

● **Freedom**

Just as the combined force of interaction among self-interested individualists dilutes any one party's influence, so too does community-interest under communitarianism dilute the more individualistic elements of exchange. Some communitarians more readily subsume their self-interest in exchange for the benefit of the relationship itself.

● **The inclusion of market failures**

Communitarian thinking not only allows more comprehensive (economic and non-economic) consideration of community-level static effects of a person's decisions, but also consequences that emerge over time. In this view, markets based on narrow and short-term individualistic thinking are ahistorical. In contrast, the community learns from the experiences of its members, develops its own memory and has its own history. These properties enable communitarians to better take account of society-level externalities and include the spillovers in decisions made in the community.

● **The use of the legal system**

Cultural factors affect a society's approach to conducting itself. An individualistic society of equals has a stronger need for the imposition of an external order. A communitarian society already contains an internally self-imposed hierarchy based on relationships. On the legal front of private governance, formal contracts are less necessary in a communitarian system for three reasons.

- First, the process of getting to know one another is so long and convoluted that the relationship is especially strong, and exerts an independent force which is more flexible, durable and reliable than a contract.
- Second, by the time an agreement is reached between two parties, a relationship already exists.
- Third, the reliability of the relationship is in its flexibility; the reliability of a paper contract is in its rigidity, fixed by its legal remedies for breach.