

The Financial Front of War on Terrorism

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Abstract

This paper examines the financial front of the War on Terrorism. It argues that financial globalization in the wake of the decline of the Bretton Woods system provides multiple channels for international financial transactions. Terrorist groups make good use of this new environment to transact money to finance their causes. To weed out terrorist money, the international financial system relies on individual countries to cooperate in implementing regulatory measures, but inter-state cooperation is hampered either by some countries' opaque financial systems or by national differences in their financial systems. Thus, the financial front of the War on Terrorism is going to be a drawn-out process.

Key Words: Bretton Woods, financial transparency, Patriot Act, failed states

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