
Contents

1 Introduction	1
References	4

Part I The Foundations

2 Human Needs and Cultural Background	9
2.1 Human Needs	9
2.2 Needs and Economic Evolution	11
2.3 Needs, Economic Growth and Cultural Background	14
2.4 From Individual to Aggregate Level	16
References	17
3 The Construction of Cultural Background	19
3.1 History, Stereotypes and Information Processing	19
3.2 Cultural Background and Cognition	20
3.3 Components of Cultural Background	21
3.4 Endogenous Cognizance Regarding the Birth of Cultural Background	21
3.5 External Factors that Influence the Shaping of Cultural Background	25
3.6 The Case of Multi-cultural Equilibria	27
References	27
4 Culture in Economic Thinking	29
4.1 “Culture” in Economic Theory	29
4.2 The Separation of Culture and Economics	31
4.3 Development Economics	34
4.4 The Reemergence of Culture in Economics	35
4.5 Culture in the Neoclassical Model	39
4.6 Culture in the Post-Keynesian/Institutional Model	42
4.7 Expectations and Rationality	45
References	47

5	Cultural Background and Economic System	51
5.1	Cultural Background and Economic System	51
5.2	Political Institutions	53
5.3	Economic Institutions	55
5.4	Macro Reflections of Cultural Background: Structures	56
5.4.1	Transactions and Entrepreneurship	56
5.4.2	Technology and Innovation	58
5.4.3	Tangibles and Intangibles	59
5.4.4	Shadow Economy	60
5.4.5	Social Capital	62
5.4.6	Knowledge	63
5.4.7	Corporate Governance	64
	References	65
6	The Effect of Cultural Background on Incentives, Growth and Distribution, and Vice Versa	71
6.1	Incentives	71
6.2	Growth	75
6.3	Distribution	77
6.4	Reverse Causation: Economic Growth, Wealth Distribution and Cultural Background	78
	References	79
7	Cultural Background and Rationality	81
7.1	Rational Choice	81
7.2	Cultural Traits and Rational Choice Through Experiments	83
7.2.1	Cooperation in the Public Good Game and Time Preference	84
7.2.2	Cooperation in the Public Good Game and Trust	86
7.2.3	Cooperation in the Public Good Game and Uncertainty/Risk	88
7.2.4	Cooperation in the Public Good Game and Social Capital	90
	References	93
Part II The Cultural Dimensions and the Cultural Background Change		
8	Cultural Surveys	97
8.1	Cultural Background, Measurements and Time	97
8.2	Map of Cultural Values	99
8.3	Elements of Culturalism According to Hofstede and GLOBE	104
8.4	Cultural Traits According to the World Values Survey	109
8.5	Comparative Analysis of Cultural Dimensions	111
	References	114

9	Collectivism as an Aid or Obstacle to Economic Growth	117
9.1	Individualism and Collectivism in Social Sciences	117
9.2	Factors Shaping Individualism and Collectivism	121
9.3	Characteristics of Collectivism	122
9.4	Characteristics of Individualism	124
9.5	Individualism and Collectivism and Their Relationships with Growth	125
9.6	Collectivism to Either Promote or Inhibit Economic Growth . . .	128
	References	129
10	Power Distance, Uncertainty, Time and Growth	131
10.1	Power Distance	131
10.2	Uncertainty Avoidance	133
10.3	Time Orientation	135
10.3.1	Future Orientation Model	137
10.3.2	Time Orientation and Decision Making	138
	References	140
11	The Cultural Background Change	143
11.1	Convergence and Divergence of Cultural Background	143
11.2	Economic Development and Changes in Values	146
11.3	Culture, Values and Their Diachronic Development	147
11.4	Differences in Values from Generation to Generation	153
11.5	The Preservation of Religious Beliefs Over Time	154
	References	156
Part III Cultural Background, Growth and Policy		
12	Economic Growth and Cultural Background	161
12.1	Data	161
12.2	Methodology Employed and Empirical Results	164
12.3	Empirical Work and Discussion	167
12.3.1	The Basic Model	167
12.3.2	Sensitivity Analysis	168
12.3.3	The Effects of Culture on Growth and Cultural Change	170
	References	170
13	Cultural Background, Transaction Costs and Economic Institutions	173
13.1	The Role of Transaction Costs	173
13.2	The Variables Used	175
13.3	The Methodology Employed	177
13.4	Empirical Work and Discussion	177
13.5	The Effects of Culture in Shaping Transactions and Economic Institutions	179
	References	180

14	The Effects of Culture, Transactions and Institutions on Opportunity Entrepreneurship	183
14.1	The Theoretical Background and the Variables Used	183
14.2	The Endogenous Problem	184
14.3	Hypotheses Testing	184
14.4	The Data	185
14.5	The Methodology Employed	187
14.6	Empirical Results and Discussion	188
14.7	Overall Relationships Derived and Policy Implications	191
	References	192
15	The Effects of Cultural Background and Knowledge Creation on Self-Employment and Entry Density Rates	195
15.1	Entrepreneurship Identification, Knowledge and Cultural Background	195
15.2	The Data	197
15.3	The Methodology Employed	199
15.4	Empirical Work and Discussion of the Results	199
15.5	The Overall Relationships Derived	202
	References	202
16	Cultural Background, Growth and Economic Policy	205
16.1	The Middle-Income Trap	206
16.2	Why Do Countries Fall into the Middle-Income Trap? An Economic Explanation	206
16.3	The Cultural Growth Trap	208
16.4	Ideal Cultural Background and Growth	211
16.5	Austerity Policy and Cultural Requirements	213
16.6	A Neo-Keynesian Framework of Production and Employment Decisions and Cultural Requirements	216
16.7	Stabilization Policy and Cultural Background in South Europe	217
	References	218
	Appendix	221
	Appendix A	221
	Appendix B	225
	Appendix C	229
	Appendix D	231
	Appendix E	235



<http://www.springer.com/978-3-642-41439-8>

Culture, Growth and Economic Policy

Petrakis, P.E.

2014, X, 238 p. 27 illus., Hardcover

ISBN: 978-3-642-41439-8