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## Abstract

The evolution of financial markets and the rise of nonfinancial corporations have led to a new form of competition of the product market. The new competition is the allegiance of stakeholders to financial markets. The flow paid to financial market agents. The net result is a “neoliberal paradox”: financial markets demand that corporations achieve ever higher profits, while product markets make this result impossible to achieve. The neoliberal paradox helps explain the outbreak of financial accounting fraud in the late 1990s.



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