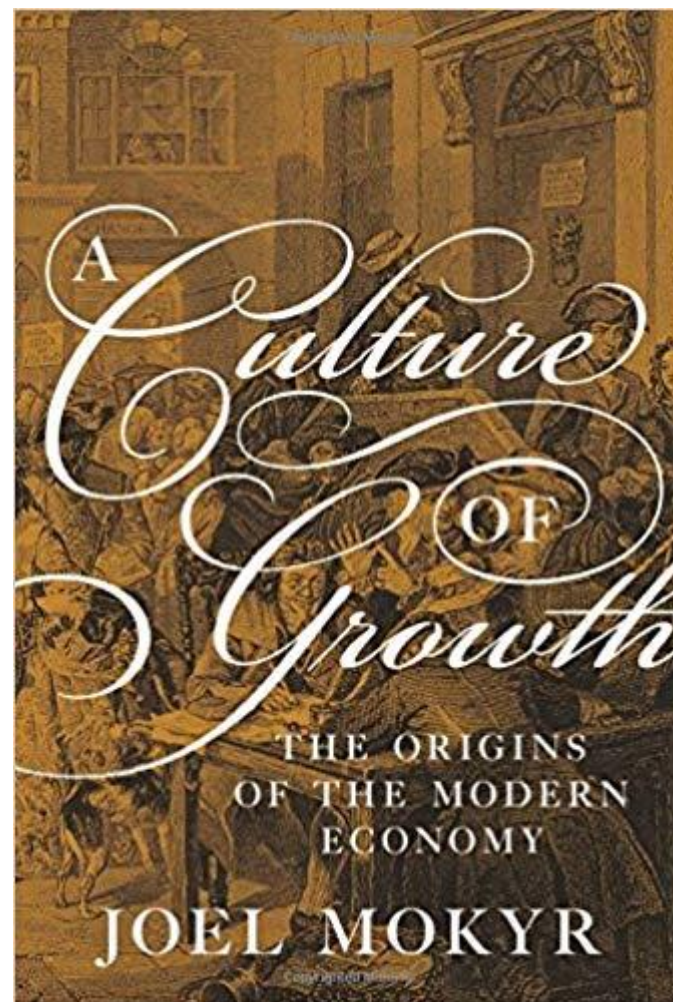


## Chapter 2

### Nature and Technology



Culture is a set of beliefs, values, and preferences, capable of affecting behavior, that are socially (not genetically) transmitted and that are shared by some subset of society



**culture** as something entirely of the mind, which can differ from individual to individual and is, to an extent, a matter of **individual choice**.

**Institutions** are socially determined conditional incentives and consequences to actions. Like trust, honesty, cooperativeness, law and order etc.

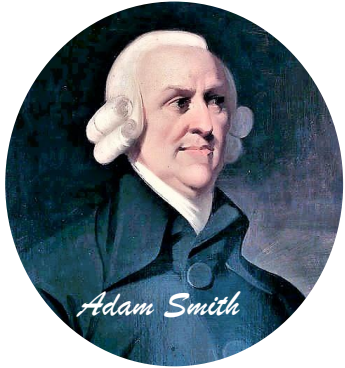
These incentives are **parametrically given to every individual and are beyond their control**.



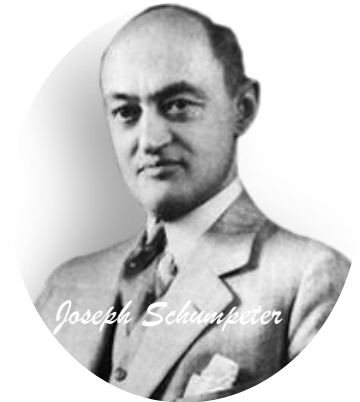
Institutions can explain a great deal of economic performance,



but not explain the miraculous explosion of science and technology in the past two and a half centuries



Exchange and cooperation based on trust or respect for the law  
A game between individuals



Manipulation of natural regularities and phenomena  
A game against nature





Society can reward or discourage innovation

Patents

Patronage

Prizes



Religion or incumbents protecting status quo





## Individualist vs. collectivist cultural norm



degree of reward for personal achievements

**Innovation**



Gorodnichenko and Roland (2011)

Plausible if institutions encourage technological creativity

## general vs. limited morality society

degree of general morality

**Innovation**



Tabellini (2008, 2010)

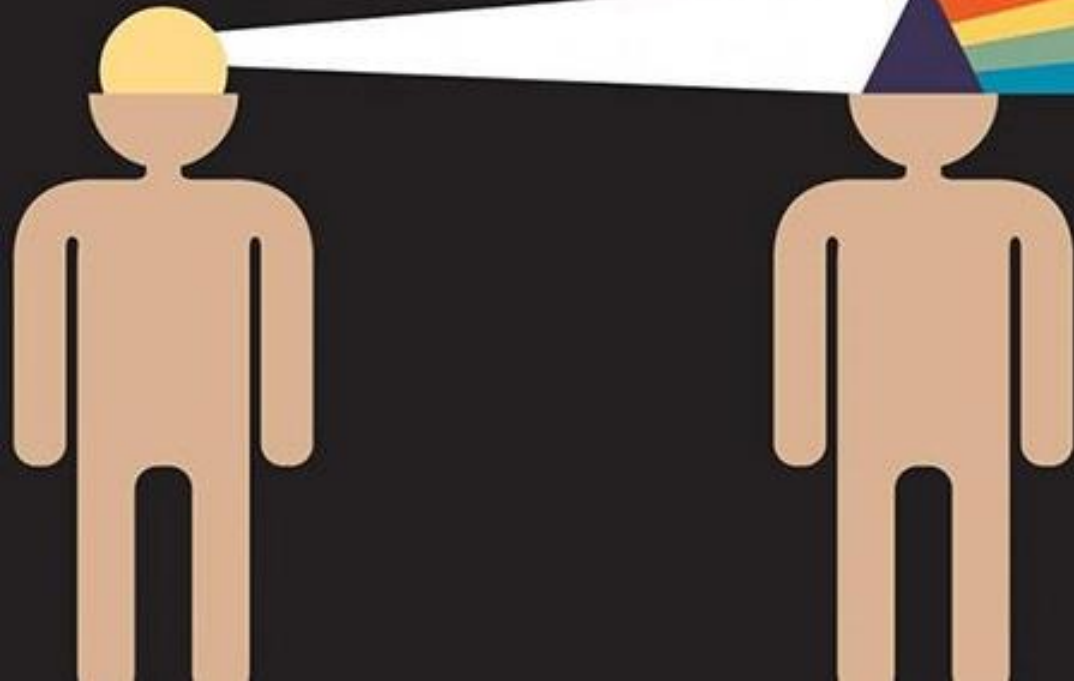
Benefits of innovation affect a large community. So, innovators tend to care about people

## A Culture of growth includes:

1. Belief that **material progress is possible**
2. Normative component postulates that **economic progress is desirable**
3. A **concrete agenda** of policy measures and institutional change had to be formulated, elaborated, proposed, and implemented **for long-term progress**



Finally, those who propose new ideas must have opportunity to persuade others



It's possible with technology for communication to reach people and rhetorical rules sufficient to convince them





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Professor de Finanças, Consultor e  
Apresentador do programa Fundo...



Thank you!