



THE BROOKINGS INSTITUTION

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A BRIEFING SPONSORED BY THE BROOKINGS CENTER FOR EXECUTIVE EDUCATION

Terrorism, Drugs, Crime, Poverty, and Tax Evasion: The Ties That Bind

A Discussion of *Capitalism's Achilles Heel: Dirty Money and How to Renew the Free-Market System*

Wednesday, September 28, 2005

Each year, an estimated \$1 trillion passes illegally across borders, aided by an elaborate "dirty money" structure comprising tax havens, financial secrecy jurisdictions, dummy corporations, anonymous trusts and foundations, money laundering techniques, and loopholes intentionally left in the laws of western countries. Of this amount, some \$500 billion a year comes out of developing and transitional economies into western coffers, fostering crime, facilitating terrorism, voiding trade and investment, dampening economic development, deepening poverty, supporting tax evasion, creating political instability, and, most fundamentally, abusing capitalism's founding ideals of fair play.

In his new book, *Capitalism's Achilles Heel: Dirty Money and How to Renew the Free-Market System*, Raymond W. Baker examines the illicit outflows of "dirty money" across international borders and reveals how dirty money, poverty, and inequality are inextricably intertwined in the global free-market system. The Brookings Center for Executive Education hosts today's panel of experts who will address key aspects of the dirty-money equation detailed in Baker's study: anti-money laundering issues, global inequality, and the philosophical underpinnings of capitalism.

9:30—10:30 a.m. *Speaker Presentations*

Welcome: **Terry Goodwin**, Director, Brookings Center for Executive Education

Moderator: **Peter Schoettle**, Senior Staff, Brookings Center for Executive Education

Speakers: **Raymond W. Baker**, Guest Scholar, Brookings Institution
Author: *Capitalism's Achilles Heel*

Robert Roach, Counsel and Chief Investigator for the Democratic staff of the US Senate
Permanent Subcommittee on Investigations

Branko Milanovic, Economist, World Bank
Author: *Worlds Apart*

Thomas Pogge, Philosopher, Columbia University
Author: *Realizing Rawls; Global Justice*

Kannan Srinivasan, Monash Asia Institute, Melbourne, Australia

10:30—11:30 a.m. *Question-and-Answer Session*
