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The corrosive effects of neoliberalism on the UK financial crises and auditing practices: A dead-end for reforms

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Abstract

The UK's financial sector has been the subject of frauds and crisis during every decade since the 1970s. The crisis has been fuelled by neoliberal ideologies which emphasise light-touch regulation, individualisation, excessive faith in markets and pursuit of private profits, with little regard for social consequences. Auditors are expected to flag matters of concern to shareholders and regulators, but that did not happen in the events leading to the 2007–2008 banking crash or any of the other headline scandals. Despite the failures, banking and auditing reforms continue to be grounded in neoliberal ideology and are unlikely to address the crisis.

Keywords:

Financial crisis

Banks

Financial sector

Auditing

Neoliberalism

The state

Notes

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