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Conflict of Interest and the Furor over Executive Compensation

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In the wake of the 2008 financial collapse, political leaders and commentators in America and Western Europe have criticized the salaries and bonuses paid to investment bankers, bond traders, and other executives and operatives in the financial services industry. My paper will look at this critique, showing that it in fact composes several different lines of attack, each of which rests on a different conception of what it means to be in a conflict of interest. Some of these notions may actually be mutually inconsistent, while the others, I will argue, combine to show that the kinds of conflicts of interest that lie at the heart of executive compensation are uniquely troubling.