

# Economic Systems Transform Culture, Not Vice-Versa

I believe conservatives, classical liberals, constitutionalist, and many libertarians have reverse causation and false historical sentiments in forming a mental construct of how great societies are made and sustained (by their own definition).

There are people who believe that innovation, entrepreneurship, risk taking, hard work and individualism are a result of culture. I think they are wrong. While there is some semblance of a symbiotic relationship between culture and economic system, I believe history shows that culture is the much weaker force and the economic system is the vastly more significant causal mechanism. Essentially, economic systems transform cultures, but cultures rarely transform economic systems.

When we see socialism implemented in a culture with a history of positive virtues, we see those positive virtues disintegrate. When we see capitalism implemented in a culture that is predominantly petty, lethargic and uninspired, we see positive virtues emerge. When the economic system is mixed, we see a mixing of positive and negative attributes (as we see in the West today). I don't believe you will find culture being the inspiration. Teaching work ethic in a socialistic economy is like teaching work ethic to a slave ... who are you benefiting? Your inspirational values will seem like delusional bullshit.

A large perceived flaw with this analysis is that it can't explain how capitalism ever starts.

I think capitalism is purely an accident, usually it doesn't start. There have been several point in history where centralized control collapsed but markets still operated. In that period of time, no one was able to grab the reigns of power but peaceful transactions were highly profitable. Later, philosophers came in and acted like they were leading the parade. In short, I think the enlightenment explanation is wrong.

I don't think liberty and capitalism will be born from people readopting the ideals of the enlightenment. I think liberty and capitalism will be born when centralized powers collapse, no one is able to grasp the reigns of power, but peaceful transaction is highly profitable.

Conservatives, classical liberals, and the other people I previously mentioned want to say that our soul determines our society. I think our society determines our soul. While at the individual level this doesn't have to be true, there can be high variance in environments and personality to lead people in all sorts of directions. However, when we speak in terms of large amounts of people, the variance gets averaged out into the incentives people live under.

This is uncomfortable for some people to accept because it can make you feel like things will merely have to play out and you don't determine the course. I would suggest people

embrace that attribute and maybe even find some solace in it. We can still determine our own course.