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UNDERSTANDING MARKET FAILURE IN THE DEVELOPING COUNTRY CONTEXT

Encyclopedia of the UN Sustainable Development Goals

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DEFINITION OF MARKET FAILURE

As defined by Winston (2006), "market failure is an equilibrium allocation of resources that is not Pareto Optimal – the potential causes of which may be market power, natural monopoly, imperfect information, externalities, or public good". In this context, the Pareto Optimality or efficiency paradigm states that for microeconomic efficiency to be achieved, there should be no room to make one person better-off without making another worse-off.

Dollery and Wallis (2001) on the other hand defined market failure as "the inability of a market or system of markets to provide goods and services either at all or in an economically optimal manner". In terms of allocative efficiency as postulated by Pigou (1920), market failure occurs when marginal social costs do not equal marginal social benefits – that is, the lack of simultaneity between market prices and marginal social costs, indicating that market prices do not precisely signal social costs incurred in the production of a good, which often leads to under or over-production (Dollery and Wallis, 2001).

INTRODUCTION

Market failure makes it difficult to achieve the condition of economic efficiency by distorting price mechanisms and normal distribution of goods and services thereby, leading to welfare loss. They are entrenched in the socio-economic fabrics of most developing countries, underpinned by the lack of well-functioning market structures and economic systems – which are supposed to make the market economy resilient to such economic shortcomings.

Conventionally, governments have the responsibility of ensuring that markets are functioning perfectly through their allocative role to correct imbalances that may emanate from market failures. However, the question is based on whether government policy is reducing or worsening economic inefficiencies or deadweight losses from market failures (Winston, 2006). In essence, is government policy optimal, by efficiently correcting market failures and maximising economic welfare (Winston, 2006)? In circumstances where governments' intervention exacerbate inefficiencies or failed at engendering net benefits instead of reducing them, it eventually leads to government failure (Winston, 2006).

It is difficult for governments to perfectly determine the extent to which market outcomes deviate from their optimal level, hence intervention to allocate resources efficiently do not always yield desired outcomes. The second best theory, for instance, proposed by Lipsey and Lancaster (1956), expresses that even if policy makers can fully determine the degree of market failure and thus intervene efficiently, with altruistic intentions, the outcome of the policy could still not stimulate allocative efficiency. This theory, as further explained by Dollery and Wallis (2001), exhibits that the presence of market failure in one sector of the economy, can lead to the attainment of higher level of social welfare gain in that sector, while purposely flouting allocative efficiency conditions in some other sectors.

In this context, several scholars, including Winston (2006) believe that market failure should become government priority when the deviation of actual market performance from its potential trend or equilibrium levels is significant. The last section of this chapter will provide an understanding of market failure in the context of a developing country using Sierra Leone as a case study.

IMPAIRMENT OF MARKET FAILURE IN ACHIEVING SDG-8

There has been a very high global focus on ensuring that resources of individual economies are judiciously utilised to improve productivity, which will ultimately impact employment opportunities positively. It is believed that such focus is also a means to reducing inequalities in the labour market, particularly in areas connected with gender pay gap, youth unemployment and improved access to financial services. The concept of market failure itself is considered an impairment to the achievement of SDG8 given that in the midst of such economic shortcoming, the economic system normally does not function well to ensure sustained and inclusive economic growth in the much needed sectors of the economy.

Despite the call across the world for decent work and higher living standards, there are still parts, more so around developing countries where inequalities in work life is highly prevalent, attributed mainly to the failure in existing market structures as well as failed governance or legislations to address existing concerns around [human] inequalities. Rai et al (2019: 368) emphasised such impairment of market failure in the achievement of SDG8 in their work by emphasising on gendered unpaid work which is so far unrecognised and hence making it very impossible for people to be able to live a decent life. The next section provide a comprehensive account of how functioning market system can serve its purpose of supporting SDG8 that seek to support sustained employment and equality for all, irrespective of where in the world people may find themselves.

FUNCTIONING MARKETS: REQUIREMENTS

A market as defined by Cunningham (2011) is the most important place for producers and customers to coordinate. In other words, a market is an environment where a group of buyers and sellers meet to transact or exchange goods and services. The use of environment in the definition denote a shift from the conventional understanding of a market being a physical place, to also include virtual or abstract environments, such as online stores, futures market and digital markets among others.

There is a widespread consensus among economists that markets are the most efficient mechanisms to allocate resources to various economic agents. Put differently, a perfectly working market system by default is expected to efficiently and effectively allocate scarce economic resources to where they are needed. Consequently, the price mechanism is labelled the main channel for communicating market dynamics, where rising prices signal producers to produce more and vice versa, while the same price mechanism is used as an evaluation tool by consumers to determine the quality, as well as value of a product (Cunningham, 2001).

The efficiency of the market in allocating resources and the effectiveness of the price mechanism as the appropriate channel for communicating market dynamics are features akin to markets that are functioning well. However, the ideal of a completely efficient market is rare, if ever, observed in practice (Winston, 2006). The reality in developing countries, in particular, depicts that in the absence of regulations and other control measures, markets in entirety do not function well, underpinned by several structural rigidities.

A dysfunctional market system is a deterrent to achieving high employment and sustainable economic growth. This is anchored on the backdrop that in the presence of market failures, the

market’s free handle to efficiently allocate resources to productive sectors is distorted, with the resultant impact being a deterioration in growth performance and the possibility of high unemployment. In essence, a well functional market system is a prerequisite for job creation and sustained economic growth

However, as rooted in microeconomics, for a market to be considered perfectly competitive or functioning smoothly, it must satisfy some specific requirements. Melody (2006), in his study: “***Liberalising the telecommunication markets***”, noted that in most sectors of the economy, active competition is the most effective means to achieve - 1) efficiency and innovation in the supply of goods and services; and 2) consumer protection, by providing choice among competitive offerings. In view of this, he underscored that well-functioning competitive markets have several important features, which include the following:

Free entry and exit

The absence of barriers to entry, such as business registration bottlenecks, restrictive licenses and large investment requirements, would increase the level of participation, spur competition and lead to allocative efficiency (Melody, 2006)

No Monopoly Power

For a market to efficiently allocate resources, no single firm should be allowed to dictate price and output decisions, since the presence of significant monopoly power in a market deters participation of smaller competitors and potential new market entrants. This distorts competitive efficiency and innovation, as well as consumer choice and price protection (Melody, 2006).

Information symmetry

Well-functioning markets are attributed with full information disclosure, where all parties, including firms and consumers alike, are provided with adequate and accurate information about market dynamics in making effective market decisions. In essence, there should be symmetric flow of information, since barriers to information wane the ability of markets to function efficiently (Melody, 2006).

Absence of Market Externalities

In a well-functioning market, the social costs and benefits from production should be equitably distributed. In essence, all the costs of producing a good or service, including pollution as a form of social cost, should be borne by firms supplying it, while the benefits (for example, public health as a form of social benefits) to society should be included in the prices that consumers pay and the revenues firms collect. Essentially, this eliminates spill-over effects in relation to the production processes (Melody, 2006).

Similarly, McMillan (2002) indicated that a well-functioning market is characterised by information that flows smoothly, including property rights that are protected, people that must be trustworthy to fulfil their promises, while side-effects on third parties should be curtailed and competition in the market fostered. In addition, Rodrik (2000) identified some non-market factors that are pre-requisites for a smooth functioning market, and these include, property rights,

regulatory institutions, and institutions for macroeconomic stability, institutions for social insurance and institutions for conflict management. These non-market requirements are basically government's role in ensuring that, there is efficiency in resource allocation in a market economy.

REASONS FOR MARKET FAILURE

The inefficient allocation of resources in an economy is described as market failure. The term "market failure" does not mean the market is not working at all, but taken to mean that the market is not operating at its potential or equilibrium efficiency because it is not producing goods that are wanted (Cunningham, 2001). Another description of market failure is embedded in the imperfection of price mechanism, which deters allocative efficiency (Samuelson and Nordhaus, 1992). In this context, price systems should capture the true costs and value of a product. However, when the price system is imperfect in reflecting the true value of goods or services, it leads to market failure through the inefficient allocation of resources (Cunningham, 2001).

Typically, markets fail because of the dysfunctional nature of price systems, and as well as the presence of structural imperfections like information asymmetry, externalities, and monopolies among others in the market. In view of this, the extensive literature covered identifies the following as typical forms of market failures present in any economy:

Externalities

Externalities are one of the classic cases of market failure, which relate to how the activities of economic agents impact other agents that are excluded from the transaction or operation, but however ends up suffering (incurring social costs) or benefitting (social benefits). In this context, the producers of the costs or benefits neither incur the social costs nor receive the social benefits. Externalities lead to market failure by inefficiently allocating resources, on the basis that market prices do not capture the social costs involved in production and hence will not attain socially efficient levels of consumption and production (Dollery and Wallis, 2001).

Asymmetric Information

This form of market failure occurs where one agent in a market transaction has more information than the other. There are classically two forms of asymmetric information, namely adverse selection and moral hazard. Imperfect information flows between or among economic agents' results in inefficient allocation of resources on the back of inefficient decision making on the part of organisations or individuals, due to a collapse of the whole market (Cunningham, 2011).

Public Goods

A key characteristic of public goods is that consumption by one individual does not diminish the quantity available to another, that is, they are non-rivalrous. In addition, public goods are non-excludable. In line with the Pareto Optimality condition, which states that there should be no room for improvement without making someone else worse-off, means that excluding an individual from consuming a public good, will make that individual worse-off, thus violating the Pareto Optimality condition. Public goods include free health care, free education, national defence and legal systems

among others. As noted by Cunningham (2011), "a market failure from public goods occurs when these goods are provided to benefit very little in society or where the public sector fails to respond to a demand that is in the interest of society as a whole".

Natural Monopoly

There are products and services where markets cannot work efficiently, supported mainly by technical reasons. A typical example is water distribution (Cunningham, 2006).

Imperfect Competition

The presence of market imperfections such as monopoly, oligopoly and duopoly, distort the market's "*invisible hand*" to allocate resources efficiently. Factors that can prevent perfect competition in the market include the creation of monopolies by governments through the legal system, licensing regulations, patent laws and import restrictions among others (Dollery and Wallis, 2001).

Business Cycles

Fluctuations in the business cycle, indicated by the up and down deviations of output from its potential is another form of market failure, which distorts price mechanism and the flow of goods and services, and eventually leads to an inefficient allocation of resources. Most often, these fluctuations are preceded by government intervention, to smoothen out the volatility and bring the economy back to its potential (Dollery and Wallis, 2001).

HETERODOX VIEW OF MARKET FAILURE: ECOLOGICAL APPROACH

More lately, the concept of market failure seem to have taken varied view in the direction of heterodox thinking given the extent of market failure manifested across the globe, on account of human selfish exploitation of the earth's non-renewable resources. An *ecological* market failure exists when human activities in a market economy result in the exhaustion of non-renewable resources, thereby giving rise to fragile ecosystem services, or overloading of wastes on the biosphere, and hence making it impossible for the criterion of Pareto efficiency to be achieved.

Heterodox opinion here can be critically construed on account of weak governance structure in a system, which thereby result in a situation of unequal allocation of goods and services that ultimately leads to a net social welfare loss to society. In this context, market failure may arise when selfish individual pursuit of destructive ventures to the environment result in the inefficient utilisation of the earth's non-renewable resources, for example, exploitation of mineral wealth and also degradable forest environment that is of little benefit to communal usage and also biodiversity extinction (Jackson, 2015).

In some cases, unplanned intervention strategies carved by governments and some international regulatory institutions to mitigate the extent of market failure in areas associated with the natural ecology can also be counter-productive, and hence result in a situation of inefficient allocation of resources, commonly referred to as *government failure* (Weiner, D. and Vining, A.R. 2004). The need to preserve the environment is critical to biodiversity well-being, and where the dominance

of imperfect market seem to predominate, it is highly likely for society to collapse and ultimately result in market failure. Ecological economist like McCauley (2006) have argued his points in such a way that the attachment of monetary value to ecological conservation is counter-sustainable, while his appeal is geared towards moral persuasion for the protection of nature. In this case, good governance and strong institutions would be very critical rather than just a focus on the concept of market failure all the time.

The dominant terminology of resource curse thesis is more so a common phenomenon when one considers the situation of market failure in most regions across the world, particularly in the south of the African continent, Latin America and some parts of Asia (Jackson, 2016). The failure of those in authority to judiciously utilise the natural endowments of their nations is a typical attestation of market failure that contravenes the agenda of SDG8 and other associated goals as perceived in SDG5 (Rai et al, 2019) – which seeks to recognise those in breach of unpaid care and services through domestic and social protection policy. In view of the call to improve productivity under the SDG8 agenda, good governance of non-renewable (natural) resource as witnessed in countries like Botswana in the African continent, Oil exploration in the Middle-East and also Norway in the Scandinavian bloc is an attestation of how well standard of living through sensible utilisation of natural wealth can be achieved for the good of all in society. This invariably avert the resource curse syndrome that is normally attributed to nations normally considered to be naturally endowed.

LEADING THE SITUATION: POLICIES TO COMBAT FAILURES

Problems associated with market failure can be identified through prescriptive measures, mostly spearheaded by governments, normally considered, the engine of economic prosperity in an economy. As highlighted by Cunningham (2011), the process can be done through creation of market structures, hierarchy or networks. Market failure in most cases leads to a complete anarchy in an economy, but the severity of it can be contained with appropriate measures set in place. The undermentioned points highlight some measures to address problems caused by market failure:

- **Legislative measure**: This for example has a wider remit as it involves the establishment of legal powers that identify loopholes, normally viewed as the responsible factors for market failures in society. In a situation where a corrupt political-economic structure seem to predominate, it is almost very impossible for institutional duties, required for the existence of a sustained and successful market structure to be executed. This is considered a deterrent to addressing market failure, mostly faced by under-developed economies; found in some parts of Asia and Africa. In principle, it is very essential that institutions in an economy prepare themselves to enact specific laws to address or combat unwarranted failure to an economic system. This may include the enactment of laws to prevent big monopolistic firms from restricting smaller firms to enter a product market. In this type of situation, it means that such big monopoly establishments can be at liberty of setting outrageous prices, which are mostly out of range for low income earners. Smaller firms can strive to gain access into a market as new entrants, with production devoted segregating commodities, thereby creating opportunities for decent standard of living for low income earners. The enactment of legislations can be extended widely to cover anything that seeks to derail a progressive or sustainable society, more so in ensuring that resources are judiciously utilised in the best

interest of citizens rather than favouring those considered to be in the elite group or part of a cabal.

- **Setting Reasonable Taxation measure:** in this situation, governments are considered to be the bed-rock of tax policies, which means that sensible taxation policies may need to be considered, mostly viewed as progressive to society. In this regard, levying taxes on certain products like tobacco may have its desired good impacts as the cost of future illnesses from smoking may be used to fund relevant health care provision or even supporting victims who may be addictive to nicotine, derived from high consumption of tobacco products. While in some cases taxes levied can be viewed as a burden to those in active employment, its desired [positive] effects far outweighs that of the cost to those being taxed. Governments around the world need resources to fund publicly '*free-riding*' services, which are mostly accessible to everyone irrespective of status in society; in this situation, the levying of taxes can be seen as a good base for governments around to support well-structured market system in an economy, hence mitigate the failure of market structures. This for example is considered vital in terms of ensuring that government commitments to delivering public goods like the provision of parks, libraries and free education to students are achieved, and hence creating opportunities to support a near efficient market economy that is capable of delivering on the merit of demand and supply.

- **Creation of Property Rights:** in order to deter or limit the abusive utilisation of publicly accessible goods or services like lakes, forest and sea front / beaches, government as a central authority may need to establish some level of privatisation measures of these named publicly utilised assets to continue their usage for both present and future generations. In this case, market failure can be prevented by levying fines to make sure the environment is not overly depleted at the expense of the present and future generations.

- **Provision of Subsidies:** This in most cases can be a responsibility for central governments to make sure opportunities are created for citizens in areas concerned with facilities like education and public health. This is considered to favour positive externality as the provision of subsidy geared towards reducing high tuition fees for example, leads to a situation of increased level of access to post-secondary education, where prospective students are made to enter universities to improve their knowledge to compete in the open market. This also comes with the benefit of improving quality of graduate entry into the world of work.

- **International Cooperation:** This is a common practice amongst governments, it is possible that governments would be inclined to work with their counterparts (regionally or across continental-borders) on issues that are considered detrimental to the environment, for example, that which concern nuclear disarmament. In the present age, the rise of wars in regions around Africa, Asia and some parts of the middle-east warrant such type of international cooperation in limiting war-torn country's usage of destructive weaponries and also the curtailment of abuse inflicted on humanity.

COUNTRY CASE STUDY OF MARKET FAILURE: SIERRA LEONE

Market failure is a common phenomenon to all types of economic system, and for which its acuteness is heavily prevalent in developing / underdeveloped regions of the world due to the absence of prudent democratic governance structure. In developed economies like the UK, USA and Western Europe, the presence of critical voices from opposing factions in politics and also the educated masses are making it possible for acute market failure to be brought under control, while the situation is different in underdeveloped economies, mostly located in the Southern region of Africa, Latin America and Asia.

A particular case of country specific market failure is that of ***Sierra Leone***; the country is a former British colony, once considered as the Athens of West Africa (Jackson, 2018). Successive bad governance in the early part of 1980's have progressively spearheaded the collapse of a well-structured colonial nation, which was practically viewed as a model of the West African sub-region. Scholarly arguments from writers like von Hayek (1944, reprinted in 2001) have argued his points to imply "*that market failure does not imply that government should attempt to solve market failures, because the costs of government failure might be worse than those of the market failure it attempts to fix* (Cunningham, 2011)". This situation is typical in many of the underdeveloped economies around the West African sub-region where poor intervention of governments and their agents normally result in the inefficient allocation of goods and resources than would have considered in situations of planned intervention.

Specific to Sierra Leone, failed governance system can be directly associated with the concept of Market Failure (also referred to as government failure), which prevent an economy from making effective use of available resources to facilitate growth and development. As emphasised by McMillan (2002) and Fligstein (2001:3), it is thought that the prevalence of strong market requires the existence of strong government, which has been a complete opposite with many of the post-colonial governance structure seen in Sierra Leone.

The existence of skewed and corrupt governance system in Sierra Leone between 2007 -2018 have made it possible for public officials in key ministries and parastatals to become '***patronisers***' of a failed market system, despite successive interventions made by international bodies like the International Monetary Fund [IMF] to support the country's pathway of failed market system.

Heterodox economics views around post-colonial occurrences of the successive failed governance systems would testify deliberate failure of a corrupt governance system to deliberately deviate from program activities devised by international institutions like the IMF aimed at shaping the country's failed market structure, already burdened by high fiscal indiscipline. The result of this was seen where further loan disbursement was halted, thereby leaving the economy in a state of nearly collapse, while at the same time government officials were seen moving around negotiating unsustainable loan programs that would have almost placed the country in an endless state of indebtedness to a country like China.

As stated by Messner & Meyer-Stamer (1992), efficient markets requires strong government and transparent institutions to ensure economic agents are acting in the best interests of the nation. Sierra Leone for over decades after independence has been battered by weak and corrupt governance structure, which ultimately have placed the country and its citizens in a precarious situation. Corruption in politics by successive government has infiltrated into the fabrics of the Sierra Leone economy to an extent where there seem to have being little or no confidence on the

part of citizens on their leaders in managing the affairs of the economy. Selfishness manifested by successive corrupt governments in Sierra Leone to protect themselves in power normally result in asymmetric market information, given the fact that government would mostly provide weak measures like subsidy to services that are not economically viable to effectively drive developmental efforts in the country.

Over the years, the country has witnessed an almost complete state of anarchy, more so as a result of the politicisation of institutions that seek to support the operation of illegal activities. This was clearly seen lately with the breakdown of confidence on the part of international institutions like International Monetary Fund's [IMF] to suspend loan agreement to a reigning regime given the undisciplined nature of public servants' abuse of public funds (*Thomas, February, 2018*), and even the collapse of government owned parastatals like commercial banks, which nearly brought a sink in the country's financial system.

The deliberate and almost wicked manifestation of elected and public servants in ministries and parastatals to become prudent in their act of public services is almost tantamount to the death of a nation, where institutions are almost considered non-existent due to failed market system. Such type of inept manifestation of public services requires strong individuals or citizens to transform institutions and one way this can be achieved is through the establishment of strong legislations and high level of discipline infused in public servants to deliver on merit as opposed to being considered politically connected.

As emphasised by Cunningham (2011: 28-29), there are serious consequences for market failure by a nation, and particularly in a small and endowed country like Sierra Leone and some of these are highlighted below:

- **High level of uncompetitive market situation**: As dictated by the corrupt political system that was established by past regimes since the early 1980s, poor governance created a situation whereby new entrants were prevented from entering essential markets, hence creating an artificial monopolistic market system. The direct consequences of this is seen where prices of basic commodities have risen to an unsustainable level, with salaries of low income earners not sufficient to match the high / inflated cost of living. Politically connected market players were able to step up their influences in the corrupt system to an extent of preventing (local) competitiveness as witnessed in the case with business investors like *Dangote*, who was prepared at first time of entering the market from selling Cement at a reduced price compared to that of already established competitors.
- **Generation of low level equilibrium**: this makes it very highly possible for productivity to remain relatively low as connected players reinforces their influences in the market, thus keeping others away from entry, while also making it possible for them to continue dictating market prices. The impact of this is evident with producers in rural areas who are almost kept away from the market and hence making it impossible for them to increase their income potential on account of the mired condition and almost deplorable investment environment they are exposed to. The corrupt level of connectedness instilled by successive regimes meant that, collapse of important industry like the Iron Ore market resulted in serious knock-on effect for other investors, who were not able to find ways around the embargo that confront their access into the market.
- **Creation of sub-optimal delivery of critical investment**: this is apparent in the face of the country's very low research potential at national and as well as individual businesses limited

scope of expanding competitively through research innovations at national and international levels in a dynamic market environment. In the midst of corrupt and cabal establishment(s) created by successive regime-change witnessed in the country, potential investors are more scared of hedging their risks when considering investment potential in a country like Sierra Leone.

- **Market failure create reduced scope for the establishment of welfare opportunities**: in a country like Sierra Leone, market failures have resulted in the country's lagged state of development, with bleak scope for the creation of growth in the midst of monopolistic environment, artificially established through corrupt governance structure. This comes with high level of poverty as witnessed in the country's low record of human development index produced more lately by the United Nations Development Program (UNDP, 2018). Intervention by successive governments to establish watch-dog institutions like the Anti-corruption Commission (ACC) and more recently, the Ombudsman Office have made little or no impact in addressing the acute level of market failure witnessed in the country due to the high nature of corruptive connectedness that continues to manifests itself in every corners of the country's institutional setup.

CONCLUSION

Based on the introductory definition of market failure according to Winston (2006), the theoretical approach of market failure needs to be actualised in practice through its application in the eyes of SDG8 and other related goals like SDG5, which actually emphasise efforts in the direction of increasing employment opportunities, more so for young people, while also ensuring that informal unemployment is targeted with better working conditions created to minimise market inequality in the direction of targeting acute gender pay gap.

The acute state market failure is not only typical to the Sierra Leone economy, but a concern in Sub-Sahara Africa and other regions like Latin America, some parts of Asia and even in developed nations – which is more typical to the notion of government failure (Wolf, 1979; Cunningham, 2011 and Rai et al, 2018). In order to address such situation, there is a need to nurture strong leadership, with the culture of ensuring that citizens are educated to develop a culture of honesty throughout their lifetime in a bid to prevent the acute failure of markets. It is considered necessary for empirical research to be used as a supporting tool in identifying concerns around areas responsible for market failure, which researchers like Rai et al (2018) and also the US federal government devoted efforts towards, particularly during the reign of President George W. Bush who appointed John D. Graham to head the Office of Information and Regulatory Affairs within the Office of Management and Budget (Wolf, 1979: 1). While the empirical approach is considered very important, so too is the need to ensure that practically, the ills of failed market system is actualised through didactic approach.

Targeting market failure should be made a phronetic obligation by leaders around the world, more specifically so in under-developed / developing economies where governments are seen to be architect of the problems through their implied selfish acts / failed policies, which are mostly considered contrary to SDG8 and other associated goals aimed at raising decent living standards for mankind. The acute state of market failure can be a thing of the past for nations that are ready to embrace a new direction of development in ensuring that the efforts of leaders around the world to embrace the United Nations SDGs, and more specific to this chapter, SDG8 is realised through

action(s). Many countries around the world, for example, Singapore in the Asian continent and also Brazil in Latin America have and are continually taking steps in addressing failed governance, normally considered the basis of market failure (Altenburg, 2011). Typical to the African continent in practicalising market failure more recently is Rwanda; the effort of a concerned leader by the name of '*Paul Kagame*' have demonstrated through his actions how good leadership can transform a nation to becoming less blighted by the demise of self-inflicted human disaster / genocide to a modern state of development, where citizens at all levels are encouraged to be active players in making efforts to build a cohesive nation by ensuring that measures already addressed to combat market failure are didactically applied (Buckley, 2014).

In conclusion, countries around the world considered to be blighted by failed market system as in the case with Sierra Leone are equally capable of achieving such state of progressive development of effective market system, but only through the manifestation of Practical Wisdom, a translated Greek terminology from the word '*Praktisches Wissen*' in the early days of Gadamer (Dottori, 2009 and Jackson, 2016: 3) of public officials to deliver high level services that are free of the vices of corruption and nepotism. The effort of such nations should be geared towards ensuring that the 16 SDGs are placed at the heart of governance, where leaders are made to be seeking the good of a nation by promoting a safe and secure working environments capable of improving much needed inclusive and sustained economic growth.

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2. Gender Sensitivity

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