

6 In Paradise: Metaphors of Money-Laundering Brighten up the Dark Side of Globalization

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The editors of this volume alert us to the multiple fortunes of metaphors – they can be mirrors, magicians and mutinies. The present chapter deals with the second incarnation, exploring the magic at work in metaphorical language. As magicians, metaphors construct social reality. In this sense, globalization is a metaphorical construction and this book shows how different metaphors shape the global. My contribution concentrates on the ‘dark side’ of globalization (Williams, 2001:145), specifically on global financial crime. Described as ‘the process by which proceeds from a criminal activity are disguised to conceal their illicit origins’, the dark side escapes the purview of legality – the ‘bright side’ of globalization – making it difficult to grasp and fight (Schott, 2003:I-1). Accordingly, we rely on metaphor to ‘illuminate’ us. Global financial crime is a complex technical matter, with criminals using sophisticated electronic banking techniques and taking advantage of the difficulties of following cross-border money flows. In fact, keeping up with frequent innovations in criminal techniques is a constant concern for law enforcement specialists. For the non-specialist it is almost impossible to understand how the processes and practices of global financial crime actually work. Therefore, it is hardly surprising that metaphors are employed as coping mechanisms to reduce complexity. Specifically, to ‘illuminate’ the dark side and make it visible, this illicit activity is referred to as ‘money-laundering’.

More than making the unfamiliar familiar, the money-laundering metaphor makes evident the transformative role of metaphors. ‘At the

heart of magic,’ the editors of this book write in the introduction, ‘is transformation’. And indeed, money laundering transforms ‘dirty money’ into ‘clean money’, illegal into legal, bad into good; it transgresses the boundary between the dark and the bright side of globalization. Here, magic truly seems to be at work. Although money-laundering is supposed to be a public ‘bad’ (Helleiner, 1999:75; Reuter and Truman, 2004) and ‘almost all industrialized countries now agree that money laundering should be considered a crime’, (Simmons, 2001:608) the laundering metaphor constitutes it as a ‘good’. The metaphorical construction of money laundering seems to be in contradiction to what we general understand as the ‘reality’ of money laundering. This chapter tries to make sense of this contradiction and thus to understand the magical powers of metaphors, not only with respect to how they construct reality, but how metaphors can construct realities that contradict their defining metaphors.

In order to do so the following section introduces the principal metaphors of the money-laundering discourse. I then search for answers to the question of why money-laundering metaphors, rather counter-intuitively, constitute a ‘positive’ reality. Having argued that these metaphorical constructions reflect a truth hidden in the subtext of the money-laundering discourse, I will discuss the possible origins of that hidden truth. To conclude, I argue that the magic of metaphors lies in their construction of ambiguity.

The metaphors of money-laundering

‘Money-laundering,’ ‘havens’ and ‘paradises’ are the most common metaphors in discourses surrounding global financial crime. To interpret these metaphors, I propose the odd method of ‘artificial foolishness’ (Hitzler, 1991).

Metaphors project a ‘source’ domain (i.e. the metaphorical term) onto the ‘target’ domain (i.e. the original term) (Lakoff and Johnson, 1980a; Schäffner, 1996:32). As the target domain is often unfamiliar and/or abstract, this projection renders it familiar. Making it visible in a certain way, the metaphor shapes a particular kind of reality. In their theory of ‘conventional metaphor,’ Lakoff and Johnson (1980a) argue that much of our language and our understanding of ‘reality’ is shaped by metaphor; we often use metaphors without even realizing it (see also Charteris-Black, 2004). In my view, conventional metaphors construct a reality ‘behind the backs’ of speakers. Their analysis, therefore, requires bringing to light the ways in which ‘assumed’ reality is actually

metaphorical in nature. To do so, I suggest an interpretation technique described as switching off the 'automatic gear' of metaphors. This requires spelling out the source domain's meaning, and then – pretending not to have any knowledge about the target domain – to manually make sense of it in the light of the source domain. This 'method' is reminiscent of Umberto Eco's suggestion to look at a metaphor from the point of view of someone who encounters it for the first time (Eco, 1995:191). While our pre-existing knowledge predisposes us towards superficial routine interpretations of the more obvious reality constructions, 'artificial foolishness' enables us to discover the less obvious realities shaped by metaphors.

The activity: laundering

The money-laundering metaphor is so entrenched in the official vocabulary of global finance that its metaphorical status is often forgotten. Accordingly, when the key international regulator in the field was established with the name of 'Financial Action Task Force on Money-laundering' (FATF), it was not seen to be fighting an imagined social construction, but something very real and tangible. In fact, it is nearly impossible to find a text on the activity of disguising the origin of illicit income that does not employ the money-laundering metaphor – which is not surprising, given the rather long-winded circumscription cited below. The metaphor is used because there is hardly any other way of talking about the phenomenon. Its use is therefore highly conventionalized. The underlying narrative of the laundering metaphor is that money may be clean or dirty, with the latter being the worse condition. Laundering/washing/cleaning turns dirty into clean money.

According to legend, this image goes back to Al Capone's use of laundrettes to mix his illegal earnings with the clean cash made in the laundries. The total was then reported as the income generated from the laundrette (Blum, *et al.*, 1998:12; Naylor, 2002:137). Over time, this image has become literalized so that today we imagine the laundering of money as actually putting dirty money into washing machines to 'clean' it. In fact, reports on money laundering are often illustrated with a picture of a couple of dripping dollar-bills drying on a clothesline.

As mentioned above, the technique I employ to interpret metaphors requires a certain naiveté: what would we understand 'money-laundering' to mean if we had no background knowledge of its description of global financial crime? Said differently, how would we understand money to be dirty? To make sure that interpretations are not guided by the interpreter's private assumptions about the source domain, I will consult

dictionaries, in which our shared knowledge is stored and codified. *Dictionary.com* defines 'dirt' as 'a squalid or filthy condition' and *Merriam-Webster Online* considers it to be 'an abject or filthy state'.¹ Quite obviously, dirt has a negatively connotation – it signifies the barbaric, uncivilized, pre-modern (Sarasin, 2001). We, in contrast, live in a hygienic world, where cleanliness is both a precondition of and an important value in life – literally and figuratively. If there is dirt, we apply the tools we have developed to get rid of it (chemicals, washing machines etc.). While the literal definition of 'launder' is simply 'to wash (...) in water', 'clean' means to 'free from dirt, stain, or impurities' (*dictionary.com*). Given the negativity associated with dirtiness, the transformation into something clean should be a positive transformation. Laundering and cleaning clearly improve an object's condition. However, the act of cleaning involves direct contact with dirt, with the launderer running the risk of becoming dirty as well. This explains why cleaning personnel are held in low esteem. Still, no one would deny that launderers and cleaners carry out necessary tasks.

What is implied by money laundering? Money laundering is a dirty job, but someone has to do it. The task itself may be the subject of disagreement, but it contributes to a more agreeable world. From a metaphorical perspective, there is nothing illegal or morally wrong about money laundering. In fact, based on this interpretation it would be hard to consider money laundering to be an illicit activity that disguises the bad from the good. There is an ambiguity contained in the metaphor that makes difficult to determine whether the metaphor denotes a positive or negative activity. Although the valuable effects of money laundering (i.e. clean money) suggest a positive connotation, the low social status of cleaning and laundry personnel does not. Evidently, money laundering is not a definitively negative activity. Against this background, our foolish interpreter might suffer something of a reality shock, if confronted with normal accounts of money laundering. S/he would be disturbed to learn that money laundering denotes a public bad, fought by a number of international organizations and many states. From his/her perspective, it would be almost absurd to wage war against cleaning personnel who protect the hygiene-measures that ensure our survival and distinguish us from the uncivilized.

The location: haven and paradise

Just as in money laundering we lack a generally accepted literal or technical term for naming states with under-regulated financial sectors. Although the FATF employs the terminology of 'non-cooperative

countries and territories' – perhaps in order to avoid the metaphor's positive connotations – this phrase is not applied very widely. States which lack anti-money-laundering regulations are commonly referred to as either 'money-laundering havens' or 'money-laundering paradises'. While the paradise metaphor is common in German and French, the English-speaking world mostly relies on the haven metaphor. The IMF, for example, discusses the problem of 'money-laundering havens',² and the US State Department notes that Luxembourg has 'a reputation as a money-laundering haven'.³ The metaphor is also popular among scholars (e.g. Morris-Cotterill, 2001:19) and the press (e.g. *The New York Times*, 19 April 2002).

Imagine, once again, being the fool that does not know what an under-regulated country is. All you know is that some places in the world are described as money-laundering havens. Literally, if somewhat outdated, a haven is a harbour. Figuratively it stands more generally as 'a place of rest and safety' (*dictionary.com*). Haven therefore clearly has a positive connotation. Money-laundering havens are thus constructed as places that provide safety. The fool would not find anything wrong with such countries. On the contrary, from the fool's perspective, havens help those who are in need. Therefore, neither those who give nor those who seek refuge would be viewed negatively; instead, those countries that make it necessary for some to flee and seek refuge elsewhere would be through a pejorative lens and thus condemned. In this sense, the money-laundering metaphor backfires: applied by the OECD countries to denounce 'un-cooperative countries or territories' it casts OECD countries as the 'culprits' rather than the 'victims.'

In contrast to 'haven,' the preferred terminology in German and French revolves around 'paradise,' with the Germans using *Geldwäscheparadies* – money-laundering paradise – and the French, the more general form of '*paradis fiscal*'.⁴ Although not very common, the paradise metaphor can occasionally be found in English-language documents (e.g. *The Independent*, 17 May 2001; *The Washington Times*, 21 June 2005). As with the haven metaphor, the use of paradise is habitualized. Speakers employ the metaphor because it is the accepted vocabulary in the anti-money-laundering discourse.⁵

What does the paradise metaphor tell us about where money laundering occurs? Turning once again to the dictionary as the repository of shared language, the *Merriam-Webster Online* defines 'paradise' as 'a place or state of bliss, felicity, or delight'. Similarly, *Dictionary.com* describes it as 'a place of ideal beauty or loveliness'. From these definitions, money-laundering locations would appear to be idyllic places – they are not just

havens, they are heavens! The paradise metaphor therefore suffers the same fate as the haven metaphor: rather than connoting places of ill repute, money-laundering locations are glorified. Furthermore, the paradise metaphor constructs them as a very distant place, almost impossible to reach, which subsequently increases our longing to be there.⁶

In sum, both the haven and paradise metaphors make for very positive constructions of money-laundering locations. This is in line with the positive – or at least non-negative – connotations of the activity itself, resulting from the hygiene metaphors applied to it. However, the 'bright' metaphorical world of money laundering stands in sharp contrast to its depiction in the anti-money-laundering discourse. Contrary to the conclusions of the fool, money laundering is understood as a crime, with unregulated financial centres the criminals' accomplices. How can we make sense of this contradiction? In the next section I explore possible explanations for why the metaphors of money laundering provide a positive image of what is generally considered to be a global public ill. Or, alternatively, why a negative connotation comes to define a positive metaphor.

Metaphors and the 'real world'

How do we explain the sharp contrast between the metaphorical conclusions of the fool and what happens on the 'real world?' Many students of politics would read this as further evidence that metaphor is only a 'rhetorical device', one that requires no serious attention in political analysis. But, this dismissal ignores a larger question about how we understand and perceive the real world.

Following the analytical framework of this volume, if metaphors can be seen as magicians who constitute reality, distinguishing between reality and metaphor is a difficult, if not impossible task: the real world is the product of metaphors and other elements of discourse. 'Reality' has no meaning outside discourse. In the strictest sense, there is nothing inherently illegal about money laundering – it is a set of economic activities. The pejorative connotation associated with the activity emerged through discourses that cast money laundering in a negative light, defining it as a public bad. Yet, even still, at the level of discourse, when seen from the fool's perspective, for instance, metaphors denote laundering not only as a positive, but a socially necessary activity. Reality, therefore, does not contradict metaphors. Depending on the metaphor, 'reality' will take on a different shape and function. However, given the contradicting narratives, how

do we understand reality through an ambivalent discourse on money laundering?

To make sense of this ambivalent discursive construction, it is useful to distinguish between text and subtext. Whereas the former constitutes the more obvious aspects of reality, the latter is where the less obvious aspects are hidden. The subtext contains those uses of language 'that are bracketed off, obscured, denigrated, and ignored by readers interested only in an author's intended or declared meanings, or in the stipulated information a text conveys on its moving belt of sentences' (Gregory, 1989:xviii). Crucial for the differentiation between text and subtext is the idea that speakers cannot fully control the meaning they produce. They may be aware of some aspects – the intended meaning – but as they are part of a discourse that delimits what can and cannot be meaningfully articulated, some of the meaning is constituted through a text that is beyond their reach. To some degree, without their knowledge, reality is shaped behind the speaker's back (Reichertz and Schröer, 1994:59; Schröer, 1994:10). Metaphors, I contend, are particularly good at producing a surplus of meaning, including meaning that may run counter to what its user wants. Donald Davidson captures this nicely, when he refers to metaphors as 'the dreamwork of language' (Davidson 1984:245). Much of what metaphors do takes place in the subtext. Hence the analysis of metaphors gives access to the hidden meanings that produce ambivalence.

Although metaphors are pervasive within any given discourse, only a few metaphors are used repeatedly. Metaphorical variance within established discourses is accordingly relatively low (Schäffner, 1996:36). From a sociology-of-knowledge perspective, this can be accounted for by conceptualizing language to be the result of people successfully making sense of the world by framing the new in terms of the old. Frames that prove to be helpful are sedimented into the body of collective knowledge, the most important repository of which is language. Through a process of 'objectivation' (Berger and Luckmann, 1967) metaphors get firmly linked to the objects they signify. We all – at least when talking the same language – use very similar metaphors when speaking about a specific topic, because our language provides us with interpretations that are part of our collective knowledge. Every discourse has a particular stock of metaphors (Doty, 1993:302). If we participate in that discourse we have to use these metaphors if we want to be understood. We apply the metaphors quite automatically, i.e. without necessarily being aware of their metaphorical character, precisely because there is no other way to talk about the particular topic. Through

the habitual use of metaphors, speakers unintentionally reproduce discourse's subtext.

In this way, metaphor may produce contradictory narratives that lead to ambivalent discourses about reality. I may want to fight money-laundering and financial havens, but in having to use these terms (as there are no alternatives) I unwillingly reproduce the metaphors' positive connotations. As long as these metaphors are in use, the topic will remain ambiguous. Metaphors, accordingly, are largely beyond individual control (Milliken 1999:235, fn. 15). Nowhere, it seems, is the claim that we do not speak, but rather that language speaks us, more apt than in the uses and effects of metaphor. Metaphors' 'trick' is precisely their ability to conceal themselves behind the reality we readily assume and act upon in everyday life: 'it pretends only to describe realistically and to analyze objectively' (Hayden White, cited in Campbell, 1998:231, en. 21), while in fact its description is a construction of reality.

On the textual surface of the money-laundering discourse, money laundering is constituted as a public bad. This is what discourse participants want it to be. They do believe that money laundering is a problem. However, without being aware of it the same speakers also construct money-laundering positively. This construction emanates from the speakers' subtexts, which reflect deeply embedded collective 'beliefs' about money laundering. A positive narrative of money laundering is built into the anti-money-laundering discourse. Although buried underneath the negative narrative, it is still there. The subtext of the discourse constitutes money laundering and less regulated financial markets as something to be admired, not deplored. These contradictory constructions of money laundering hint at a more ambivalent view of money laundering, generating doubts about whether money laundering is the public bad that its opponents purport it to be. But where does this doubt come from? What explains the discourse's positive subtext? Moreover, how do the hidden positive connotations of money-laundering activities implicate the more obvious discourse that condemns money laundering?

Why is money laundered in paradise, not in hell?

In this section, I look at both the activities associated with money laundering and the locations in which money is laundered to account for the conditions that have enabled positive metaphors for money laundering. Despite the general negative connotations surrounding the activity, why is dirty money given safety? Why it is washed in heaven rather than hell?

The activity: laundering

That crimes such as murder and robbery are public bads is undisputed. They directly harm members of society. This is somewhat different with respect to money laundering. While dirty money results from crimes like selling illegal drugs, the laundering of that money does not directly harm anyone in a way similar to murder or robbery (Blum, *et al.*, 1998:9). Money-laundering 'consists of acts that are innocent in and of themselves' (Naylor, 2003:276). Therefore it is far from obvious that it should be crime or a public bad.

In fact, as a criminal activity, money laundering is a relatively new phenomenon. This is not because it did not happen – the 1920s, for example, are regarded as the 'classical' period of money laundering – but because no one considered it a problem. It was not until 1986, when the US government became the first to deem money laundering unlawful, that it was first considered a crime. (Reinicke, 1998:143; Simmons, 2001:607). For the US, criminalizing money laundering was part of a larger strategy aimed at 'war on drugs' (Helleiner, 1999:66; Johnson, 2002). Thus, as a criminal activity, money laundering was narrowly defined as an activity associated with the illicit drug trade. Although the US managed to find support among its G7 partners – resulting in the foundation of FATF in 1989 – concerns about money-laundering criminality seemed to be of concern only to the United States. As concerns about organized crime grew in the mid-1990s, expanding the scope of activities associated with laundering became a key policy to fight organized crime (Edwards and Gill, 2002; Williams and Baudin-O'Hayon, 2002; Woodiwiss, 2003). Accordingly, understandings of what kinds of activities could be considered money laundering were expanded so that any criminal activity could be targeted and implicated. Following the events of September 11, 2001, terrorism, too, became linked to money-laundering (Biersteker, 2002; Johnson, 2002; Kersten, 2002), effectively '[kick-starting] a new era of financial oversight' (Winer and Roule, 2002:88). Dirty money was no longer considered only funds which had been used for past criminal activities; included in the gambit, were 'aspirational' funds that suggested future use for a terrorist activity (Williams and Baudin-O'Hayon, 2002:138). Today, money laundering has become a dual issue that includes conventional activities associated with laundering but has also been folded into concerns about the financing of terrorism.

The ever-widening scope of money-laundering criminality indicates that, far from dealing with objective facts, policy problems are social constructions. Politics, therefore, determines the moral worth of any set of empirical phenomena in a society (Hülsse, 2007). By itself money

laundering was never considered a public bad: its criminal intent was derived only by connecting to other 'real' crimes – from the drugs trade to terrorism. Interestingly, despite considerable efforts by the FATF 'to promote awareness of the laundering problem',⁷ money laundering is not globally deplored – in Asia, for example, most do not see it as a problem (Simmons, 2001:608). Against this background, our observations about the positive connotations of money laundering are much less surprising than they first appeared. It might be that the positive metaphorical construction of the money-laundering activity may be rooted in the 'real' world's reluctance to accept money laundering as a problem.

The location: haven and paradise

The resistance of the real world to the negative portrayal of money laundering is made even more explicit in the designation of countries with unregulated banking sectors that facilitate money laundering as havens and paradises. The argument I want to develop in this section is that both haven and paradise metaphors link the anti-money-laundering discourse to a related discourse, namely the one about tax evasion. Given arguments about the benefits of tax competition, whether or not the international community should take measures against tax is an issue rife with controversy (Helleiner, 1999). I claim that through the metaphorical connection of the discourses on money laundering and tax evasion, the disagreements about tax havens open a space for the more positive portrayals of money laundering. If it is unclear that tax havens are problems, why should it be clear that money-laundering havens are? Interestingly, countries with favourable tax rules are characterized in similar fashion to those enabling money laundering. Although the FATF officially uses the neutral-sounding term 'non-cooperative countries or territories' to label money-laundering havens in its blacklist,⁸ the OECD is less balanced in its appraisal of tax havens, creating a blacklist of 'uncooperative *tax havens*'.⁹ In doing so, the OECD uses a relatively benign term in tax discourse and redefines it as a crime.

In an excellent application of speech act theory, Sharman (2004) elaborates the recasting of 'tax havens' as criminal locales as a result of the OECD's 'blacklisting'. Before OECD action, 'tax haven' was used to denote countries with relatively low taxation rates. Some of these countries even used the term for promotional purposes. At the time, the positive connotations evoked by the haven metaphor apparently matched general perception about the 'real' world, i.e. tax havens were not 'bad'. Since the OECD initiative, tax haven has become a pejorative term (Sharman, 2004:4). Instead of promoting themselves as havens, countries will do what they can to deny that they are. Liechtenstein, for

instance, long considered a favourable tax haven, vehemently resists the designation, although still stressing the importance of low taxation rates and banking secrecy and resisting attempts to define tax evasion as a crime. Only the small island of Vanuatu ignores the reinterpretation of the term resulting from the OECD-blacklist and clings to the metaphor's positive connotations, continuing to advertise itself as 'the Pacific's premier tax haven' (Sharman, 2004:16).

However, Sharman is telling only part of the story. He is certainly correct to argue that the meaning of a term can be changed through speech acts. However, while he argues that the original positive connotation of the haven metaphor has fully disappeared as a result of the blacklist, I doubt that one interpretation has completely superseded the other. The metaphor's positive kernel is still there, and it cannot simply be black-listed away. In the subtext, tax havens are reconstructed as something positive, providing shelter for those seeking refuge. While the negative interpretation has been stabilized at the level of text, the positive connotation in the subtext reminds us that our understanding of tax havens is more ambivalent than the OECD blacklist suggests. Below, I demonstrate how controversies surrounding the international regulation of tax evasion indicate that the positive connotations of the tax haven metaphor have survived the OECD's blacklisting attacks.

The haven metaphor is not the only link between the money laundering and the tax evasion discourse. The other key metaphor for a money-laundering location – paradise – also has a close relative in the tax evasion discourse, where tax haven translates into the German *Steuerparadies* or tax paradise.¹⁰ Again, the same metaphor is applied to both cases – taxing and money laundering. This may be interpreted as a 'discursive nodal point' (Diez, 1999; Diez, 2001), which ties together two discourses and allows for interpretations to travel across discourse boundaries. This is to say that metaphors cut across discourses, they are interdiscursive elements (Link, 1988). The money-laundering discourse does not exist in isolation, but has an impact on other discourses, just as it is in turn influenced by meanings circulating in other discourses. We have shown that tax havens/paradises are constructed positively. And as the same metaphors are applied to money-laundering locations as well, these positive connotations travel from the tax evasion to the money-laundering discourse.

Thus far, I have argued that the positive connotations applied to money-laundering locations result from the positive framing of their taxing counterparts. This, however, begs the question of why tax havens have for a long time enjoyed a positive image and why many people still

hold that tax havens are not harmful. How can we explain 'that tax havens are generally viewed as a perfectly legal strategy for development particularly suited to microstates'? (Palan, 2002:152) To find an answer, I draw upon the work of Eric Helleiner (1999), who observes that the level of international regulation varies strongly across different fields of illicit finance – relatively high in money laundering, rather low in tax evasion and capital flight. He considers liberal ideology to be an explanatory factor, as tax evasion and capital flight are not *per se* public bads from a liberal perspective. Tax havens, in particular, are found to have positive effects, most notably a disciplining effect on high-tax countries (Helleiner, 1999:58). Sharman takes up this point, when he argues that the key problem behind the OECD harmful tax competition initiative is indicated already in its name, which is a contradiction to the prevailing liberal ideology (Sharman, 2006:163). For liberals, competition is a value in its own right and cannot be harmful. In this respect tax competition is no different from any other competition. Accordingly, what is harmful is not tax competition, but tax regulation.

Can we apply this argument to money laundering? As money laundering is about preventing competition over attracting (dirty) money, shouldn't money-laundering regulation be bound to fail? Helleiner says no. In his view even liberals agree that money laundering and money-laundering havens are a public bad and that international regulation is needed (Helleiner, 1999:58–59). Liberal economists such as Vito Tanzi have pointed to the negative effects money laundering has for the stability of international finance (Tanzi, 1997). This legitimizes the bracketing of liberalism and the implementation of regulatory measures.

For Helleiner (1999) tax evasion is less regulated than money laundering because liberal ideology interferes with anti-tax evasion rules, but not with anti-money laundering rules. This contrasts with my argument that positive connotations of tax havens spread – through shared metaphors – to the anti-money-laundering discourse and thus put money-laundering havens into a positive light. There are, however, several reasons why we should expect liberal ideas to have a stronger impact on the anti-money-laundering discourse than Helleiner concedes. First, the key metaphors of the money-laundering discourse may be read as storing liberal ideas – only a liberal discourse would call under-regulated financial centres havens and paradises. While regulative ideas might dominate the surface of the discourse, deregulative, liberal ideas are embedded in the discourse's subtext. Second, I find Helleiner's claim that there is a liberal consensus about money laundering requiring counter-measures something of an overstatement, given his own

reasoning. Helleiner reports that '*much less controversy* has been generated in contemporary liberal circles over the objective of stopping money-laundering' and that 'contemporary liberals have become *increasingly convinced* that the regulation of money laundering is not only justifiable but also necessary' (Helleiner, 1999:58; emphases added). This recognizes that there is still some controversy in liberal circles and that liberals have not always been convinced that money laundering should be regulated. Apparently, there are liberals who doubt that money-laundering paradises need to be fought.

Moreover, I would argue that Helleiner himself undermines his own argument about liberal ideology being more effective in the case of tax havens than in the case of money laundering when he states that 'probably the most important reason (...) why efforts to curtail money-laundering have been pursued more vigorously is that the United States has shown greater interest in the issue' (Helleiner, 1999:60). Evidently, Helleiner takes the US's greater dedication to money laundering than to tax evasion to be the crucial explanatory factor – and not liberal ideology. Is this to mean that in the absence of US-leadership money laundering would hardly be more regulated than tax evasion? If, as implied by Helleiner, the answer is yes, we would have to conclude that liberal ideology is an obstacle to regulative measures not only with respect to tax evasion but also with respect to money laundering. This confirms my claim that the metaphors of haven and paradise used in both discourses reflect the importance of liberal ideas in the taxing and in the money-laundering context. The anti-money-laundering discourse is embedded in the liberal discourse and this may be one reason why – contrary to Helleiner's optimistic account – the effectiveness of the anti-money-laundering regime is rather limited (Naylor, 2002:134; Sica, 2000:53; Simmons, 2000:245; Williams, 2001:136; Williams and Baudin-O'Hayon, 2002:141).

And there is yet another argument to support the claim that tax havens' positive connotations are transferred to money-laundering havens. It is very difficult to distinguish between tax- and money-laundering havens, as both rely on the same means, most importantly banking secrecy. Very often, tax havens are also money-laundering havens.¹¹ If one can hardly tell a tolerable tax paradise from an intolerable money-laundering paradise, the positive connotations of the tax paradise automatically apply to the other paradise as well. The issues are not only connected metaphorically, but also through various political actions. For instance, the G7 wanted to use the anti-money-laundering regime to collect and share information needed to fight tax evasion

(Helleiner, 2002:190, 201). This could be read by tax havens as a confirmation of their suspicion that anti-money-laundering serves as a pretext to prevent tax evasion from OECD countries and is thus motivated mostly by these countries' economic interests (Sica, 2000:58).

Lastly, I want to point to another discourse that may have contributed to the surprisingly positive construction of money-laundering paradises. Financial havens simply exert their rights as sovereign states, they take advantage of their 'right to write the law' (Palan, 2002:152). The principle of sovereignty legitimizes their lax banking regulation (Levi, 2002:182). Consequently, any attempt to force them to adopt money-laundering measures is an attack on the principle of sovereignty. Of course, this is not to deny that the principle has lost much of its former absoluteness in recent years. But, at the same time, there are still many countries that resist any interference with their sovereignty. For these countries, money-laundering paradises are also paradises of sovereignty. An attack on money-laundering havens therefore amounts to an attack on sovereignty havens. If we accept that in the Westphalian system sovereignty is a positive term, countries that defend their sovereignty are to be applauded rather than blacklisted.

This section has explored the background of the positive connotations of money laundering. With respect to the activity of money laundering, I have argued that it is far from obvious why it should be a crime. Considering that money laundering had not been considered a problem in the West until about 20 years ago and that large parts of the world are still in doubt, it is difficult to see that it constitutes a global public bad. Instead it is understandable that the subtext of the money-laundering discourse constructs the phenomenon more positively than it appears on the text surface. As to the locations of money laundering, I have argued that the metaphors of haven and paradise link the money-laundering discourse to the discourse on tax evasion. There, a strong narrative exists, according to which tax havens have positive effects and therefore should not be the target of regulation. This argument is grounded in a liberal discourse where competition cannot be harmful. Through shared metaphors, the positive connotations of tax havens can 'travel' to the money-laundering discourse, constituting money-laundering havens in equally positive light.

Conclusion

Conventional accounts take it as a given that money laundering is a global public bad. The few political scientists who take an interest in the

topic do not question this categorization and busy themselves with analysing the institutions and rules set up to counter money laundering and with evaluating the regime's effectiveness. This paper has offered a different take on money laundering, arguing that there is good reason to question automatic assumption that money laundering is a public bad. Contrary to prevailing consensus, I have shown that the metaphors of money laundering do not definitively construct it as a public bad. On the contrary, both the activity of laundering and the locations where it takes place – money-laundering havens and paradises – construct money laundering quite positively. The metaphorical world of money laundering looks much brighter than it is assumed to be in the 'real' world. I have interpreted this contradiction as the result of different meanings given to money laundering on different levels of discourse. While on the surface money laundering is condemned, the subtext indicates an unacknowledged longing for (money-laundering) paradise.

That metaphors should be able to turn bad into good strongly supports one of the central tenets of this book, namely that metaphors are magicians. That the money-laundering metaphors transform the crime into something positive has been explained with reference to metaphors' interdiscursive effects. Metaphors are 'discursive nodal points'; in our case the paradise and haven metaphors link the money-laundering discourse to the discourse on tax evasion. Positive meaning 'travels' from tax to money-laundering havens. Money laundering is made part of the liberal discourse, and becomes a normal economic activity with money-laundering havens simply competing for globally mobile capital. Given the conventional wisdom that money laundering is a global problem and a public bad, this result certainly sheds a new light on how we construct money laundering. It shows that it is well worth taking metaphors seriously and indicates that much can be learned about the making of social reality if we conceptualize metaphors as magicians.

However, it is important to note that I do not privilege one level of discourse over the other. In contrast to psychoanalysis, for example, I do not claim that metaphors reveal how we 'really' feel about money laundering. It would be mistaken to interpret the positive construction of money laundering in the subtext as an indicator for our true sympathies for money laundering and by the same token dismiss the negative construction on the text-surface as a lie. But it would be equally mistaken to focus on the negative constructions on the surface alone and to ignore the positive undertones of the subtext. Both are part of the discourse's ambivalent construction of money laundering. And it is only through metaphor analysis that we can see this ambivalence. Social

reality and the discourses that constitute it look homogeneous only from the distance, but a closer look reveals inherent contradictions and ambivalences. Metaphor analysis deconstructs the apparent consensus about money laundering being a public bad, demonstrating that although we seem to agree on money laundering being a public bad, we nonetheless dream of money-laundering paradises. Perhaps, then, the most important lesson to be learned from analysing metaphors as magicians is that we live in a world that is more ambiguous than it appears.

Notes

1. The two online dictionaries can be found at <http://dictionary.reference.com/> (2006, 6 November) and <http://www.m-w.com/> (2006, 6 November).
2. <<http://www.imf.org/external/np/mae/aml/2001/eng/110801.htm>> (2006, 6 November).
3. <<http://www.state.gov/p/inl/rls/nrcrpt/1999/928.htm>> (2006, 6 November).
4. 'Paradis fiscal' is broader, applied to both tax- and money-laundering havens. However, the French National Assembly also refers to '*paradis de blanchiment*' (<http://www.assemblee-nationale.fr/legislatures/11/pdf/rap-info/i2311-623.pdf> 2006, 6 November). The Italians use the term '*paradiso fiscale*', whereas in Spanish not only the general '*paraíso fiscal*' but also the '*paraíso del blanqueo de dinero*' is common.
5. The paradise metaphor is also applied with respect to tax havens – *Steuerparadiese*.
6. Interestingly, the metaphorical construction of money-laundering locations corresponds to the geography of money laundering. The blacklists published by FATF in 2000 and 2001 name a total of 23 non-cooperative countries and territories, many of which are located in the Caribbean and the South Pacific – regions the 'West' considers paradisiacal.
7. FATF, Annual Report 1993–1994:6.
8. The first of these lists was published in 2000, see: <<http://www.fatf-gafi.org/dataoecd/56/43/33921824.pdf>> (2006, 6 November).
9. http://www.oecd.org/document/57/0,2340,en_2649_33745_30578809_1_1_1_1,00.html> (2006, 6 November).
10. Or, equally often and also an interesting metaphor, a tax haven is called *Steuer-oase* or tax oasis.
11. Comparing the original FATF blacklist of 'non-cooperative countries or territories' with the original OECD blacklist of tax havens shows a considerable overlap. Nine of the 15 money-laundering havens are also on the tax haven list (see FATF, NCCT Annual Report, 1999–2000 <<http://www.fatf-gafi.org/dataoecd/56/43/33921824.pdf>> (2006, 6 November), and OECD Report, *Towards Global Tax-Cooperation*, 2000. <<http://www.oecd.org/dataoecd/9/61/2090192.pdf>> p. 17 (2006, 6 November)).

Metaphors of Globalization

Mirrors, Magicians and Mutinies

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