

economic interests and activities. An individual gains a community perspective and the person develops into a communitarian being—functional in the market and the community.

Institutions. Communitarians also exhibit network pluralism. A workable balance between various relationship-based networks, each pushing its view, has to be struck by intermediary institutions. For this purpose, society develops common practices, traditions, conventions and other cultural institutions in a market setting.¹⁶ The non-market communitarian arrangements are helped by features such as:

- **Transparency and fairness.** For the stability of the relationships in the model, the members of society have to be comfortable about the fairness of a decision in the community, even if they do not particularly like it.
- **Mutual accommodation.** The network system has to reconcile the differences in preferences of wealth-maximizing individuals. Individuals can rely on long-term relationships for the payoff to offset any perception that a particular individual or network is being challenged or subjected to a narrow-minded imposition by others in the community.

For example, a decision in the long-term interests of the community may impose short-term restrictions on individual or group behaviour and choices. Such a decision can be made acceptable provided people become convinced that the decision does not unfairly give an advantage to someone else's group. As a result, the process of economic, political and social decision-making entails a discussion of community interests and trade-offs, and consensus building. Such a process also fosters a sense of civic responsibility, and helps along the enforcement of decisions and the resolution of disputes.

¹⁶Douglas C. North, "Institutions", *Journal of Economic Perspectives*, Winter 1991 (5), 97-112: Institutions are the humanly devised constraints that structure political, economic and social interaction. They consist of both informal constraints (sanctions, taboos, customs, traditions and codes of conduct) and formal rules (constitutions, laws, property rights).