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Short Elucidating Note 120: How can the dwarf golden market paradigm-flawed market paradigm based sustainability framework be stated and use to show that patching external market failures shifts the responsibility for market failure from dwarf golden market paradigm producers/dwarf golden market paradigm consumers to governments placing governments in direct conflict of interest with their role as market overseers if things go from bad to worse?

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Abstract

There is a pollution production problem separating flawed paradigms from golden paradigms. In other words, there is an external market failure between golden paradigms and flawed paradigms, which needs to be fixed. It is the role of governments to address market failures when free markets run into them to make sure economies run efficiently as the government role is to act as market promoter, as a market monitor, as a market regulator, and as market policy enforcer under no conflict of interest since the responsibility of proper market functioning and of market failures falls on golden paradigm producers and golden paradigm consumers, and on flawed paradigm producers and flawed paradigm consumers, respectively. Hence if the government fully fixes the external market failure by fully shifting flawed paradigms to golden paradigm the responsibility for market failure passes from flawed paradigm producers and consumers to golden paradigm producers and consumers; and the government then would intervene only if there are internal golden paradigm market failures. However, if the government chooses, knowingly or due to paradigm shift knowledge gaps or due to simply by relying on the external market failure externality neutrality assumption to ignore a real external market failure, to implement dwarf golden market paradigms to manage the consequences of the

market failure, then the responsibility for dwarf golden paradigm market failure as things go from bad to worse falls now on governments, not on dwarf golden market paradigm producers and dwarf golden market paradigm consumers. And this makes the following questions relevant: How can the dwarf golden market paradigm-flawed market paradigm based sustainability framework be stated and use to show that patching external market failures shift the responsibility for market failure from dwarf golden market paradigm producers/dwarf golden market paradigm consumers to governments placing governments in direct conflict of interest with their role as market overseers if things go from bad to worse? As markets here are under permanent government interventions, what are the implications of this situation for critical pollution production problem-solving advocacy?

Key concepts

Golden market paradigm, dwarf golden market paradigm, flawed market paradigm, internal market failure, external market failures, free markets, markets under permanent government intervention, pollution production problem, remaining pollution production problem.

Introduction

1) The pollution production problem separating free flawed paradigms from free golden paradigms

It has been recently pointed out (Muñoz 2026) that there is a pollution production problem (POPP) separating flawed market paradigms (FLM) from golden market paradigms (GOP), which represent the flawed market paradigm sustainability problem (FLMSP), a situation summarized in Figure 1 below:

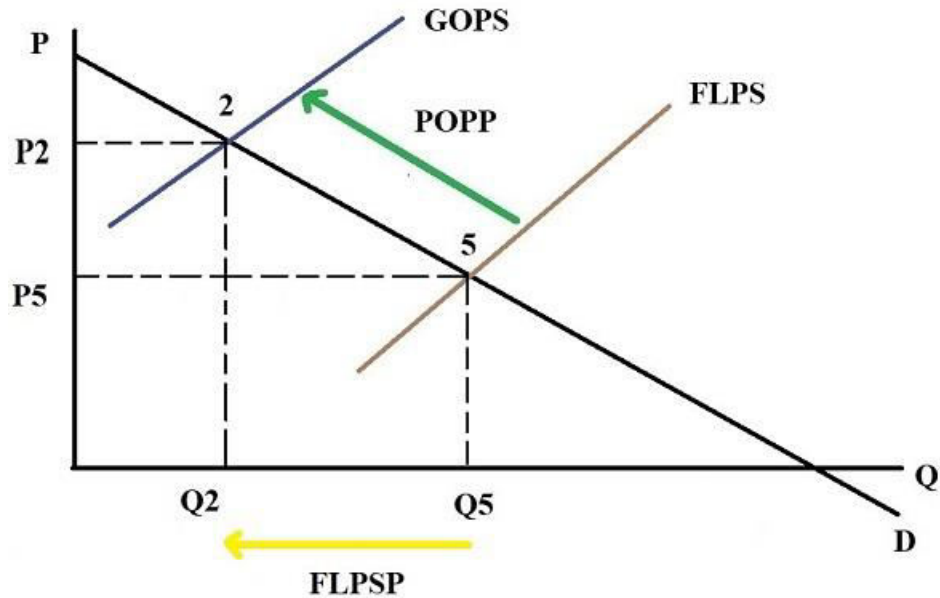


Figure 1 The golden paradigm(GOP)-Flawed paradigm(FLP) based true sustainability framework

Figure 1 above tells us that there is a pollution production problem (POPP) separating flawed paradigms from golden paradigms as indicated by the continuous green arrow from FLMS to GOPS. In other words, there is an external market failure between golden paradigms and flawed paradigms, representing the flawed paradigm sustainability problem (FLPSP) which needs to be fixed.

a) The nature of golden market paradigms

At point 2 in Figure 1 above we have a golden market paradigm (GOP), where there is no internal market failure and there is no external market failure, a market cleared at price P2 and producing and consuming Q2. And this means this type of market does not have a pollution production problem (POPP). Responsibility for internal market failure in golden market paradigms (GOP) fall on golden market paradigm producers and golden market paradigm consumers, and in those cases government intervention without conflict of interest to correct market failures is expected. In other words, at point 2 there is internal and external market efficiency at the same time.

b) The nature of flawed market paradigms

At point 5 in Figure 1 above we have a flawed market paradigm (FLM), where there is no internal market failure, but there is an external market failure, a market cleared at price P5 and producing and consuming Q. And this means this type of market does have a pollution production problem (POPP). Responsibility for internal market failure in flawed market paradigms (FLM) fall on flawed market paradigm producers and flawed market paradigm

consumers, and in those cases government intervention without conflict of interest to correct market failures is expected.

c) The nature of the sustainability problem that needs to be fixed

There is a pollution production problem (POPP) separating flawed market paradigms (FLM) from golden market paradigms (GOP) as indicated by the arrow going from FLMS to GOPS in Figure 1 above, a problem embedded in the distorted market price structure of flawed market paradigms, which makes it the flawed market paradigm sustainability problem that need to be fixed so flawed paradigms can be transformed into golden paradigms creating that way fully responsible or fully efficient markets.

d) The choices governments have when dealing with real market failures

It is the duty of governments to ensure the existence of fully responsible or fully efficient markets; and hence, when there are real market failures they have the duty to intervene and correct those market failures by removing the abnormalities embedded in the flawed market paradigm to ensure that the economies they are overseeing are running fully efficiently or fully responsibly, and therefore, they are responsible for ensuring that markets are running free of abnormalities, and Figure 1 above describes a real external market failure associated with flawed market paradigms that the government needs to fix. However, if the government takes the position that real market failures do not exist or can be assumed away or can be fully ignored, then the government may feel there is no duty to intervene and while no intervention is taking place to fix market failures the consequences of the real market failures assumed away continue to pile up especially if the government promotes and support flawed market paradigm expansions under real external market failure. In other words, when facing real market failures, the government can fix them or ignore them. If they fixed them, they are implementing their duty properly, and if they ignore them, knowingly or due to golden market paradigm shift knowledge gaps, they are creating the conditions to not implement their duties properly, and then the consequences of the real market failure being ignored as it is still active and the pollution production problem will continue to accumulate making the government a helper in creating pollution production problems, problems they have the duty to fix, situations described below in more detail. It is important to highlight here that both golden market paradigms (GOP) at point 2 and flawed market paradigms (FLM) at point 5 in Figure 1 above are both free markets, and hence the responsibility for any market failures in their markets falls on golden market paradigm producers and consumers and on flawed market paradigm producers and consumers, it does not fall on governments, and since the government here has nothing to do with market failures then when dealing with market failures it does not have any conflict of interest, and because of that in the face of advocacy for correcting market failures the government will tend to respect the right to protest legally: Advocacy here should keep in mind that if they legally pressure those without conflict of interest in free markets, in this case the government, they have a better pressure point on corporations and consumers while giving governments the reasons they need to respect the

right to protest against irresponsible corporate and consumer behavior legally or in extreme cases giving them the reasons they need to make the right to protest against irresponsible corporate and consumer behavior legally even easier.

2) The expected government action under no market failure neutrality assumptions

If the government takes a real external market failure as real we should expect it to fix it, a situation highlighted in Figure 2 below:

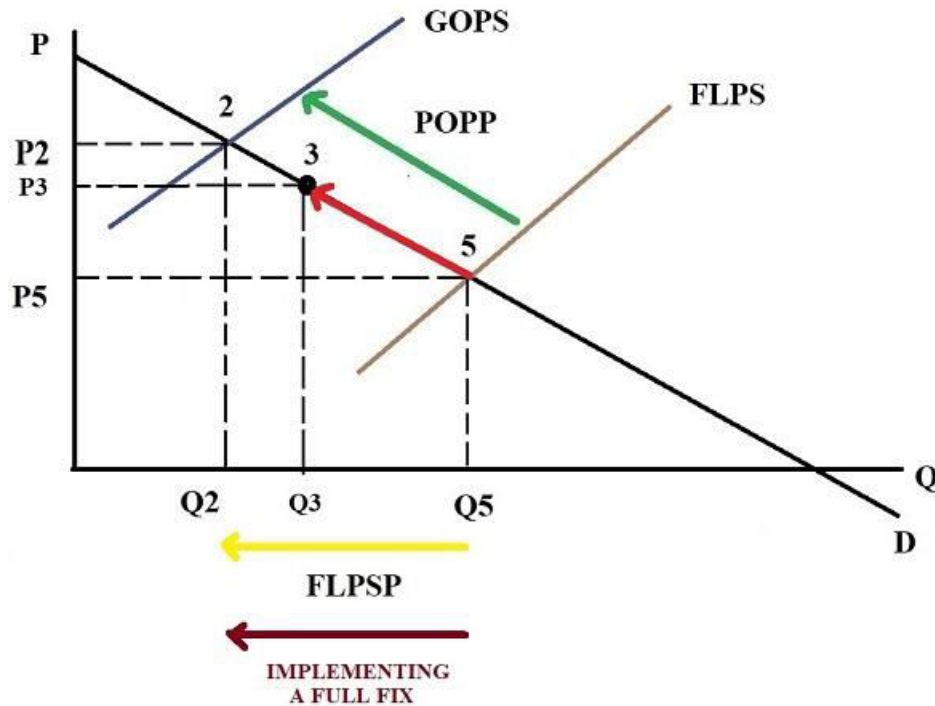


Figure 2 Expected government action under no market failure neutrality assumptions

Figure 2 above shows that when governments see real external market failures in flawed market paradigms (FLM) they can fix them by closing the flawed market paradigm sustainability problem (FLMPSP) or the pollution production problem (POPP) associated with it through full critical problem cost internalization to shift the flawed market paradigm (FLM) from point 5 to point 2, transforming it into a golden market paradigm (GOP) as indicated by the black arrow going from Q5 to Q2/implementing a full fix. And this is possible as here the government is acting under no external market failure neutrality assumptions. In summary, under no external market failure externality assumptions the government fulfils its duty to fix the market failure fully and promote fully responsible or fully efficient golden market paradigm behavior. The government here would not implement partial solutions such as the one at point 3 in Figure 2 above as it needs to fully correct the real pollution production problem (POPP) when under no pollution production externality assumptions.

3) The expected government action under market failure neutrality assumptions

If the government has a real external market failure to fix but it assumes it away or ignores it this creates a situation where government actions affect the real pollution production problem it has assumed away and it has a role in promoting irresponsible flawed market paradigms expansions, a situation summarized in Figure 3 below:

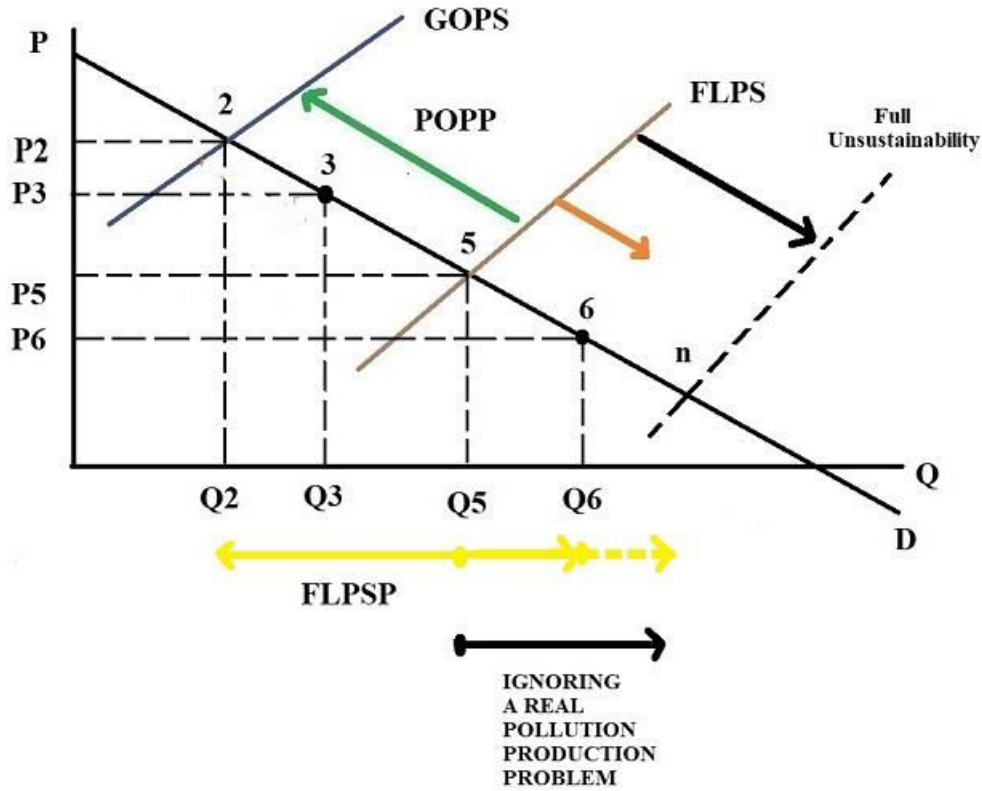


Figure 3 Expected government action under market failure neutrality assumption

Figure 3 above indicates that when governments ignore or assumed away real external market failures in flawed paradigms (FLP) they will not fix them, instead they will promote and support flawed market paradigm expansions as indicated by the red arrow going from left to right from point 5 to point 6. Notice that this action by the government expands the pollution production problem (POPP) by the distance from point 5 to point 6, which means it expands the flawed paradigm sustainability problem by the distance from Q5 to Q6; and therefore, that government actions makes the external market failure worse, by all these real aspects are assumed away in the name of the external market failure externality neutrality assumption or position the government adheres to as shown by the black arrow going from left to right from point 5 or Q5, and notice that the government support for flawed market paradigm expansions beyond point 6 helps bring the flawed market paradigms closer to full unsustainability, but they cannot see this situation as the real external market failure is assumed away. In summary, under external market failures externality assumptions, knowingly or not, the government is supporting irresponsible pollution production behavior in flawed market paradigms while a real external market failure is getting worse. It is important to mention here that the externality production

neutrality assumption leads to worlds operating under distorted market prices that drive the pollution production problem. For example, the externality neutrality assumption embedded in Adam Smith's perfect market theory (Smith 1776) simplified reality extremely (Muñoz 2020) creating in the process a one dominant component distorted market (Muñoz 2010) instead of advancing a model that reflects market complexity and full inclusion in terms of true sustainability market thinking (Muñoz 2015) forcing us today to go backwards in terms of economic thinking (Muñoz 2012) to be able to correct the pollution production consequences of that externality neutrality assumption in the traditional market since 1776 the Brundtland commission documented in 1987 (WCED 1987) in "Our Common Future".

4) The government role in external market failures in the same plane

It is possible to contrast expected government actions when they take real external market failures as real and when they choose to ignore real external market failures based on the external market failure production neutrality assumption as shown in Figure 4 below:

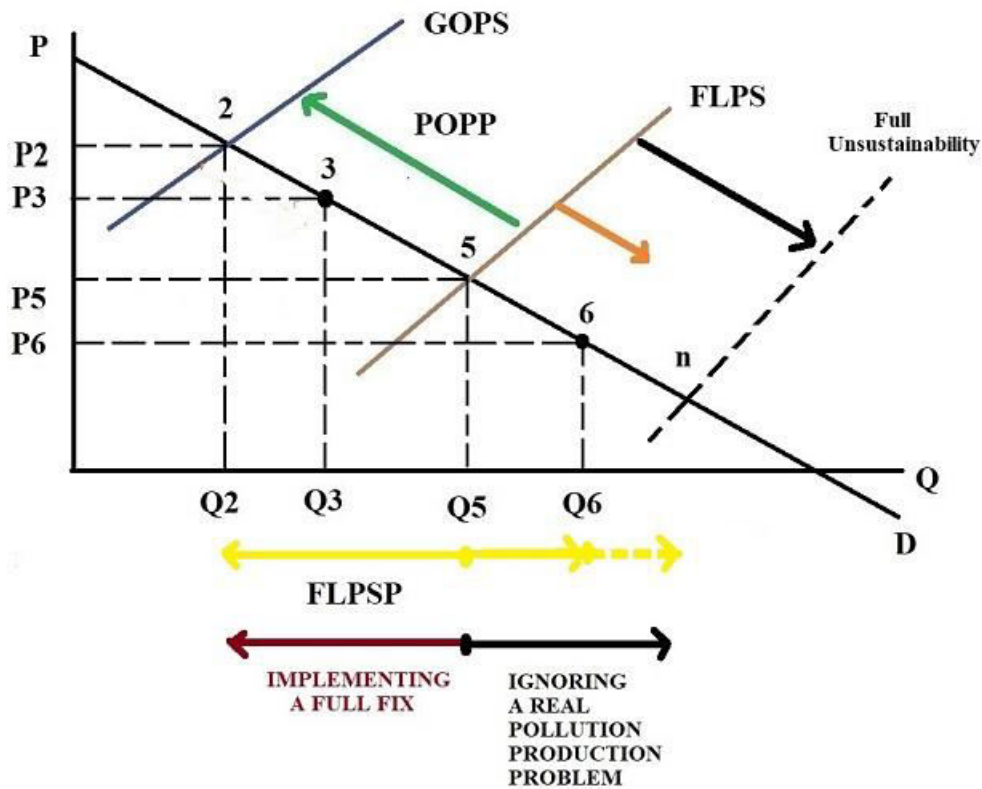


Figure 4 The actions government takes under no market failure neutrality assumptions and under market failure neutrality assumptions in the same plane.

Figure 4 above can be used to contrast expected government action when real external market failures are fully addressed or fully ignored: a) Under no external market failure neutrality assumptions the government should be expected to fully fix the external market failure and close the pollution production problem (POPP), and when doing this closing the flawed

paradigms sustainability problem(FLPSP) as the black arrow going from right to left shows: here the government is partner of responsible golden market paradigm behavior; b) Under external market failure neutrality assumption the government should be expected to fully ignore a real external market failure and leave the pollution production problem(POPP), and hence leave the flawed paradigms sustainability problem(FLPSP) open, and these pollution production problems and flawed market paradigm sustainability problem will expand as the government expands irresponsible flawed market paradigm behavior as indicated both the black arrow going from left to right from Q5. And as flawed market paradigms expand to point 6 and beyond, they get closer to full unsustainability with the help of the government: here the government is partner of irresponsible flawed market paradigm behavior.

5) The nature of the limits to market growth schedules attached to each possible government action in the face of market failures and the link to the role of governments

The limits to golden market paradigm (GOP) expansions and of flawed market paradigm (FLM) expansions and the role the government plays bringing markets towards full unsustainability or full sustainability can be appreciated when looking at the information in Figure 5 below:

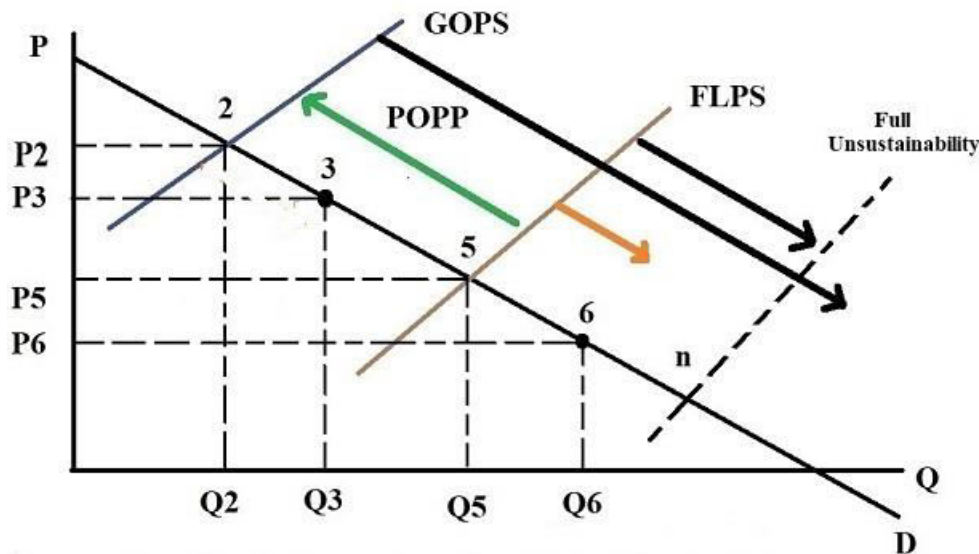


Figure 5 The working of golden market paradigms(GOP) and flawed market paradigms(FLP)

Figure 5 above indicates the following of limits to growth: a) Golden market paradigms(GOP) do not have pollution production limits to growth as indicated by the continuous black arrow going from left to right from GOPS and passing beyond the full unsustainability line at point “n”; b) Flawed market paradigms(FLM) do have pollution production limits to growth as they tend towards collapse as they approach the full unsustainability point “n”; and c) Golden market paradigm (GOP) expansions do not expand the pollution production problem as expansions are optimal expansions as the pollution production

problem(POPP) here is internalized while flawed market paradigm (FLM) expansions expand the pollution production problem (POPP), whether we take a real pollution production problem as real or if we assumed it away. When governments fix external market failures fully, they transform flawed market paradigms into golden market paradigms, and hence they are promoting responsible market behavior, but when governments ignore real external market failures and focus on expanding flawed paradigms, first it is promoting irresponsible market behavior as flawed market paradigm expansion takes place the real external market failure and its pollution production problem goes from bad to worse, and second, if this promotion is long term, the government is helping flawed paradigm to approach the point of full unsustainability or collapse “n” in Figure 5 above faster; and therefore, the government here becomes a tool of support for irresponsible market behavior which will lead the economies they are supposed to oversee and prevent from collapsing tending towards collapse or vertical paradigm evolution faster.

6) The need to understand the consequences of a partial fix to market failure problems

Now imaging the government decides to accept that the external market failure and its consequences are real and therefore, they need to be addressed to ensure economies run fully efficiently, but instead of fully fixing the external market problem, it decides to implement a partial fix, a dwarf golden market paradigm, an action that knowingly or not will affect a) the government role in that new dwarf golden market paradigm; b) the government need to be outside conflict of interest if the partial fix or dwarf golden market paradigm tends towards collapse after implementation; c) the impact of the partial decision or dwarf golden market paradigm on the need to move to a world under no external market failures; d) the impact of implementing a partial solution or dwarf golden market paradigm under permanent pollution production market failure as there is still a remaining pollution production problem attached to this partial solution or dwarf golden market paradigm; and e) the impact on the efficiency of the partial solution or dwarf golden market paradigm once set up . And the need to understand the impacts of partial fixes to real external market failures raises important questions such as how can the dwarf golden market paradigm-flawed market paradigm based sustainability framework be stated and use to show that patching external market failures shifts the responsibility for market failure from dwarf golden market paradigm producers/dwarf golden market paradigm consumers to governments placing governments in direct conflict of interest with their role as market overseers if things go from bad to worse?. What are the main implications linked to partial solutions to critical and real external market failures?

Goals of this paper

1) To state the dwarf golden market paradigm (DGOP)-flawed market paradigm (FLM) based sustainability framework or DOGP-FLM based sustainability framework; 2) To indicate the long term consequences of dwarf golden market paradigm implementation in terms of

worsening remaining pollution production problems while they are at work; 3) To highlight the impossibility of voluntary dwarf golden market paradigm expansions and contractions when markets are under permanent government intervention; 4) To point out the nature of the contraction limits to the government market contraction schedule for the dwarf golden market paradigm; and 5) To contrast the working of golden market paradigms, dwarf golden market paradigms, and flawed market paradigms to show that dwarf golden market paradigms work the opposite way and that they have different types of limits, expansion limits and contraction limits.

Methodology

First, the terminology used in this paper is shared. Second, the dwarf golden market paradigm (DGOP)-flawed market paradigm (FLM) based sustainability framework or DOGP-FLM based sustainability framework is highlighted. Third, the long term consequences of dwarf golden market paradigm implementation in terms of worsening remaining pollution production problems while they are at work is pointed out. Fourth, the impossibility of voluntary dwarf golden market paradigm expansions and contractions when markets are under permanent government intervention is stressed. Fifth, the nature of the contraction limits affecting dwarf golden market paradigms is addressed; Sixth, the working of golden market paradigms, dwarf golden market paradigms, and flawed market paradigms is placed in the same plane in order to show that dwarf golden market paradigms work the opposite way as the other paradigms and to indicate that there are limits to the government's market contraction policy under dwarf golden market paradigms. And finally, some food for thoughts and relevant conclusions are given.

Terminology

GOP = Golden paradigm

GOPS = Golden paradigm supply

FLP = Flawed paradigm

FLPS = Flawed paradigm supply

DGOP = Dwarf golden paradigm

DGOPS = Dwarf golden paradigm supply

GOPMP = Golden paradigm market price

FLPMP = Flawed paradigm market price

POPP = Pollution production problem

NPOPP = No pollution production problem

RPOPP = Remaining pollution production problem

DGOPMP = Dwarf golden market paradigm price

FLPSP = Flawed paradigm sustainability problem SG = Sustainability gap

P = Paradigm/market price Q = Paradigm/market quantity produced/consumed

D = Paradigm/market demand MS = Paradigm/market supply

P_i = Paradigm/market price “i” Q_i = Paradigm/market quantity “i”

YS = Yellow sustainability TS = True sustainability

S = Sustainability FUS = Full unsustainability

DGOPM = Dwarf golden paradigm margin

DM = Dwarf margin

Relevant concepts

- 1) **Golden paradigm**, *a world without abnormalities embedded in it.*
- 2) **Flawed paradigm**, *a world with abnormalities embedded in it.*
- 3) **Pollution production problem**, *the situation created when flawed paradigms externalize non-dominant component issues.*
- 4) **Sustainability**, *the world under full cost internalization.*
- 5) **Market expansion**, *an increase in market activity.*
- 6) **Market contraction**, *a decrease in market activity.*
- 7) **Government intervention**, *the action taken to address market failures.*
- 8) **Market failure**, *the situation created by internally and/or externally distorted market prices.*
- 9) **Internal market failure**, *the situation created by internally distorted market prices.*
- 10) **External market failure**, *the situation created by externally distorted market prices.*
- 11) **Optimal expansion**, *an increase in optimal economic activity, an efficient expansion*
- 12) **Non-optimal expansion**, *an increase in non-optimal economic activity, an inefficient expansion*

13) Externality neutrality assumption, *markets can expand for ever without generating externalities or pollution production problems, it allows you to ignore the presence and the need for action in the face of real pollution production problems by just assuming them away.*

14) No externality neutrality assumption, *markets cannot expand for ever as they generate externalities as they expand, which accumulate through time to a point that they can lead either to paradigm collapse if left alone or vertical paradigm shift if the governments plays its overseer role properly, it does not allow you to ignore the present and the need for action in the face of real pollution production problems as you cannot or you can no longer assume them away.*

15) Distorted market prices, *prices that deviate from optimal market prices due to endogenous and/or exogenous issues*

16) Dwarf golden paradigm, *a partial solution to a flawed paradigm's real external market failure*

17) Remaining pollution production problem, *the situation created when dwarf golden paradigms only internalize a portion of the pollution production problem, externalizing the rest.*

18) External market failure neutrality assumption, *the view that flawed market paradigms only have internal market failures; and hence, real external market failures and their consequences can be assumed away, and therefore, they can be left without fixing.*

19) No external market failure neutrality assumption, *the view that flawed market paradigms have external market failures; and hence, real market failures and their consequences cannot be assumed away, and therefore, they must be fully fixed.*

20) Partial externality neutrality assumption, *the view that dwarf golden paradigm contractions do not create remaining pollution production problems, and hence, they have no pollution contraction limits.*

21) No partial externality neutrality assumption, *the view that dwarf golden paradigms contractions do create remaining pollution production problems, and hence, they have pollution contraction limits.*

The dwarf golden market paradigm (DGOP)-flawed market paradigm (FLM) based sustainability framework

If we place the dwarf golden market paradigm (DGOP) in between the golden market paradigm(GOP) and the flawed market paradigm (FLM) in Figure 1 above, we transform the golden market paradigm(GOP)-flawed market paradigm (FLM) based sustainability framework into the dwarf golden market paradigm(DGOP)-flawed market paradigm(FLM) based sustainability framework as shown in Figure 6 below:

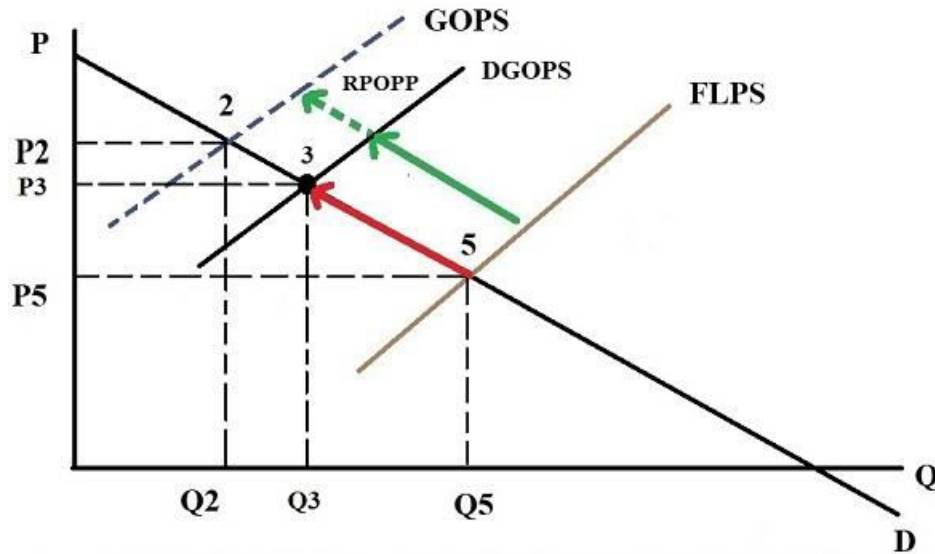


Figure 6 The dwarf golden market paradigm(DGOP)-flawed market paradigm(FLM) based sustainability framework

Figure 6 above shows that at point 3 we have a dwarf golden market paradigm (DGOP), set up by the government to partially fixed the real external market failure associated with the flawed market paradigm (FLM), a market that requires permanent government intervention, which means it is a market under permanent pollution production market failure. Notice that that the dwarf golden paradigm (DGOP) is a move from point 5 to point 3 as some of the pollution production problem is accounted for, the distance from point 5 to point 3 as indicated by the continuous green arrow going from right to left from point 5 to point 3; and notice that the dwarf golden paradigm (DGOP) at point 3 has a remaining pollution production problem (RPOPP) as indicated by the broken green arrow that goes from right to left from point 3 to point 2. Hence dwarf golden market paradigms (DGOP) are markets under permanent market failure and they are separated from golden market paradigms (GOP) by the remaining pollution production problem (RPOPP).

Notice then that the dwarf golden market paradigms (DGOP) at point 3 in Figure 6 above is not a free market created by the government, and hence the responsibility for any market failures falls on the government, not on dwarf golden market paradigm producers and consumers so when dealing with market failures the government is in a deep conflict of interest because the dwarf golden market paradigms they have set up are going from bad to worse and in the face of advocacy for correcting market failures the government will now tend to or it should be expected to tend to disrespecting or making more difficult to exercise the right to protest, even legally. So advocacy in dwarf golden paradigms or no free markets should not be of the same nature as advocacy in free markets as here the government is in a deep conflict interest and it should not be expected to monitor itself, to regulate itself or jail itself if market tend towards collapse as they are dealing with their own market failure: Advocacy here should keep in mind that if they legally pressure those without conflict of interest in no free markets, in this case dwarf golden paradigm

producers and consumers, they have a better pressure point on governments without giving governments the reasons they need to make the right to protest against irresponsible government action legally more difficult or in extreme cases give them the reasons they need to make the right to protest against irresponsible government action even illegal.

The long term consequences of dwarf golden market (DGOP) implementation

Once dwarf golden paradigms (DGOP) are set up and running such as the one at point 3 in Figure 7 below, we should expect that in the long term as they are at work the remaining pollution production problem (RPOPP) attached to them will get worse and worse, a situation detailed in Figure 7 below:

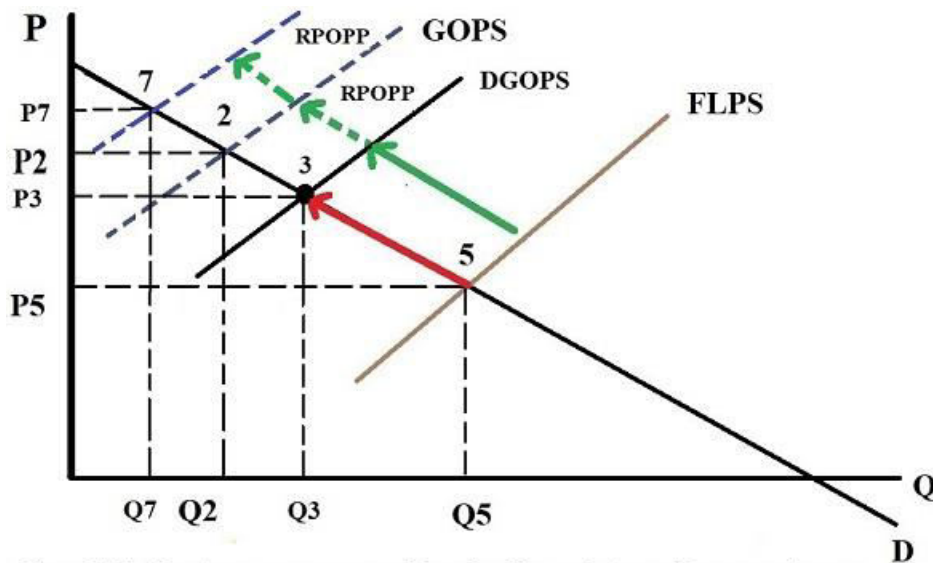


Figure 7 The long term consequences of dwarf golden market paradigms once they are in place as sources of remaining pollution production problem accumulation

Figure 7 above can be used to highlight the following aspects about the dwarf golden market paradigm set up by the government at point 3: a) Internalizing partially the pollution production problem (POPP) of the flawed market paradigm, the distance from point 5 to point 3, shift the flawed paradigm from point 5 to point 3, creating a remaining pollution production problem (RPOPP), the distance from point 3 to point 2; and b) In the long term, a dwarf golden paradigm permanently producing and consuming at point 3 will expand the remaining pollution production problem associated with them by the distance from point 2 to point 7; and c) those remaining pollution production problems will become the limits of dwarf golden paradigm contractions and the source of their collapse. In other words, in the long term the accumulation of remaining pollution production problems will lead to the collapse of the dwarf golden market paradigm or open the door for most likely backward paradigm evolution. Dwarf golden market paradigms in the form of carbon taxes were at work in Canada as a country and in British Columbia as a province and just before the next raise in both the federal and provincial carbon

tax schedule they both were repealed in 2025, provincially(GBC 2015) and federally(CBC 2025) and the system went back to the polluter does not pay principle consistent with the expected backward evolution principle when avoiding tendencies towards market collapses or coming market collapses as the dwarf margin raising becomes unsustainable.

The impossibility of voluntary dwarf golden market expansions and contractions as they are under permanent government intervention

As dwarf golden market paradigms (DGOP) are no free markets or are markets under permanent government intervention, voluntary contractions are not possible as they are not a profit making opportunity as the cost of reducing pollution production beyond point 3 falls on corporations and consumers, and voluntary expansions are profit making opportunities, but the government would not allow them as they would increase the pollution production problem, a situation detailed in Figure 8 below:

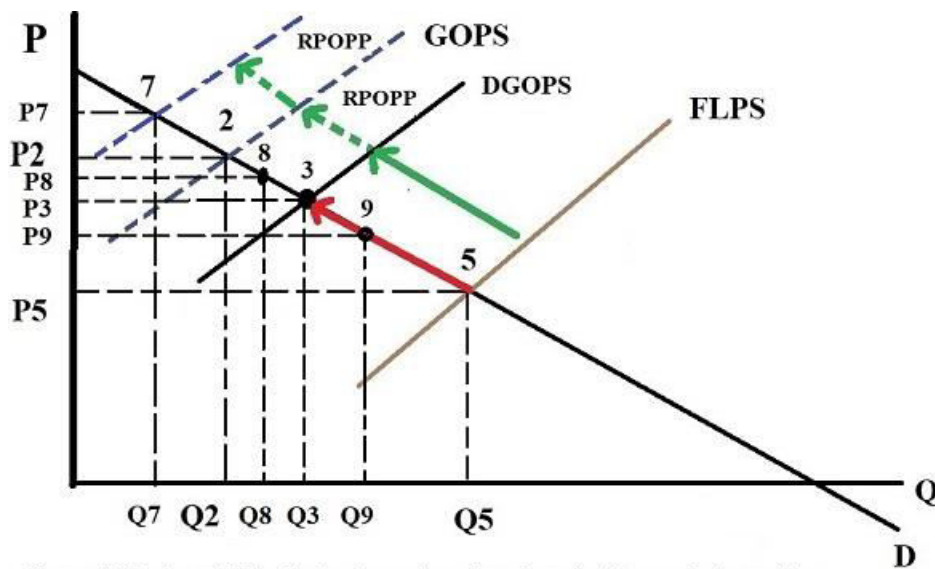


Figure 8 The impossibility of voluntary actions from dwarf golden market paradigm producers and consumers when under permanent government intervention

Figure 8 above shows that the dwarf golden market paradigm (DGOP) will continue to stay at point 3 producing and consuming Q3 and using the dwarf golden paradigm market price P3, which includes the dwarf golden market paradigm pollution reduction margin (DM) the government assigned to contract production from point 5 to point 3 so that $P3 - P5 = DM$ or $P3 = P5 + DM$. In other words, as long as the dwarf margin assigned by the government (DM) to contract the pollution the pollution production problem is the same, dwarf golden market producers and consumers will stay at Q3, voluntarily increasing the dwarf margin DM to be more pollution production reduction friendly and produce at point 8 is not a profit making opportunity so we should not expect that, reducing voluntarily the size of the dwarf margin DM and produce at point 9 is a profit making opportunity as the market could expand, but the government would not allow it as it would also expand the pollution production problem. And

hence, voluntary contractions and expansions in dwarf golden market paradigms DGOP are not possible as the government determines where the market contraction has to be, which again shows that if the dwarf golden market paradigm (DGOP) tends from bad to worse and towards full unsustainability the responsibility for that market failures falls on governments who set them up.

The nature of the limits to dwarf golden market paradigms (DGOP)

The contraction limits affecting dwarf golden market paradigms (DGOP) when governments are determined to implement a full dwarf golden market paradigm contraction schedule can be appreciated based on the information in Figure 9 below:

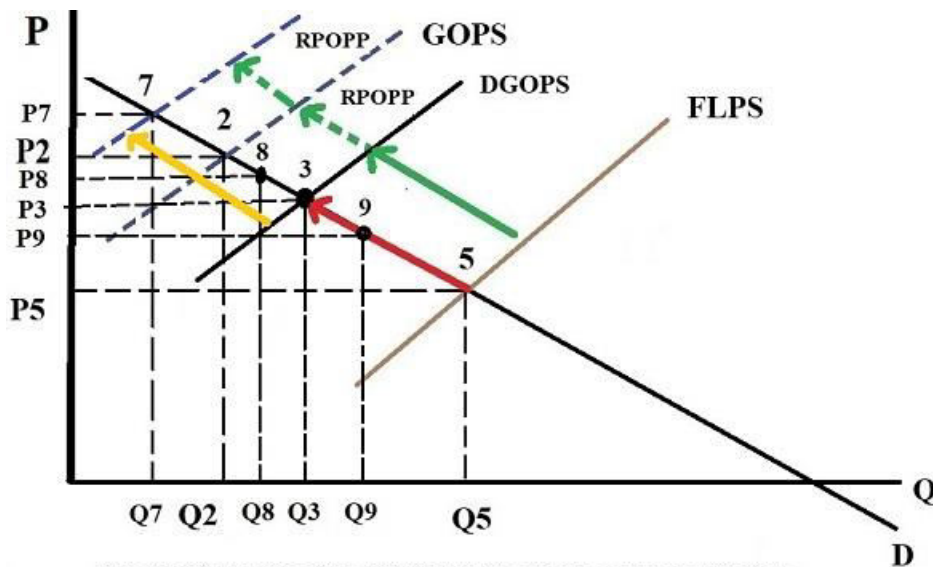


Figure 9 The nature of the limits to dwarf golden paradigm contractions

We can see in Figure 9 above that the government set the dwarf golden market paradigm (DGOP) at point 3 by setting up a dwarf margin DM that dwarf golden market paradigm producers must pass to consumers so that production and consumption stays at Q3. The yellow arrow from right to left from point 3 to point 7 indicates the long term contraction schedule the government has established to reduce the pollution production problem (POPP) step by step beyond point 3 towards point 7, but the accumulation of the remaining pollution production problem created at each contraction point towards point 7 becomes so bad that point 7 becomes the contraction unsustainability point for the government, and as contractions approach that point the dwarf golden market paradigm will be tending towards collapse as the cost of pollution problem reduction due to the accumulation of the remaining pollution production problem would be even higher than at the initial golden market paradigm (GOP) anchor point, point 2. In other words, government contraction schedules for dwarf golden paradigms have an unsustainability

limit driven by the accumulation of remaining pollution production problems (RPOPP) such as the one at point 7 in Figure 9 above.

Contrasting the working of golden market paradigms, dwarf golden market paradigms, and flawed market paradigms

As dwarf golden market paradigms (DGOP) are contraction based markets and golden market paradigms (GOP) and flawed market paradigms (FLM) are expansion based markets, they work in opposite directions and they have different limits in terms of contractions and expansions limits, as shown in Figure 10 below:

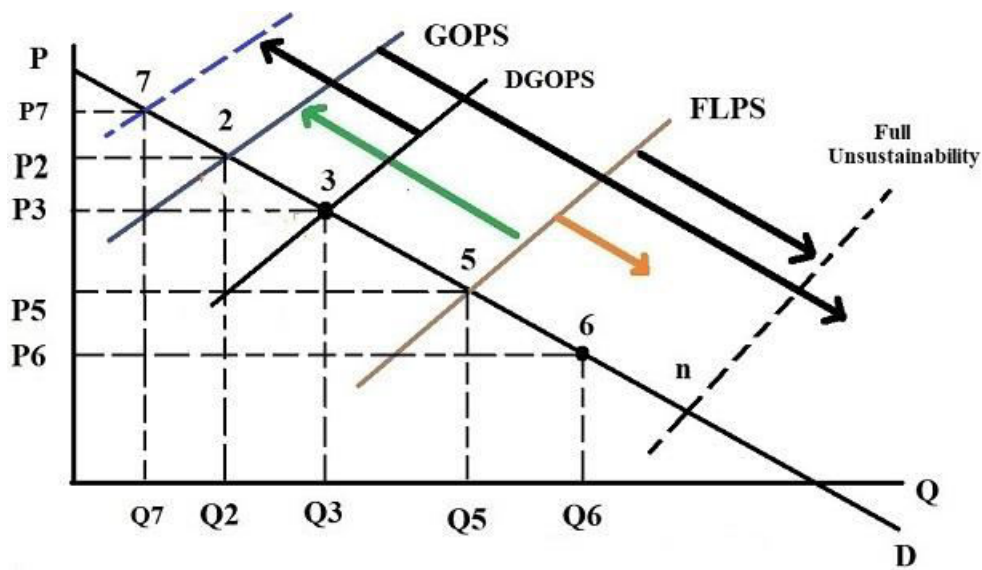


Figure 10 The working of golden market paradigms, dwarf golden market paradigms and flawed market paradigms

Figure 10 above can be used to highlight the following aspects: a) Flawed market paradigms (FLM) have pollution production limits to growth as they tend to produce at the lowest flawed paradigm market price possible, the lowest flawed paradigm cost possible, and the maximum cost externalization possible, they tend closer and closer to full un sustainability, a journey that goes from point 5 to just before point “n”; b) Golden market paradigms (GOP) do not have pollution production limits to growth as they tend to produce at the lowest golden market paradigm price possible, the lowest golden paradigm cost possible, and full cost accounting; and 3) Dwarf golden market paradigms (DGOP) have a remaining pollution production problem (RPOPP), which as they work and as they contract more, and more moving from right to left reducing the pollution production problem by increasing incrementally the dwarf margin according to the contraction schedule planed by the government and hence, the market, as long as the dwarf margin DM is the same stays permanently producing and consuming at the same point while its remaining pollution production problem accumulates from

bad to worse. In other words, it can be said that both flawed market paradigms FLM and dwarf golden market paradigms DGOP have limits, one has limits to growth and the other has limits to contractions while golden paradigms GOP have no limits to expansions or contractions as both of them are optimal.

Food for thoughts

1) Are dwarf golden paradigms partial solutions to critical sustainability problems? I think yes, what do you think?; 2) Do choosing to manage the consequences of the flawed paradigm's external market failure means that the root causes of the flawed paradigm's market failure are left untouched or assumed away? I think yes, what do you think?; 3) Are distorted flawed paradigm market prices the root-cause of the external market failure in flawed market paradigms? I think yes, what do you think?; 4) Should we expect a critical sustainability problem to go from bad to worse in the long-term under dwarf golden market paradigm based government action? I think yes, what do you think?; 5) Does the responsibility for dwarf golden paradigm market failures or collapse falls on the governments that set them up or on corporations and consumers? I think on governments, what do you think? 6) When governments set up dwarf golden market paradigms, do they place themselves in a deep conflict of interest when those markets tend towards unsustainability? I think yes, what do you think? and 7) When governments oversee market failures, be it free golden market paradigms or flawed market paradigms, are they in conflict of interest? I think no, what do you think?

Conclusions

1) The dwarf golden market paradigm-flawed market paradigm based true sustainability framework was stated by placing the partial government solution to the real external market failure of the flawed market paradigm and it can be used to show the implications of partially addressing a real external market failure; 2) It was shown that setting up dwarf golden market paradigms creates a remaining pollution production problem, which accumulates through time; 3) It was described how voluntary dwarf golden market paradigm contractions and expansions are not possible as these markets are not free markets, they are under permanent government intervention; 4) It was highlighted that when dwarf golden paradigms tend towards full unsustainability, the responsibility for market failure is on the government side, not corporations and consumers, and advocacy for fixing market failures should take that into account to avoid giving government under deep conflict of interest the reasons to make the right to protest against irresponsible government action legally more difficult or even illegal; 5) It was pointed out that the limits to dwarf golden market paradigms contractions to address the pollution production problem is made up by the accumulation of remaining pollution production problem linked to partial pollution problem internalization; and 6) It as shown that free markets like golden market

paradigms and flawed market paradigms tend to produce at the lowest cost possible, but only flawed paradigm have pollution production limits to growth while it was indicated that dwarf golden paradigm produce at the price that reflect the current government dwarf margin and that they have contraction limits as there is a remaining pollution production problem accumulation point where dwarf golden market paradigms will tend towards collapse or open the door for possible backward paradigm evolution. In general, it was shown that going from flawed market paradigms to dwarf golden market paradigms to patch a pollution production problem shift the responsibility for market failures when things go from bad to worse to the governments that set them up, not to dwarf golden paradigm's producers/corporations and dwarf golden paradigm's consumers/shoppers.

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