, insurers, archeologists, forensic art historians, and curators. These experts produce detailed reports, which aim to capture the state of the object upon arrival in as precise and detailed terms as possible. Such documentation, in turn, is required by the insurance company, often demanded by auction houses, and greatly appreciated by prospective buyers.

Usually, a host of independent entrepreneurial specialists are also affiliated with the free port through more-or-less formalized partnerships that can provide collector-investors with additional services. This includes logistics companies, frame builders, photographers, writers, private showrooms, art valuation and monetization advisors, conservator-restorers, and the inescapable auction-houses. Of course, collector-investors equally require a host of legal and financial services providers, including notaries, lawyers, auditors, art market analysts, accountants, customs handlers, and banks. As nodes in the broader global art market, these free ports are supposed to generate business not exclusively for companies based in the free ports themselves, or even strictly those affiliated with them. They are supposed to operate "alongside a system of galleries, wealth management facilities, an art fair and museums ... a carefully crafted ecosystem" (Ditzig et al. 2016, p. 182; Knight 2016).

Art gains its value predominantly through the meaning imbued into it, which attaches social status and prestige to the works (De Nooy 2002). This is most obvious when a work's value is compounded by its representational value, standing in for an entire social and cultural history, as is the case with works by the so-called great masters and with archeological objects. But lesser-known works and contemporary art too gain in value through imbuing them with meaning and attaching prestige. The value of a contemporary artist's work is often benchmarked on how prestigious the venues have been where their previous work was exhibited as well as the prices paid by other collectors for their works. Simply put, art is valued highly because it is both a limited good and valued by a large enough segment of the population to constitute a market and, as Adriano Picinati di Torcello, a senior manager at Deloitte Luxembourg puts it "follow the laws of capitalism" (Picinati di Torcello 2011, p. 14). The free ports try to capitalize on this by tactically incorporating some of the aesthetics and experiences of the high arts world, including its extravagant and exclusive events, which are rooted in both globally, regionally, and locally patterned social structures. The proximity of the Geneva Free Port to the city center, in particular, has been a selling point for prospective buyers flocking into the Swiss canton twice a year for high-end jewelry auctions organized by Sotheby's and Christie's, and for whom the free port offers a readily available storage solution.[6]

In 2009, a former employee of the Geneva Free Port even opened a gallery inside the premises on the third floor, which "after some extensive interior decorating," according to the *New York Times* (Segal 2012), resembled "a New York loft." The gallery owner points out that one of the specific advantages of being based in the Geneva Free Port, which has invested since the scandals in 2010 to "show that it's transparent and totally legal," is that "if a person is willing to come to the Freeport, they are serious about buying" (ibid.). The interior of Le Freeport Luxembourg also mobilizes the aesthetic of reputable contemporary arts spaces, as described by Weeks (2020, pp. 12–13). At its official opening, the Grand Duke, several Ministers, and the European collector-investor elite were treated to the melodies of the "Freeport" overture, which was composed specifically for the occasion and played by the Luxembourg Philharmonic. Similarly, in Le Freeport in Singapore, an enormous arc-shaped metal sculpture carrying the all-too-fitting name of the "Cage without borders" (*Cage sans Frontières*) by Israeli industrial designer Ron Arad ripples throughout the sleekly designed reception area, glittering under the glaring Led installation also from the hand of Johanna Grawunder. The latest addition to the free ports in New York, ARCIS, Latin for fortress, is strategically located in the vicinity of putative art patrons and prospective clients as well as one of the world's foremost art scenes in the New York. Another location-specific dimension of ARCIS is its large viewing room that can compete with the top tier museum and galleries for an extremely valuable piece of New York's real estate, unobstructed viewing space. To put it over the competition, ARCIS provides more than just storage but the prestige attached to exhibiting an object in one of the largest unobstructed viewing spaces in the New York region for private viewings (Sommer 2020).

6 For an extended discussion of jewelry auctions in Geneva, see (Calvão 2020).

The goal of providing clients with a comprehensive array of services that unite technical expertise and commercial savvy, all while mimicking the aesthetic and experience of high art, is to have the works stored in these free ports securely retain and possibly appreciate their value, and to enable their sale. The added value of these extraordinary, and now exquisite, spaces for clients thus extends beyond their regulatory peculiarities and hinges on the cultural and social cachet that they seek to mobilize. This, as evidenced by the above, simply cannot be done without a multiscalar and well-connected network of social relations extending across all realms of the art world and its professionals. The free ports, represented as mythical islands of value, are nodes within this particular segment of the art world—not as severed spaces but as constituent of an offshore economy that has increasingly become a dominant feature of capitalism. This is also evidenced in the way these free ports have proliferated, occurring only in spaces where there is a sufficient density in these relations necessary for the high art world to fully express itself.

7. Conclusions

From Geneva to Luxembourg or Singapore, free ports designed for art storage are an increasingly ubiquitous presence in the global art market. Rather than a by-product of a bourgeoning class of super-wealthy investors in search of a location to park their assets with a preferential tax treatment regime, free ports are created through state power, networks of social prestige, and capitalist development. These extraordinary spaces instrumentalize advantageous juridico-political regimes to generate and retain fantastic wealth while occluding the linkages and specific operations necessary to keep and shelter this power and wealth. Though mythologized as islands of value, we suggested, these spaces are constitutive of the mundane operations of offshore capitalism; the mythologizing image of demarcated power and delegated sovereignty which they evoke, moreover, functions to capitalize on art as an asset.

Free ports materialize the intertwined dynamics of art as capital in offshore capitalism as nodes of social and political relations. As such, they are not static nor predetermined spatiotemporal phenomena that cannot be changed. Their contents should continuously be interpellated as art that is accumulated as asset. As filmmaker and artist Hito Steyerl put it, "[e]ven the duty-free art in the freeport storage spaces is not duty free. It is only tax-free. It has the duty of being an asset … Art's conditions of possibility are no longer just the elitist 'ivory tower,' but also the dictator's contemporary art foundation, the oligarch's or weapons manufacturer's tax-evasion scheme, the hedge fund's trophy, the art student's debt bondage, leaked troves of data, aggregate spam, and the product of huge amounts of unpaid 'voluntary' labor—all of which results in art's accumulation in freeport storage spaces" (Steyerl 2017, p. 174). This process is not immune to the globalization of art as it becomes increasingly connected to global markets, as John Zarobell reminds us, and which "has transformed every aspect of exhibition, sale, and production in the process" (Zarobell 2017, p. 5).

Finally, the Geneva Free Port emerges at once as exemplary of the broader movement toward high art storage and the valorization of art capital with the mundane operations of art storage in the historical process leading up from warehouse to a bunker for high art. The paradoxical nature of these spaces, in the end, may well reside in its existence as an extraordinary regulatory status–emblematic of offshore capitalism though contingent upon the state for its creation and regulation–that is quite ordinary in its ubiquity. It remains to be seen if the pragmatics of capital accumulation will reign supreme, albeit inherently unstable, as the Mission statement of the Geneva Free Ports and Warehouses company matter-of-factly asserts: "To fulfil its mission, the Company should remain profitable" (Ports Francs et Entrepôts de Genève SA 2019).

Author Contributions: The article was co-researched and co-written. E.P. and F.C. contributed to the conceptualization, research, original draft preparation, review and editing. Both authors have read and agreed to the published version of the manuscript.

Funding: This research was partially funded by the Swiss National Science Foundation for the project Transparency: Qualities and Technologies of Global Gemstone Trading, grant number 10001A_173354/1.

Acknowledgments: The authors thank Atossa Araxia Abrahamian and Samuel Weeks for earlier conversations on freeports as well as Eline Benjaminsen and Bob Demper for the insightful discussions that helped make this research possible. We also thank the two anonymous reviewers for their close reading of the text and insightful suggestions. Lastly, we thank John Zarobell, Colin Chen, and the editorial team of Arts for their support.

Conflicts of Interest: The authors declare no conflict of interest. The funders had no role in the design of the study; in the collection, analyses, or interpretation of data; in the writing of the manuscript, or in the decision to publish the results.

References

Agnew, John. 2005. Sovereignty Regimes: Territoriality and State Authority in Contemporary World Politics. *Annals of the Association of American Geographers* 95: 437–61. [CrossRef]

Appadurai, Arjun. 1986. Introduction: Commodities and the Politics of Value. In *The Social Life of Things: Commodities in Cultural Perspective*. Edited by Arjun Appadurai. New York: Cambridge University Press, pp. 3–63.

Arboleda, Martín. 2020. *Planetary Mine: Territories of Extraction under Late Capitalism*. London and New York: Verso Books.

Arrighi, Giovanni. 2010. *The Long Twentieth Century: Money, Power, and the Origins of Our Times*. London and New York: Verso.

Bacevich, Andrew J. 2002. *American Empire: The Realities and Consequences of U.S. Diplomacy*. Cambridge: Harvard University Press.

Bakker, Karen, and Gavin Bridge. 2006. Material worlds? Resource geographies and the matter of nature. *Progress in Human Geography* 30: 5–27. [CrossRef]

Benton, Lauren. 2005. Legal Spaces of Empire: Piracy and the Origins of Ocean Regionalism. *Comparative Studies in Society and History* 47: 700–24. [CrossRef]

Bernstein, Jake. 2019. *The Laundromat: Inside the Panama Papers, Illicit Money Networks, and the Global Elite*. London: Picador.

Bowley, Graham, and Doreen Carvajal. 2016. One of the World's Greatest Art Collections Hides behind This Fence. *The New York Times*, May 28.

Bradley, Simon. 2014. The Discreet Bunkers of the Super-Rich. *Swissinfo*, July 9. Available online: https://www.swissinfo.ch/eng/free-ports_the-discreet-bunkers-of-the-super-rich/40474208 (accessed on 17 August 2020).

Bradley, Simon. 2016. Experts Help Geneva Free Port Crack Down on Stolen Loot. *Swissinfo*, June 8. Available online: https://www.swissinfo.ch/eng/ancient-artefacts_experts-help-geneva-free-port-crack-down-on-stolen-loot/42213226 (accessed on 17 August 2020).

Bräutigam, Deborah, and Xiaoyang Tang. 2011. African Shenzhen: China's Special Economic Zones in Africa. *The Journal of Modern African Studies* 49: 27–54. [CrossRef]

Calvão, Filipe. 2020. Transparent Minerals and Opaque Diamond Sources. In *The Anthropology of Precious Minerals*. Edited by Elizabeth Ferry, Annabel Vallard and Andrew Walsh. Toronto: University of Toronto Press, pp. 147–63.

Cardoso, Fernando Henrique, and Enzo Faletto. 1979. *Dependency and Development in Latin America*. Berkeley: University of California Press.

Cardoso, Fernando Henrique, and Enzo Faletto. 1998. Dependencia y Desarrollo en América Latina: Selección. In *Cincuenta Años del Pensamiento de la CEPAL: Textos Seleccionados*. Santiago: Fondo de Cultura Económica/CEPAL, vol. 2, pp. 475–99.

Carver, Jordan. 2015. On Art Storage and Tax Evasion. *Thresholds* 43: 188–225. [CrossRef]

Chanjaroen, Chanyaporn, and Hugo Miller. 2020. Owner of Asia's 'Fort Knox' Sues over Failed Freeport Sale. *Bloomberg News*, June 15. Available online: https://www.bloomberg.com/news/articles/2020-06-15/owner-of-asia-s-fort-knox-sues-over-failed-freeport-sale (accessed on 17 August 2020).

Christ, Thomas, and Claudia von Selle. 2012. *Working Paper 12: Basel Art Trade Guidelines: An Intermediary Report of a Self-Regulation Initiative*. Basel: Basel Institute on Governance.

Contrôle Fédéral des Finances. 2014. *Ports Francs et Entrepôts Douaniers Ouverts: Évaluation Des Autorisations et Des Activités de Contrôle*. Bern: Contrôle Fédéral des Finances.

Coronil, Fernando. 1996. Beyond Occidentalism: Toward Nonimperial Geohistorical Categories. *Cultural Anthropology* 11: 51–87. [CrossRef]

Crane, George T. 1994. 'Special Things in Special Ways': National Economic Identity and China's Special Economic Zones. *The Australian Journal of Chinese Affairs* 32: 71–92. [CrossRef]

De Nooy, Wouter. 2002. The Dynamics of Artistic Prestige. *Poetics* 30: 147–67. [CrossRef]

Deloitte. 2019. *Art & Finance Report*. Luxembourg: Deloitte.

Ditzig, Kathleen, Robin Lynch, and Debbie Ding. 2016. Dynamic Global Infrastructure: The Freeport as Value Chain. *Finance and Society* 2: 180–88. [CrossRef]

Easterling, Keller. 2004. The Confetti of Empire: Nauru's Riches to Rags Story. *Cabinet*. Winter 2004–2005. Available online: http://cabinetmagazine.org/issues/16/easterling.php (accessed on 17 August 2020).

Easterling, Keller. 2005. *Enduring Innocence: Global Architecture and Its Political Masquerades*. Cambridge: MIT Press.

Easterling, Keller. 2014. *Extrastatecraft: The Power of Infrastructure Space*. London and New York: Verso.

European Parliament and the European Council. 2018. Directive (EU) 2018/843 amending Directive (EU) 2015/849 on the Prevention of the Use of the Financial System for the Purposes of Money Laundering or Terrorist Financing, and Amending Directives 2009/138/EC and 2013/36/EU. *Official Journal of the European Union* L156: 43.

Farid, Nada. 2009. Free Zones: Benefits and Costs. *The OECD Observer*, November 1. Available online: https://oecdobserver.org/news/archivestory.php/aid/3101/Free_zones:_Benefits_and_costs.html (accessed on 17 August 2020).

Foucault, Michel. 2007. *Security, Territory, Population: Lectures at the Collège de France, 1977–78*. Cham: Springer.

Glassman, Jim. 1999. State Power Beyond the 'Territorial Trap': The Internationalization of the State. *Political Geography* 18: 669–96. [CrossRef]

Glassman, Jim. 2011. The Geo-Political Economy of Global Production Networks. *Geography Compass* 5: 154–64. [CrossRef]

Gompertz, Will. 2016. The Greatest Art Collection No-One Can See. *BBC News*, December 1. Available online: https://www.bbc.com/news/entertainment-arts-38167501 (accessed on 17 August 2020).

Gore, Charles. 2000. The Rise and Fall of the Washington Consensus as a Paradigm for Developing Countries. *World Development* 28: 789–804. [CrossRef]

Grandin, Greg. 2006. *Empire's Workshop: Latin America, the United States, and the Rise of the New Imperialism*. New York: Henry Holt and Company.

Harvey, David. 2003. *The New Imperialism*. Oxford and New York: Oxford University Press.

Harvey, David. 2010. *The Enigma of Capital: And the Crises of Capitalism*. London: Profile Books.

Heidenreich, Stefan. 2016a. Freeportism as Style and Ideology: Post-Internet and Speculative Realism, Part I. E-Flux Journal #71. March 2016. Available online: https://www.e-flux.com/journal/71/60521/freeportism-as-style-and-ideology-post-internet-and-speculative-realism-part-i/ (accessed on 17 August 2020).

Heidenreich, Stefan. 2016b. Freeportism as Style and Ideology: Post-Internet and Speculative Realism, Part II. E-Flux Journal #73. May 2016. Available online: https://www.e-flux.com/journal/73/60471/freeportism-as-style-and-ideology-post-internet-and-speculative-realism-part-ii/ (accessed on 17 August 2020).

Helgadóttir, Oddný. 2019. *The Art of Offshore: Tax Avoidance and Unseen Artworks in the New Luxury Freeports*. Working Paper of the EU Combating Fiscal Fraud and Empowering Regulators Project. Copenhagen: COFFERS.

Hirschman, Albert. 1968. The Political Economy of Import-Substituting Industrialization in Latin America. *The Quarterly Journal of Economics* 82: 1–32. [CrossRef]

Holmes, Leslie. 2012. Corruption in Post-Soviet Russia. *Global Change, Peace & Security* 24: 235–50. [CrossRef]

Knight, Sam. 2016. The Bouvier Affair. *The New Yorker*, February 1. Available online: https://www.newyorker.com/magazine/2016/02/08/the-bouvier-affair (accessed on 17 August 2020).

Korver, Ron, European Parliament, European Parliamentary Research Service, and Ex-Post Evaluation Unit. 2018. *Money Laundering and Tax Evasion Risks in Free Ports. Study at the Request of the Special Committee on Financial Crimes, Tax Evasion and Tax Avoidance (TAX3)*. Brussels: European Parliament.

Laird, Michèle. 2012. Booming Art Market Bolstered by Swiss Free Ports. *Swissinfo*, July 18. Available online: https://www.swissinfo.ch/eng/culture/warehouse-turnstiles_booming-art-market-bolstered-by-swiss-free-ports/33088718 (accessed on 17 August 2020).

Landes, David S. 1961. Some Thoughts on the Nature of Economic Imperialism. *The Journal of Economic History* 21: 496–512. [CrossRef]

Lankarani, Nazanin. 2009. A New Concept in Handling Art. *The New York Times*, June 9. Available online: https://www.nytimes.com/2009/06/10/arts/10iht-rcartoff.html (accessed on 17 August 2020).

Le Billon, Philippe. 2011. *Wars of Plunder: Conflicts, Profits and the Politics of Resources*. Oxford: Oxford University Press.

Marini, Ruy Mauro. 1991. *Dialéctica de la Dependencia*. Mexico City: Era.

Maurer, Bill. 2005. Due Diligence and 'Reasonable Man,' Offshore. *Cultural Anthropology* 20: 474–505. [CrossRef]

Mitchell, Timothy. 2002. *Rule of Experts: Egypt, Techno-Politics, Modernity*. Berkeley: University of California Press.

Moore, Jason W. 2015. *Capitalism in the Web of Life: Ecology and the Accumulation of Capital*. New York: Verso.

Neveling, Patrick. 2015. Free Trade Zones, Export Processing Zones, Special Economic Zones and Global Imperial Formations 200 Bce to 2015 Ce. In *The Palgrave Encyclopedia of Imperialism and Anti-Imperialism*. Edited by Immanuel Ness and Zak Cope. Basingstoke: Palgrave Macmillan, pp. 1007–16.

Ogle, Vanessa. 2017. Archipelago Capitalism: Tax Havens, Offshore Money, and the State, 1950s–1970s. *The American Historical Review* 122: 1431–58. [CrossRef]

Ong, Aihwa. 2006. *Neoliberalism as Exception: Mutations in Citizenship and Sovereignty*. Durham: Duke University Press.

Orenstein, Dara. 2019. *Out of Stock. The Warehouse in the History of Capitalism*. Chicago: The University of Chicago Press.

Palan, Ronen. 1998. Trying to Have Your Cake and Eating It: How and Why the State System Has Created Offshore. *International Studies Quarterly* 42: 625–43. [CrossRef]

Palan, Ronen. 2015. The Second British Empire: The British Empire and the Re-Emergence of Global Finance. In *Legacies of Empire: Imperial Roots of the Contemporary Global Order*. Edited by Sandra Halperin and Ronen Palan. Cambridge: Cambridge University Press.

Palan, Ronen, Richard Murphy, and Christian Chavagneux. 2010. *Tax Havens: How Globalization Really Works*. Cornell Studies in Money. Ithaca: Cornell University Press.

Picinati di Torcello, Adriano. 2011. *Why Should Art Be Considered as an Asset Class?* Luxembourg: Deloitte Luxembourg. Available online: https://www2.deloitte.com/content/dam/Deloitte/lu/Documents/financial-services/artandfinance/lu-art-asset-class-122012.pdf (accessed on 17 August 2020).

Ports Francs et Entrepôts de Genève SA. 2019. *Rapport de Gestion 2019*. Geneva: Ports Francs et Entrepôts de Genève SA.

Prebisch, Raúl. 1950. *The Economic Development of Latin America and Its Principal Problems*. E/CN.12/89/Rev.l. New York: United Nations Department of Economic Affairs.

Prebisch, Raúl. 1970. *Change and Development: Latin America's Great Task*. Washington, DC: Inter-American Development Bank.

Scott, James C. 1998. *Seeing Like a State: How Certain Schemes to Improve the Human Condition Have Failed*. New Haven: Yale University Press.

Segal, David. 2012. Swiss Freeports Are Home for a Growing Treasury of Art. *The New York Times*, July 21. Available online: https://www.nytimes.com/2012/07/22/business/swiss-freeports-are-home-for-a-growing-treasury-of-art.html (accessed on 17 August 2020).

Sharman, Jason. 2010a. Offshore and the New International Political Economy. *Review of International Political Economy* 17: 1–19. [CrossRef]

Sharman, Jason. 2010b. Shopping for Anonymous Shell Companies: An Audit Study of Anonymity and Crime in the International Financial System. *Journal of Economic Perspectives* 24: 127–40. [CrossRef]

Singer, Hans W. 1950. The Distribution of Gains between Investing and Borrowing Countries. *The American Economic Review* 40: 473–85.

Sommer, Ursula. 2020. Demand for New York's First Freeport Facility Steps Up. *The Art Newspaper*, January 2. Available online: https://www.theartnewspaper.com/news/demand-for-us-freeport-steps-up (accessed on 17 August 2020).

Steiner, Katie L. 2017. Dealing with Laundering in the Swiss Art Market: New Legislation and Its Threats to Honest Traders. *Case Western Reserve Journal of International Law* 49: 351–72.

Steyerl, Hito. 2017. *Duty Free Art*. New York: Verso.

Stiglitz, Joseph E. 2003. *Globalization and Its Discontents*. New York: Norton.

Tazzara, Corey. 2018. Capitalism and the Special Economic Zone, 1590–2014. In *New Perspectives on the History of Political Economy*. Edited by Robert Fredona and Sophus A. Reinert. Cham: Springer International Publishing, pp. 75–102. [CrossRef]

The Economist. 2013. Über-Warehouses for the Ultra-Rich. *The Economist*, November 23. Available online: https://www.economist.com/briefing/2013/11/23/uber-warehouses-for-the-ultra-rich (accessed on 17 August 2020).

The Financial Action Task Force. 2010. *Money Laundering Vulnerabilities of Free Trade Zones*. Paris: FATF Secretariat.

Tsing, Anna Lowenhaupt. 2005. *Friction: An Ethnography of Global Connection*. Princeton: Princeton University Press.

UNCTAD (United Nations Conference on Trade and Development). 2019. *World Investment Report 2019: Special Economic Zones*. Geneva: United Nations Conference on Trade and Development.

Weeks, Samuel. 2020. A Freeport Comes to Luxembourg, or, Why Those Wishing to Hide Assets Purchase Fine Art. *Arts* 9: 87. [CrossRef]

Westad, Odd Arne. 2005. *The Global Cold War: Third World Interventions and the Making of Our Times*. Cambridge: Cambridge University Press.

Wong, Winnie. 2013. *Van Gogh on Demand: China and the Readymade*. Chicago: The Chicago University Press.

Zarobell, John. 2017. *Art and the Global Economy*. Oakland: University of California Press.

Zarobell, John. 2020. How the Wealthy Sell Treasures Tax-Free. *Yale Global*, February 6. Available online: https://yaleglobal.yale.edu/content/how-wealthy-sell-treasures-tax-free (accessed on 17 August 2020).

Ziegler, Jean. 1978. *Switzerland Exposed*. London: Allison & Busby.

Zucman, Gabriel. 2015. *The Hidden Wealth of Nations: The Scourge of Tax Havens*. Chicago: The University of Chicago Press.