

Financial Market Failure or Triumphs of the Speculative Market?

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Abstract—*The financial market turmoil that started with the debacle of Lehman Brothers in 2007 has been persisting since then, and at the same time, penetrating into the other aspects of the economic system. The efforts of governments of various nations do not yield the desired results; rather, they seem to be turning out counterproductive. This prompted us to come out with this paper that is an attempt in the direction of understanding the real nature of the problem, and finding out the root cause behind it, so that it can be addressed by all concerned in a more effective and efficient manner. Towards that, this exploratory research identifies and studies some pointers, which reveal the speculative character of the financial markets as the basic underlying problem. We find it to be more a long-term socio-economic problem rather than a short-term economic phenomenon.*

Keywords: *Market failure, Financial market turmoil, Speculative character, Market theory*