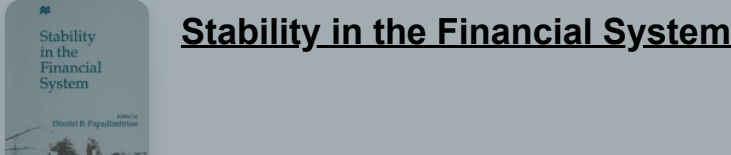


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Finance and its Reform: Beyond Laissez-Faire

| Chapter

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to financial systems a bit earlier than it did in other areas of economics. Based partially on evidence, especially from Latin America, that overly rapid reform had real costs, and partially on an increased appreciation of market failure in finance, it was accepted in the financial sector that blind adherence to free market principles was not quite appropriate.¹ And a counter-counter revolution is in sight, with some swing back towards the view that the market makes a mess of it but the government makes it even worse.

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