

Consequently, individualist decisions, as we argue below, may be based on a narrower view of society than communitarians.⁶

● **Time horizon**

Well functioning and efficient markets can provide much information that is useful to an individualistic self-interest calculation. Benefits of markets in providing information and in allocating resources in a capitalist setup are well appreciated in matters with a short-term time horizon, although in a number of instances markets do fail to perform efficiently. This argument is also valid in a model with a longer time horizon.

Individualists do consider factors that are likely to figure in their self-interest in the future. For instance, in working out the present value of future events, individualists can use discount rates based on returns in markets for longer term financial instruments, such as bonds of different maturity dates. However, it is well-known that the discount rate used by individualists often differs from the communitarian or social discount rate. For example, individualists may not adequately factor in future environmental effects not only on society but also on their own interests.⁷ Consequently, individualist markets may fail to incorporate community-level considerations and a number of potentially beneficial markets may fail to emerge. In this view, individualists and their community relying on private markets alone can end up at a lower level of social welfare.

● **Individualistic corporatism**

Individualism views the firm as a legal entity which works from a commonly known production plan. Individualist managers produce products that

⁶Information acquisition is sub-optimal because individualists balance private marginal benefits and the private marginal cost of obtaining new knowledge. This individualistic calculus leaves out the community-level spillovers.

⁷In neo-classical economic theory, for the market to incorporate future developments and scarcities properly, trades in (the so-called Arrow-Debreu securities) "state-contingent claims" would have to take place for all the relevant goods and services to be used at future dates. Since not all such markets currently exist in capitalist economies, prices and sales in competitive markets cannot be taken to reflect accurately the value or importance of these goods and services.