

and economic progress, market and non-market based exchanges are necessary among self-interested individuals.

● The time horizon

Communitarian behaviour involves self-interest, although played out over a longer time horizon. This extends the period of self-interested recoupment of the individual's production and provision beyond the horizon of the individualist. If a person provides a thing in a relationship that is not based on an immediate exchange in return, then a responsibility is created in the recipient to reciprocate to the provider later on. This sense of obligation fosters the relationship. When people hand over or get things without immediately settling accounts, the relationship building process fosters a sense of trust and a longer-term perspective. The shift from the short-term exchange to a longer-term payoff creates a strong incentive in the provider to ensure that the relationship remains strong and lasts at least long enough so that the provider is satisfied in return.

Communitarian relationships are guided not only by the invisible hands of market prices and sales, but also by the invisible handshakes of tacit understanding. Such relationships allow people to settle financial and non-financial balances over a longer period of time. What may appear to be an inefficient relationship among self-interested individuals in the short-term may actually be perfectly efficient in the long run. From the time parties begin an exchange to the time it is completed in the future, these persons keep track of each other and do things to accommodate the other party such that the final part of the exchange is performed satisfactorily. They do this because a short-term outlook conflicts with, disrupts and weakens the relationships that make up the social glue of society.¹¹

¹¹Daly and Cobb, *op. cit.*, pp. 164 and 163:

Economics based on Homo Economicus as self-interested individual commends policies that inevitably disrupt existing social relationships... the individualistic model of economic theory leads to advocating policies that weaken existing patterns of social relationships.

Winkler, *op. cit.*, p. 105:

Alexis de Tocqueville of France...in his classic study *Democracy in America*...warned that untrammelled individualism might undermine this commitment...a connection between the individual and the larger community...to a sense of community.