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Fairness That Money Can Buy. Procedural Egalitarianism in Practice

Abstract:
Contrary to communitarian market criticism institutions relying on money and bidding can strengthen faculties of ‘self-governance’. Securing procedurally egalitarian bidding on the basis of declared monetary evaluations guarantees that all realized changes of a status quo are in an ‘objective’ (pecuniary) sense equally advantageous for all members of the community. We show how to use this idea in the context of Elinor Ostrom type common(s) projects. Empirical evidence on ‘procedurally fair bidding’ is presented. The practical scope and limits of procedural egalitarianism need further empirical exploration but money may be the best means to express moral values in ‘communitarian consent’.

JEL Classification: H4, H61, D62, D63, D71.

Keywords: Fair Procedures; Governing the Commons; Communitarianism; Contractarianism; Egalitarian Mechanisms; Unanimity; ‘Crowding out’.