

From Weber’s “Spirit of Capitalism” to the Republican Spirit of Innovism: Ideas, Institutions, and the Republic of Entrepreneurs

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Abstract

We replace Weber’s “spirit of capitalism” with a constitutional–cultural framework we call the republican spirit of innovism operating within a republic of entrepreneurs. In such an order, ordinary people repeatedly propose, test, and lawfully imitate improvements under general, impersonal rules—secure property, open entry and exit, credible contract, and freedoms of speech and association. Building on Mises (calculation and residual claimancy), Hayek (discovery and dispersed knowledge), Kirzner (alertness and equilibration), and the historical evidence assembled by McCloskey, Mokyr, and Phelps, we argue that modern prosperity stems less from elite R&D or capital deepening and more from creative construction by the many. We derive empirical signatures—proposal density, feedback speed, and diffusion breadth—and outline a policy agenda favoring open standards, disclosure-oriented intellectual property, contestability, and reproducibility. Case evidence from Britain (since 1700), the United States (since the 1780s), and contemporary technological and biomedical sectors shows that when rules keep feedback honest and imitation lawful, total factor productivity rises persistently.

Keywords: republican spirit of innovism; republic of entrepreneurs; dispersed knowledge; entrepreneurial discovery; lawful imitation; diffusion; Industrial Enlightenment; bourgeois dignity; grassroots dynamism.

JEL Codes: O31; O33; L26; O43; N10.

1 Introduction

The last two centuries’ “Great Enrichment”—a 16- to 100-fold rise in real incomes alongside dramatic advances in health, knowledge, and human capability—cannot be adequately explained by capital deepening, trade alone, or exogenous shocks (McCloskey 2010, 2016; Mokyr 2002, 2009). Earlier materialist accounts—whether Weber’s thesis that a “spirit of capitalism” rooted in ascetic Protestantism legitimated capital accumulation for its own sake (Weber 1904–05; Tawney 1926), or later narratives resting on coal, colonies, or high

wages (Allen 2009)—each capture fragments but miss the central mechanism that turned useful knowledge into useful industry at scale. Building on a century of work in economic history, Austrian and liberal political economy, and innovation studies—Cantillon (1755/2010), Mises (1935, 1949), Hayek (1945, 1960, 1976, 1978), Kirzner (1973, 1979, 1985, 1989), Rosenberg (1982), David (1985, 1990), Mokyr (1990, 2002, 2009, 2016), McCloskey (2006, 2010, 2016), and Phelps (2013, 2020, 2023)—we propose a replacement for Weber’s frame: the republican spirit of innovism operating within a republic of entrepreneurs.

By republic of entrepreneurs we mean a spontaneous, rule-governed order in which large numbers of ordinary people repeatedly propose, test, and imitate improvements under general, impersonal rules—secure property, open entry and exit, credible contract, and freedoms of association and expression—so that profit-and-loss, reputations, and peer criticism provide honest feedback (Mises 1949; Hayek 1960; Polanyi 1962; Kirzner 1973; Khan 2005, 2020). In such a republic, entrepreneurship is a role, not a rank: farmers, clerks, machinists, coders, clinicians, buyers, and founders all become entrepreneurial when they bear residual uncertainty and act on locally discovered opportunities (Cantillon 1755/2010; Mises 1949; Kirzner 1979).

By the republican spirit of innovism—a term we introduce and distinguish from the literature’s use of “innovism”—we mean the cultural and institutional ethos that esteems experimentation as a civic practice, honors lawful imitation, and treats improvement as a permission open to the many. The term deliberately reframes McCloskey’s “innovism”—her label for the idea-driven, dignity-and-liberty-enabled modern order (McCloskey 2010, 2016, 2025)—in republican terms: rules, not rulers; contestability, not privileges. Where Weber emphasized an ethic of accumulation, we emphasize an ethic of proposal, criticism, and diffusion; where Schumpeter highlighted “creative destruction,” we stress creative construction: the cumulative, decentralized accretion of micro-improvements that make breakthrough ideas reliable, cheap, and ubiquitous (Schumpeter 1942; Rosenberg 1982; David 1990).

Three literatures converge on this reframing. First, the Austrian tradition establishes the logical-epistemic necessity of decentralized entrepreneurship. Mises shows that without private ownership of producer goods and market prices for capital, rational economic calculation is impossible, and profit-and-loss cannot discipline conjectures (Mises 1935, 1949). Hayek shows that knowledge relevant to coordination is dispersed, tacit, and often created by the market process itself; competition is therefore a discovery procedure that depends on general rules rather than discretionary direction (Hayek 1945, 1978; 1960, 1976). Kirzner then locates the micro-mechanism: entrepreneurial alertness to previously unnoticed discrepancies equilibrates plans and transmits information through prices and availability; profit is a morally “innocent” reward for correcting others’ errors under open entry (Kirzner 1973, 1979, 1989). Together they imply that prosperity scales when the residual-bearing, conjecture-testing role is widely accessible—precisely the constitution of a republic of entrepreneurs.

Second, economic history identifies the braided ecologies that made innovism effective: the Republic of Letters, the Republic of Science, and the Republic

of Entrepreneurs. Polanyi’s “republic of science”—mutual adjustment of independent initiatives under norms of priority, disclosure, and criticism—supplied public methods and instruments (Polanyi 1962). Mokyr documents how an Industrial Enlightenment linked propositional knowledge to prescriptive shop-floor know-how through cheap print, learned societies, prizes, exhibitions, and instruments; ideas circulated and were made operable by countless non-elite tinkerers (Mokyr 2002, 2009, 2016; Jacob 1997; Grafton 2009). The United States’ “democratic invention” regime—liberal, disclosure-oriented patents; markets for technology; voluntary associations—amplified the same republican pattern (Khan 2005, 2020; Hounshell 1984; Thomson 2009). Evidence from Britain, France, Germany, and biomedicine shows that diffusion, imitation, and process refinement by the many—not merely elite R&D—delivered most welfare gains (Bliss 1982; Bud 2007; Feldenkirchen 1994; Jeffrey 2001).

Third, cultural analysis locates the value shift that made mass proposing legitimate. McCloskey argues that bourgeois dignity and liberty—an “equality of permission” to “have a go”—raised the supply of testable proposals and normalized copying; she calls the resultant order “innovism,” the true driver of the Enrichment (McCloskey 2006, 2010, 2016). Phelps complements this with a behavioral lens on dynamism: everyday, indigenous innovation by ordinary workers and firms, supported by value climates that prize self-expression and initiative; the payoff is both productivity and meaningful work (Phelps 2013; Phelps et al. 2020; Phelps 2023). Read through a republican jurisprudence (Hayek 1960), these theses recommend general rules that keep tests honest and entry contestable, not outcome-targeting that requires discretionary control.

Two clarifications govern the argument. First, we attribute the term republican spirit of innovism to our own contribution. McCloskey’s “innovism” is an essential precursor in spirit and substance, but the republican modifier centers the constitutional style—general rules, lawful imitation, open standards—by which a society scales innovation as a civic practice. Second, we treat “creative destruction” as a vivid subset of a broader, often quieter reality: creative construction by many hands. The famous leap—Watt’s condenser, the transistor, mRNA stabilization—matters, but the social return arrives through distributed micro-invention, process engineering, and adoption curves shaped by standards, interfaces, and reputation systems (Rosenberg 1982; David 1985, 1990; Benkler 2006; Bresnahan and Trajtenberg 1995).

This reframing produces distinct, testable implications. If growth depends on a republic of entrepreneurs animated by a republican spirit of innovism, then we should observe (i) high proposal density—frequent introduction of small product, process, and organizational changes beyond patent counts; (ii) fast feedback speed—short cycles from conjecture to verdict via prices, telemetry, peer review, and reproducible methods; and (iii) wide diffusion breadth—lawful imitation through open standards, disclosure-oriented intellectual property, and interoperable interfaces (Khan 2020; Raymond 1999; Womack, Jones, and Roos 1990; Liker 2004). Historically, Britain’s Industrial Enlightenment, the U.S. nineteenth-century market for technology, and twentieth-century “learning factories” display precisely these signatures (Jacob 1997; Hounshell 1984; Thomson

2009; Liker 2004).

The rest of the paper proceeds as follows. Section 2 returns to Weber, Tawney, and early modern moral economies to show why a capital-accumulation ethic cannot on its own generate compounding growth; we reinterpret accumulation as an instrument sustained by a deeper ethos of proposing and copying. Section 3 develops the Austrian-liberal foundations: Mises on calculation and residual claimancy; Hayek on dispersed knowledge, discovery, and the rule of law; Kirzner on alertness, equilibration, and the ethics of profit. Section 4 articulates our concepts—republic of entrepreneurs and republican spirit of innovism—and contrasts them with Schumpeter’s heroic, elite-centric imagery by advancing the notion of creative construction. Section 5 situates the cultural-historical engine: McCloskey on “innovism,” Mokyr on the Industrial Enlightenment’s market for ideas and techniques, and Phelps on grassroots dynamism. Section 6 demonstrates that innovism is not a Protestant artifact, documenting frontier episodes in Japan, South Korea, Taiwan, Israel, Singapore, India, and parts of China once republican conditions—open entry, lawful imitation, honest feedback—were secured. Section 7 draws theoretical and empirical implications—proposal density, feedback speed, diffusion breadth—and outlines a republican policy agenda favoring open standards, disclosure-oriented IP, contestability in procurement and licensing, and scientific reproducibility infrastructures; we deliberately defer formal modeling to future work. Section 8 offers historical evidence for Britain (since 1700) and the United States (since the 1780s), emphasizing how innumerable non-elite actors—not just laboratory science and corporate R&D—drove reliability, cost declines, and adoption. Section 9 extends the pattern through the twentieth and early twenty-first centuries in the U.S. and beyond, from containers to computing, open-source software to biomedicine, highlighting the institutional traits that kept the “copying machine” on. Section 10 concludes by re-centering growth and development economics on civic innovism: rules that widen participation in proposal and keep feedback honest, a rhetoric that esteems useful novelty from the many, and institutions that turn private discovery into public wealth through lawful imitation.

In short, we aim to replace the “spirit of capitalism” with a constitutional and cultural account: the republican spirit of innovism working through a republic of entrepreneurs. Where rules protect open entry and imitation, where discourse protects criticism, and where dignity protects the would-be improver, modern prosperity follows.

2 Weber Reconsidered: Why Accumulation Is Not Enough

Max Weber’s account of the “spirit of capitalism” remains a landmark in economic sociology. He traced the rise of modern enterprise to an ascetic ethic of calling (Beruf), rational bookkeeping, and disciplined reinvestment—an ethos that rendered “capital accumulation for its own sake” a moral vocation rather

than mere avarice (Weber 1904/05). R. H. Tawney’s companion history similarly emphasized the moralized discipline of early bourgeois life (Tawney 1926). On this reading, what distinguishes the modern era is not simply material capital but a cultural license to accumulate—a legitimizing creed that routinized profit-seeking and subordinated consumption to expansion.

We accept the historical importance of this accumulation ethic. But we argue it is insufficient to explain the magnitude, timing, and inclusiveness of the Great Enrichment. Accumulation, even when ethically sanctioned and meticulously accounted, produces at most islands of progress unless it is embedded in a broader civic constitution that elicits many proposals, speeds honest feedback, and legalizes lawful imitation. In short, Weber usefully located an engine; he did not specify the republican gearbox that multiplies torque into motion. We therefore reinterpret the Weberian ethic as a precursor to what we call the republican spirit of innovism: a civic-liberal ethos that dignifies improvement by the many, under general rules, and thereby turns disciplined funds into compounding discovery.

Three limits of the Weberian frame motivate this move.

First, the problem of mechanism. Weber’s thesis elegantly connects religious valuation to economic comportment, but it under-specifies the micro-mechanism by which disciplined reinvestment becomes sustained productivity growth. Capital deepening raises output, but without continuous problem-finding and problem-solving—new methods, recombinations, and organizational tweaks—returns to capital diminish. The decisive “how,” we contend, lies in a civic order that lowers the cost of proposing and makes profit-and-loss a credible test of conjectures. That order is what we formalize as a republic of entrepreneurs. Here Mises’s analysis closes Weber’s mechanism gap: without private ownership of producer goods, money prices, and residual claimancy, economic calculation is impossible; accumulation cannot be allocated rationally across competing plans (Mises 1935, 1949). Hayek complements the point: since knowledge is dispersed and tacit, only competition under general rules can function as a discovery procedure that elicits and aggregates local insights (Hayek 1945, 1960, 1978). Kirzner supplies the quotidian gearwork: entrepreneurial alertness—often modest, replicable acts—narrows the countless small discoordination in prices, qualities, and workflows that separate a merely capital-rich economy from a genuinely innovative one (Kirzner 1973, 1979, 1985, 1989).

Second, the anomaly of timing and place. Ascetic discipline and rational account-keeping long predate the nineteenth-century “hockey stick,” and they appear outside the North Atlantic without comparable aggregate effects. Comparative economic history—from Landes to Eric Jones—shows that capital, thrift, trade, and order are necessary but not decisive when taken alone (Landes 1998; Jones 1981). Mokyr’s reconstruction of the Industrial Enlightenment resolves the puzzle by identifying a new epistemic and associational ecology: a republic of letters and a republic of science braided with workshops and firms, in which propositional knowledge (claims about nature) and prescriptive knowledge (recipes and routines) circulated openly and were tested by practice (Mokyr 2002, 2009, 2016). Where such republican conditions prevailed—open publica-

tion, priority and peer criticism, cheap print and instruments, low barriers to entry—useful knowledge reliably became useful industry. Where they did not, capital and even world-class science stalled in narrow channels. Weber’s ethical narrative requires this civic infrastructure to scale.

Third, the explanandum of inclusiveness and meaning. The Weber–Tawney story centers on the entrepreneur as a disciplined ascetic; it does not yet explain why ordinary people came to experience initiative at work as dignified and meaningful. Here McCloskey and Phelps shift the lens. McCloskey’s documented change in rhetoric—the elevation of the dignity and liberty of the bourgeois life—supplied an “equality of permission” to have a go, raising the supply of proposals far beyond a narrow caste (McCloskey 2006, 2010, 2016). Phelps shows that the values of dynamism—self-authorship, openness to novelty—predict both grassroots innovation and job satisfaction: modern prosperity is as much a civic–humanistic achievement as a material one (Phelps 2013; Phelps et al. 2020). The republic of entrepreneurs clarifies why: when rules keep the tests honest and culture esteems improvement, many citizens step intermittently into the entrepreneurial role, and the long-run gains—what growth accountants label TFP—arrive from their accumulated small bets.

Recasting Weber in this way does not dismiss his insight; it relocates it. The disciplined reinvestment he described becomes, in our framework, one input into a republican metabolism with three measurable signatures:

- Proposal density: a high frequency of small, testable changes in products, processes, and organizations—most of which never appear as patent counts but are legible in iteration logs, quality registries, and negative results.
- Feedback speed: tight loops from conjecture to market or peer criticism—enabled by general, predictable law, price signals, and reproducibility norms.
- Diffusion breadth: lawful, culturally honored imitation that turns private discovery into public productivity—fortified by disclosure-oriented but finite intellectual property, open standards, and interoperable interfaces.

Historically, this metabolism is visible wherever the three republics overlapped. Britain’s coffeehouses, clubs, mechanics’ institutes, and instrument shops formed the social machinery that translated scientific claims and artisanal know-how into scalable techniques (Mokyr 2009). The United States’ liberal patenting and associational life widened the circle of effective tinkerers (Khan 2005, 2020). German laboratory science fused with firm-based research and craft competence (Abbe 1899; Feldenkirchen 1994). In each case, accumulation mattered—but only as fuel for a civic constitution that multiplied proposals, accelerated learning, and legalized copying.

This reinterpretation also reframes two canonical tropes that often travel with Weber. Schumpeter’s creative destruction, read through a republican lens, becomes creative accumulation: the celebrated discontinuity is a crest; the social gain is delivered by millions of follow-on improvements that make novelties reliable, cheap, and ubiquitous (Schumpeter 1942; Rosenberg 1982). And capital deepening returns to its rightful place—as a complement to discovery and diffusion. Without a high proposal density and fast feedback, new capital mostly reproduces the old technique; with them, each reinvested unit funds

fresh learning-by-doing and doing-by-learning, which is why TFP tends to rise where innovism dominates the republic of entrepreneurs.

Finally, the Weberian emphasis on ethic finds a precise constitutional home in Hayek's discussion of a free civilization. The rule-of-law ideal—general, abstract, predictable rules—supplies the jurisprudence a discovery process requires (Hayek 1960). It protects open entry (so many can propose), survivable exit (so errors are liquidated), and freedoms of speech and association (so criticism and imitation diffuse what is learned). These are not atmospheric niceties; they are the engine mounts of the system. In their absence—under privilege, opaque licensing, politicized procurement, censorship—Weber's disciplined saver becomes a supplicant, and accumulation devolves into rent maintenance rather than discovery.

Thus, Weber identified a crucial moral motor of modern life. But the vehicle that carried societies from respectability to enrichment is, we claim, the republic of entrepreneurs animated by a republican spirit of innovism—our terms for the institutional site and civic ethos in which improvement becomes a mass practice. Accumulation fuels the engine; the republic transmits the power to the road.

3 The Mises–Hayek Foundations: Calculation, Discovery, and the Civic Constitution of Innovism

In moving from Weber's accumulation ethic to the republican spirit of innovism, we ground the argument in two complementary pillars: Mises on economic calculation and residual claimancy, and Hayek on dispersed knowledge and competition as a discovery procedure. Together they specify the institutional grammar that converts disciplined funds into continuous improvement by the many. In Mises's analysis, entrepreneurship is a universal functional role that attaches to anyone who bears the residual under uncertainty. Profit and loss are not mere transfers; they are report cards on conjectures. Their very possibility depends on private ownership of producer goods and market prices for those goods; without such prices, there is no common denominator for comparing alternative production plans, hence no economic calculation (Mises 1935, 1949). The point is logical, not empirical: if the opportunity cost of using a lathe here rather than there cannot be expressed in money terms grounded in exchange, then no amount of zeal, thrift, or aggregate "investment" can allocate capital sensibly. Mises thereby closes the Weberian mechanism gap: accumulation without residual-bearing decision makers, disciplined by money prices and bankruptcy, is blind.

Hayek complements and deepens this logic by shifting attention from calculation to knowledge creation and coordination. The facts that matter for production—local scarcities, tacit techniques, momentary demand shifts, complementary know-how—are dispersed across millions of minds and contexts. No planner can possess them, and much of the relevant knowledge is produced only in the act of trying. Hence the market under general rules is best understood as

a discovery procedure: rival plans are proposed, prices compress and transmit marginal information, profit and loss select among conjectures, and imitation spreads what works (Hayek 1945, 1978). A free economy, in this view, is not a solved optimization but an open learning system. Its jurisprudence must match that epistemic task: general, abstract, predictable law—the rule of law—so actors can form plans without fearing discretionary interference; open entry and survivable exit so plan variety is abundant and errors are liquidated; freedoms of speech and association so criticism and lawful imitation accelerate diffusion (Hayek 1960).

Read together, Mises and Hayek transform “entrepreneurship” from a heroic vocation into a civic role that ordinary people can occupy episodically. Mises explains why the role exists at all in a complex economy: only residual-bearing decision makers, guided by money prices, can compare heterogeneous uses of capital and labor. Hayek explains why the role must be widely distributed: only many local trials can surface and combine the tacit, situational insights no central intelligence can know *ex ante*. The two analyses converge on our central claim. The republic of entrepreneurs names the institutional site where these roles are broadly available and effectively tested; the republican spirit of innovism names the civic-cultural ethos that esteems such proposing, tolerates honest error, and honors copying once a conjecture proves right.

This foundation also clarifies failure modes. If property is insecure or contract enforcement erratic, the mapping from action to residual is noisy; people propose less because calculation is dulled (Mises 1949). If discretion substitutes for general rules—through opaque licensing, politicized procurement, or administered prices—feedback slows and plan variety thins; discovery withers (Hayek 1960, 1976). If speech and association are chilled, criticism cannot cheaply reveal mistakes or spread improvements; diffusion stalls. In each case, the entrepreneurial role collapses back into a privilege of the few, and accumulation reverts to maintaining positions rather than searching for better arrangements. By contrast, when the constitutional preconditions are met, the system exhibits three measurable signatures that we treat as the metabolism of innovism: high proposal density (many small, testable changes), fast feedback speed (tight loops from conjecture to verdict), and broad diffusion (lawful, honored imitation that turns private discovery into public productivity).

Finally, Mises and Hayek situate Schumpeter’s insight in its proper civic frame. Big steps do occur, but their social value is realized through the creative accumulation of countless follow-on adjustments that only a republic can supply. Prices and residual claimancy make those adjustments calculable; open competition and the rule of law make them discoverable and copyable. Thus the transition we propose—from Weber’s spirit of capitalism to the republican spirit of innovism—is not a rhetorical flourish. It is a constitutional upgrade: from an ethic that dignifies saving to a civic order that scales learning, by making residual-bearing discovery a normal, honorable part of ordinary work.

4 Kirzner’s Entrepreneurial Discovery: From Arbitrage to a Civic Practice of Innovism

Israel Kirzner completes the institutional–epistemic foundation by specifying the micro-mechanism through which dispersed actors turn error into improvement. In Kirzner’s account, the distinctive entrepreneurial faculty is alertness—a readiness to notice previously overlooked discrepancies in prices, qualities, timings, and bundles—and the distinctive entrepreneurial payoff is pure profit, the residual that arises when a noticer closes such gaps (Kirzner 1973, 1979, 1985, 1989). Unlike routine maximization over a given, known opportunity set, discovery concerns unknown unknowns; the opportunity does not pre-exist as a computable lottery. It becomes real only when someone conjectures, acts, and the market confirms the conjecture by voluntary uptake. This is why, for Kirzner, competition is not a static condition of many price-takers; it is a rivalrous learning process in which successive acts of discovery equilibrate initially inconsistent plans. The social meaning of profit, accordingly, is not exploitation but information: it signals that a plan has corrected others’ errors and created mutually beneficial trades that would not have occurred otherwise.

Kirzner’s mechanism turns “the entrepreneur” from a sociological type into a widely shareable role. A shop clerk who re-lays a shelf to match foot traffic, a buyer who spots a quality-adjusted bargain, a machinist who rebundles fixtures to remove a bottleneck, a nurse who redesigns a handoff, or a coder who repackages open-source modules for a neglected niche—all are entrepreneurial in the functional sense. In a well-ordered economy, such noticing is episodic and ubiquitous: people step into and out of the role as their local vantage reveals gaps. This is precisely the everyday citizenship we mean by a republic of entrepreneurs. Alertness flourishes where information is visible (prices, reputations, standards), where entry is open and imitation is lawful, and where the link from action to residual is credible. It withers where discretion, privilege, or opacity raise the cost of noticing and lower the payoff to acting.

Kirzner also clarifies the ethics of the order we defend. Because discovery profits originate in the removal of others’ mistakes—not in coercion—their justificatory force depends on the openness of the game: if entry is blocked, if information is falsified, or if privileges insulate incumbents, profit loses its connection to discovery and becomes suspect. In a republic, by contrast, copying is a virtue: imitation is the very channel by which private discovery becomes public productivity, dissipating initial rents and spreading gains. We therefore speak of creative accumulation: big steps matter, but the long arc of enrichment comes from innumerable small, replicable corrections that accumulate across firms, sectors, and regions. Kirzner thus places a moral and analytical spotlight on what policy must protect—not particular winners, but the general conditions that keep proposal density high, feedback fast, and diffusion broad.

Finally, Kirzner’s lens operationalizes our “republican spirit of innovism.” If innovism (in McCloskey’s usage) names the centrality of idea-driven betterment, our republican spirit names the civic ethos and legal design that make

betterment common: a culture that honors useful noticing by ordinary people, a jurisprudence of general rules, and infrastructures (standards, truthful advertising, quality registries, interoperable interfaces) that enlarge the surface area of discoverable discrepancies. Measured in practice, places animated by this spirit exhibit more frequent low-stakes trials, tighter loops from conjecture to verdict, and faster imitation. In short, Kirzner explains how millions of small discoveries actually move an economy toward coherence and betterment; the republic of entrepreneurs ensures that millions can try; and the republican spirit of innovism ensures that they want to.

5 McCloskey, Mokyr, and Phelps: Culture, Knowledge, and Grassroots Dynamism as the Civic Engine of Innovism

The republican spirit of innovism we advance rests on three mutually reinforcing pillars in modern scholarship: McCloskey’s cultural-rhetorical account of innovism (her term), Mokyr’s history of useful knowledge and the Industrial Enlightenment, and Phelps’s behavioral-normative account of grassroots dynamism. Read together, they move the explanatory center of modern prosperity away from capital deepening or technocratic direction and toward a civic order in which ordinary people are permitted, encouraged, and honored for proposing betterments—precisely the constitution of a republic of entrepreneurs. In our framing, McCloskey clarifies why societies came to dignify and legitimate widespread innovative activity; Mokyr shows how an open market for ideas braided propositional science to prescriptive techniques so that improvements became cumulative; and Phelps demonstrates who actually does the improving in practice: non-elite actors experimenting in workplaces and shops across the economy.

McCloskey’s trilogy argues that the Great Enrichment is fundamentally a rhetorical-ethical revolution: the elevation of dignity and liberty for bourgeois pursuits turned “having a go” into a respected civic role. Her emphasis on “trade-tested betterment” reframes markets as social testing grounds for ideas—an epistemology, not merely an allocation device. Under this ethos, innovation is defined broadly: not just patents or laboratory breakthroughs, but new ways of organizing, bundling, contracting, serving, narrating, and persuading. Such breadth is crucial for a republic of entrepreneurs, because it removes the mystique of innovation and lowers the psychic and social cost of entry. When merchants, mechanics, shopkeepers, nurses, and coders are praised rather than scorned for useful novelty, proposal density rises and imitation becomes honorable. McCloskey’s methodological “humanomics”—insisting that culture, virtue, and persuasion are admissible evidence—supplies the missing causal hinge between formal institutions and lived behavior. In our terminology, her work identifies the cultural fuel of the republican spirit of innovism: a public conversation that licenses ordinary daring and celebrates lawful imitation as the final

stage of discovery.

Mokyr complements this cultural pivot with a finely grained institutional-intellectual history. He distinguishes between propositional knowledge (claims about how the world works) and prescriptive knowledge (recipes about what to do), and he places modern growth at their intersection. The Industrial Enlightenment, in his account, created open circuits—letters, societies, journals, manuals, exhibitions—through which principles could be tested in practice and practice could redirect inquiry. The point is not heroic genius but infrastructures of criticism and disclosure that made learning replicable and scalable: priority rules that rewarded telling the world; temporary rights that taught methods through specification; standards that lowered recombination costs; and associational life that spread instrument competence to non-elites. This is the historical footprint of a republic of entrepreneurs. When the republic of letters (open discourse), the republic of science (self-governed inquiry), and the republic of enterprise (contestable markets) overlap, useful knowledge repeatedly becomes useful industry. Where censorship, privilege, or closed guilds sever those links, first-rate ideas stall. Mokyr thus supplies the knowledge plumbing of the republican spirit of innovism: the public channels and interfaces that convert isolated insight into cumulative, copyable technique.

Phelps brings the argument down to the daily texture of work. He contends that the main engine of prosperity is indigenous, everyday innovation undertaken by ordinary people pursuing meaning and challenge on the job, provided the value climate prizes initiative and the institutional climate keeps feedback honest. This portrait relocates innovation from a narrow R&D archipelago to the mainland of production and service, where small, repeated conjectures—process tweaks, design adjustments, new customer promises—compound into productivity. It also restores the humanistic stake: dynamism matters because it yields both higher output and richer work lives. In our framework, Phelps illuminates the behavioral microfoundations of the republic: when social permission and general rules align, people want to step into the entrepreneurial role episodically; when corporatism, credentialed deference, or discretionary privilege thicken, they desist. Measured signatures follow: higher proposal density, faster feedback cycles, broader diffusion—empirical correlates of the republican spirit of innovism at work.

Taken together, these three contributions justify replacing Weber’s “spirit of capitalism” with the republican spirit of innovism. McCloskey shows that what changed was not thrift or capital per se but a public revaluation of useful novelty—an equality of permission for ordinary betterment. Mokyr shows that what sustained the change was a set of open, competitive knowledge institutions that rewarded disclosure and criticism while legalizing imitation. Phelps shows that who carried the change were millions of non-elites, continually experimenting under general rules and deriving meaning from the practice. This synthesis reinterprets celebrated “creative destruction” as creative accumulation: big leaps certainly occur, but the durable rise in total factor productivity comes from the thick tail of small, lawful, imitable improvements diffusing through an open civic-commercial constitution. In short, the modern world was, and remains,

built by citizens—not a court—acting under rules that make proposals plentiful, verdicts honest, and copying legal. That is the substance of the republican spirit of innovism and the institutional reality of a republic of entrepreneurs.

6 Innovism Without Protestantism: Global Evidence and the Civic Constitution of Betterment

A central implication of our argument is that the republican spirit of innovism is not confessional; it is constitutional. If Weber linked the modern “spirit” to Protestant ethics, the historical record since the late nineteenth century shows repeated frontiers of discovery and diffusion in places with little or no Protestant heritage once the civic preconditions of a republic of entrepreneurs—open entry, lawful imitation, contestable rents, reputational feedback, and disclosure norms—took hold. In short, the decisive margin is not creed but rules and rhetoric: whether ordinary people are permitted and honored to “have a go,” and whether their proposals encounter fast, honest tests.

Japan offers an early, large-scale falsification of a confessional thesis. From Meiji through the postwar era, dense feedback systems linked shop-floor ingenuity with research institutes and suppliers—quality circles, kaizen routines, and standardization around interoperable gauges and tolerances. Surges in machine tools, optics, consumer electronics, and autos rested on micro-invention by technicians and foremen, compounded through supplier development and reputational quality regimes. What we observe is not a Protestant ethic at work but a civic constitution of betterment that dignifies everyday improvement and keeps copying lawful under finite intellectual property—precisely the texture expected in a republic of entrepreneurs.

South Korea and Taiwan extend the pattern. In both cases, cohorts of small and medium manufacturers graduated from contract work to design and systems integration by layering open standards, export discipline, vocational upgrading, and thick supplier networks. The decisive engine was proposal density from the shop floor: incremental process gains, localization of components, and rapid iteration with demanding foreign buyers. The culture that mattered was not confessional doctrine but a public rhetoric esteeming competence and initiative, together with general rules that made entry, experiment, and failure survivable.

Israel demonstrates that frontier innovism thrives where speech and association are unusually free and peer criticism is socially valorized. The start-up ecosystem functions as a civic technology: dense horizontal networks, rapid diffusion of methods, and informal reputational markets that make quality legible to outsiders. Again, the salient features are those of a republic: open debate, lawful imitation, contestable rents, and fast feedback—conditions that transform individual alertness into social learning in the Kirzner–Hayek sense.

Catholic Europe, long treated as Weber’s foil, contains multiple episodes of sustained innovism once republican conditions matured. France’s prize societies,

grandes écoles instrumentation, and disclosure-oriented patent culture braided letters, science, and enterprise; Italy’s industrial districts institutionalized lawful copying and supplier-led innovation; Spain and Portugal in the late twentieth century accelerated diffusion through standardization, open trade, and competition policy. None of these cases relies on Protestant doctrine; all rely on civic designs that lower the cost of proposing and raise the speed of testing.

India and segments of China underscore the point in the twenty-first century. India’s IT and pharmaceutical ecosystems prosper where contract enforcement, open standards, and reputational markets are strongest—Bangalore’s code forges and Hyderabad’s generics plants operate as republics writ small, turning human capital and open tooling into rapid iteration. In China, the deepest productivity gains have clustered in jurisdictions and sectors that most closely approximate republican conditions—export-oriented manufacturing zones with thick supplier networks, interoperable platforms, and tough buyer feedback—despite broader political constraints. Shenzhen’s hardware scene, for instance, rides an ecology of modular parts, permissive IP interfaces, and norm-based disclosure—lawful imitation that converts private discovery into public capability at speed.

What unites these disparate cases is not a theology but a civic technology of growth: (i) entry and exit are open enough that many can hold the entrepreneurial role episodically (Mises’s residual claimancy becomes socially scalable); (ii) prices, standards, and reputations carry local knowledge so that proposals meet reality quickly (Hayek’s discovery procedure); (iii) imitation is lawful and honorable, so private insights become public productivity (McCloskey’s “trade-tested betterment” generalized beyond the Atlantic); and (iv) useful knowledge is braided across letters, science, and industry so that propositional insights become prescriptive routines (Mokyr’s Industrial Enlightenment outside Protestant Europe). When these conditions are present, grassroots innovation by ordinary people—technicians, shopkeepers, nurses, coders—accumulates into sustained total factor productivity growth; when they are absent, even brilliant labs or subsidies underperform because diffusion, complements, and adoption stall (Phelps’s dynamism).

The comparative evidence therefore disentangles cause from coincidence. Early Protestant polities helped incubate republican conditions—free speech, associational life, credible law—but they were neither necessary nor sufficient. The same republican constitution has since been built in non-Protestant contexts, yielding the same signature of high proposal density, fast feedback, and wide diffusion. The “spirit” that matters is not a confessional ethic of thrift for its own sake but the republican spirit of innovism: a public valuation of useful novelty, extended to common people, under general rules that keep the tests honest.

Having established that innovism is constitutional rather than confessional, we now turn to measurable implications and a policy stance consistent with a republic of entrepreneurs—one that privileges open standards, disclosure-oriented intellectual property, contestability, and reproducibility, and that treats proposal density, feedback speed, and diffusion breadth as leading indicators of

growth.

7 Implications and a Republican Policy Agenda

The republican spirit of innovism carries distinct theoretical and empirical implications. If modern prosperity rests not on a narrow class of heroic firm founders but on the continuous participation of ordinary citizens in proposing, testing, and diffusing betterments, then economic performance should be evaluated by the frequency, honesty, and breadth of this discovery process. In such a polity, growth is less a matter of dramatic technological leaps and more the accumulation of countless modest experiments undertaken by free individuals who enjoy dignity and permission to “have a go,” and who are protected by general rules that guarantee open entry, secure residual returns, and rapid feedback through prices, peer criticism, and public measurement. The social and economic environment most conducive to flourishing is therefore one in which the cost of proposing is low, the time to verdict is short, and the pathways for lawful imitation are clear and open to all. That environment—what I call the republic of entrepreneurs—yields distinctive empirical signatures: dense flows of incremental proposals across sectors, swift cycles of trial and correction, and wide diffusion of successful routines, standards, and methods.

These signatures suggest a research strategy grounded not in heroic patent counts or venture valuations, but in finer-grain measures of experimentation and learning. Proposal density can be observed in the rate at which organizations introduce new products and services, modify workflows, revise protocols, integrate open-source contributions, or register incremental discoveries in technical logs and handbooks. Feedback speed becomes visible in time-to-first-customer metrics, defect-to-fix intervals, reproducibility audits, and the tempo of design iteration and negative-result publication. Diffusion breadth reveals itself in how quickly standards spread across firms and regions, how rapidly complementary capabilities arise, how often successful organizational practices are adopted by peers, and how promptly new tools and procedures migrate from specialized to ordinary settings. The republican thesis predicts that societies with high dignity for improvers, secure private choice, open competition, and reliable truth-telling institutions should exhibit abundant proposals, short learning loops, and rapid, inclusive diffusion of improvements. Conversely, societies that restrict entry, obscure performance, or protect incumbents will display thin experimentation and slow productivity growth, even when they accumulate physical or financial capital.

From these empirical markers flows a constitutional policy perspective rather than a technocratic plan. If wealth arises from widespread discovery under general rules, then the role of the state is not to pick winners or orchestrate industrial structure, but to maintain the rule-of-law commons in which discovery can occur. That means ensuring open access to core interfaces and standards so that complements and follow-on innovations are inexpensive to explore; insisting that intellectual property rights teach through genuine disclosure and expire

reliably so knowledge flows back into the public domain; preserving contestability in procurement, licensing, and sector regulation so newcomers can challenge incumbents on merit rather than patronage; and building institutional infrastructures for reproducibility, transparency, and reputation-based accountability so verdicts about performance are honest and legible. The appropriate task of policy is constitutional and civic: to guard the informational channels through which society learns what works, to protect the dignity and liberty of ordinary experimenters, and to lower the fixed cost of modest improvements.

When these constitutional safeguards are present, creative accumulation flourishes. Innovations—technical, organizational, and social—emerge across the economic landscape; error is cheap to discover; and success is quickly imitated, often by those who differ in background, region, or scale. This process does not require heroic “disruption” or privileged monopoly sanctuaries. It requires honest money, open markets, transparent measurement, and a civic culture that esteems useful novelties, tolerates failure, and affirms the dignity of the ordinary person as an innovator. The republican spirit of innovism therefore implies an economy that looks noisy and experimental rather than orderly and centrally guided; one in which prosperity arises less from dramatic breakthroughs than from the steady accretion of ideas and practices made visible, testable, and imitable by general law.

A future formal model can encode these mechanisms—proposal arrival, feedback latency, diffusion frictions—and simulate the consequences of alternative institutional regimes. But the conceptual point is clear already. The Great Enrichment did not arise from capital deepening alone, nor from monopolized genius. It emerged from a civic order that opened the right to innovate to everyone, protected the tests of truth in markets and science, and let useful knowledge spill broadly into society. The task of policy, then, is not to engineer innovation but to protect the republic in which innovation is a common right and a civic duty. Under such rules, total factor productivity rises because learning never ceases; each failure teaches cheaply; each success becomes public treasure; and entrepreneurship remains the everyday practice of a free people.

8 Grassroots Innovators in Britain (since 1700) and the United States (since the 1780s)

The republican spirit of innovism is most clearly visible not in a few heroic laboratories but in the long, dense record of ordinary people improving methods, tools, and organizations outside formal R&D. In Britain after 1700, the core engines of growth—textiles, steam, iron, ceramics, and precision instruments—advanced through the shop-floor experiments of artisans, mechanics, millwrights, instrument makers, shopkeepers, and small proprietors. John Kay’s flying shuttle (1733) emerged from a weaver’s workshop; James Hargreaves’s spinning jenny (c. 1764) and Samuel Crompton’s mule (1779) were domestic, iterative trials by non-elite tinkers; Richard Arkwright assembled shop-tested components

into disciplined flow; Thomas Newcomen’s and Richard Trevithick’s steam developments were mine and pump experiments; Abraham Darby’s coke smelting and Josiah Wedgwood’s ceramics rested on relentless, replicable process tweaks; John Harrison’s marine chronometers were the triumph of a bench-trained clock-maker. The precision revolution—threads, gauges, machine tools—was the work of toolmakers such as Henry Maudslay and Joseph Whitworth, whose shops doubled as schools of practice. These actors bore residual uncertainty, committed time and savings ahead of sales, learned rapidly from failure, and relied on lawful imitation and reputational feedback to scale what worked. They exemplify a republic of entrepreneurs.

The social scaffolding was civic rather than ministerial. Coffeehouses, provincial clubs, and circles like the Lunar Society braided natural philosophy to shop craft; mechanics’ institutes and mutual-improvement societies spread numeracy, drawing, and practical geometry after work; cheap technical presses, handbooks, traveling lectures, and prize questions turned methods into public goods. Diffusion was the main event: improvements spread via labor mobility, visiting tours, patent disclosures, standards in threads and gauges, and the curiosity of neighboring shops. In this ecology, we observe precisely the metabolism of innovism—high proposal density, honest and rapid feedback, and wide, lawful diffusion—so total factor productivity rose because a multitude of small, imitable improvements accumulated.

The American experience from the 1780s extends and democratizes this pattern. The “American system” of manufactures—interchangeable parts, gauges, and flow—grew from armories and private workshops through iterative practice rather than centralized research. Eli Whitney’s milling fixtures, Simeon North’s and John Hall’s interchangeability, and Thomas Blanchard’s pattern lathe were shop solutions to coordination problems. Oliver Evans’s continuous flour mill reflected systems thinking by a miller-machinist; Robert Fulton orchestrated known parts into reliable steamboat service; John Deere’s steel plow, Cyrus McCormick’s reaper, Charles Goodyear’s vulcanization, Samuel Morse’s telegraph (with Alfred Vail), and Elias Howe’s and Isaac Singer’s sewing machines were commercial systems built from many modest, testable steps—technical and organizational. Bicycles, typewriters, safety razors, cash registers, and adding machines similarly advanced through long tails of micro-inventions, trade journals and fairs, and reputation-anchored service networks.

Institutional design lowered the fixed cost of ordinary innovation. A comparatively accessible, examination-based patent system rewarded disclosure and expiry; learned and technical societies (e.g., the Franklin Institute) linked “useful knowledge” to practice via lectures, journals, and prizes; lyceums, fairs, and a proliferating penny press publicized methods; markets for technology—assignments, licenses, pools—let mechanics and artisans monetize ideas without integrated R&D departments. The republic widened: clerks, machinists, foremen, traveling salesmen, and nurses proposed product tweaks, process refinements, distribution methods, and contractual innovations that compounded into sectoral productivity gains.

Two regularities deserve emphasis because they corroborate the republican

spirit of innovism. First, the modal improvement was small, practical, and readily copied. Celebrated breakthroughs mattered chiefly because countless unnamed citizens domesticated them into reliable routines, cut defects and waste, adapted them to local materials, and discovered complements. Second, the decisive infrastructure was cultural–legal, not bureaucratic–strategic: open entry to proposing; evenhanded contract enforcement; temporary, teaching intellectual property; standard-setting that reduced interface frictions; and public venues for criticism and priority. Where such general rules held, ordinary people innovated episodically throughout their lives; where privilege, censorship, or cartelized licensing prevailed, proposal density thinned and diffusion jammed.

Viewed through our synthesis—Mises on calculation and residual claimancy, Hayek on dispersed knowledge and discovery under general rules, Kirzner on alertness and equilibration, Mokyr on the market for useful knowledge, McCloskey on dignity and “trade-tested betterment,” and Phelps on grassroots dynamism—these histories reveal a common mechanism. Residual claimancy and honest prices gave shop-scale experiments a clear scoreboard; dispersed, tacit knowledge required many local conjectures under general rules; the characteristic act was alert discovery of misalignments in cost, quality, place, and time; open circuits between letters, science, and enterprise translated principles into recipes; and a new public dignity for bourgeois betterment licensed ordinary people to try—and to be honored for trying. Britain after 1700 and the United States after the 1780s became rich because innumerable non-elite citizens, operating largely outside formal laboratories, proposed, tested, and diffused useful novelties within a civic constitution that made learning fast and imitation lawful. This is the plain historical footprint of a republic of entrepreneurs animated by the republican spirit of innovism.

9 Grassroots Innovism in the 20th–Early 21st Centuries: United States and the World

From the assembly line to the smartphone, the principal engine of productivity since 1900 has remained a broad republic of entrepreneurs rather than a narrow clerisy of laboratories. In the United States, early-twentieth-century “systems of systems” were stabilized by thousands of shop-floor engineers, foremen, and operators whose iterative problem-solving made large-scale production reliable. Moving lines became workable through gauges, jigs, tolerancing, supplier learning, and field service feedback—organizational micro-inventions that multiplied output per worker without a single eponymous inventor. Mid-century consumer durables—refrigerators, radios, televisions, washing machines—advanced through incremental, widely imitated design and process tweaks across dozens of firms, with parts distributors and repair technicians serving as conduits of diffusion. In services, retail and logistics revolutions—self-service formats, barcodes, warehouse automation, containerization—were propelled by store managers, buyers, dispatchers, longshore crews, and trucking owner-operators who

adapted open standards to local constraints and thereby lifted total factor productivity through decentralized improvement.

After 1970, software and semiconductors expanded the surface area of the republic. The celebrated “garage” of Silicon Valley is sociological shorthand for low entry barriers: commodity components, open documentation, user groups, and permissive IP scopes allowed students, hobbyists, and engineers to assemble credible first products. Open systems and protocols—UNIX, TCP/IP, HTML, USB—reduced interface frictions so small teams could recombine modules without permission. The open-source movement then institutionalized lawful imitation and public method: communities around operating systems, web servers, databases, and languages turned distributed peer review into a durable production function. In Kirzner’s terms, alertness—spotting under-served niches or avoidable frictions—became the decisive faculty; in Hayek’s terms, prices and reputations compressed dispersed knowledge so countless small conjectures could be tested quickly; and in Mises’s terms, residual claimancy and honest loss made the scoreboard unforgeable.

Biomedicine in the same era exemplifies the braid of letters, science, and enterprise. Bench discoveries became therapies only when clinicians, process engineers, and small manufacturers solved stability, sterility, dosing, and scale—an accretion of “shop trials” outside big labs. Community hospitals, device repair shops, and startup clean rooms functioned as nodes of the republic in which nurses, perfusionists, machinists, and quality technicians proposed fixes and routinized them. Diffusion accelerated because journals, registries, and standards bodies codified method, while disclosure-oriented but finite IP taught competitors enough to imitate responsibly after expiry. The headline breakthroughs mattered; the mass of incremental, distributed improvements delivered most of the lives saved and costs reduced.

Globally, the same republican pattern traveled with open standards, modular supply chains, and cheap computation. In East Asian electronics and handset clusters, small firms and “maker” shops scaled product families by recombining shared parts lists; contract manufacturers institutionalized learning-by-doing across customers; and community labs, vendor application engineers, and meetups transmitted tacit know-how. In South Asia and Africa, frugal engineering, mobile money, and off-grid energy spread through informal retailers, agent networks, and repair cultures that localized designs and business models—entrepreneurship as civic practice rather than elite research. Platform marketplaces and microfinance widened residual claimancy to millions of first-time proprietors; pay-as-you-go metering, last-mile logistics, and vernacular customer support were themselves innovations, compounding productivity by converting global components into locally serviceable systems.

Digital telemetry further thickened the republic in the early twenty-first century. Cloud services, app stores, and low-code tools slashed the fixed cost to propose; A/B testing, continuous integration, and observability compressed feedback cycles to days or hours; open-data catalogs, package registries, and reproducible pipelines made copying both lawful and legible. Proposal density rose because small teams could ship credible trials; feedback speed rose be-

cause users “voted” continuously; diffusion breadth rose because platforms and standards propagated improvements at negligible marginal cost. These are precisely the empirical signatures we predict: plentiful proposals, tight loops from conjecture to verdict, and wide, lawful imitation.

Two clarifications discipline this narrative. First, elite R&D and grassroots innovism are complements, not rivals. General-purpose breakthroughs in materials, computation, or biomedicine achieve most of their social payoff only when countless non-elite actors adapt, combine, and service them—Mokyr’s prescriptive side of useful knowledge. Second, the decisive policy variable is not sector-picking but the repair of the civic commons of discovery: general rules of property and contract; freedoms of speech and association; simple, open interfaces; disclosure-oriented IP with real expiry; contestable procurement and licensing; interoperable standards; and trustworthy reputation systems. Where these conditions hold—in factories and clinics, in code forges and neighborhood shops—total factor productivity tends to rise because the republic is at work: ordinary people, repeatedly, turning ideas into reliable routines and allowing others to copy what serves strangers well.

Viewed through our synthesis, the twentieth to early twenty-first centuries do not overturn the mechanism identified earlier; they magnify it. Mises’s calculation and residual claimancy give local experiments a clear scoreboard; Hayek’s discovery procedure ensures dispersed knowledge is elicited under general rules; Kirzner’s alertness supplies the quotidian gearwork of correction; McCloskey’s dignity for “trade-tested betterment” legitimates widespread proposing; Mokyr’s circuits between letters, science, and enterprise keep learning cumulative; and Phelps’s dynamism shows why people want to participate. The modern pattern remains what it was in earlier centuries: a republic of entrepreneurs, animated by a republican spirit of innovism, compounding small, lawful, imitable improvements into persistent productivity growth.

10 Conclusion

We have argued that the modern economy is best understood—and best governed—through the republican spirit of innovism operating within a republic of entrepreneurs. The older Weberian “spirit of capitalism” rightly noticed the moralization of work and profit, yet it mislocated the mainspring of modernity in accumulation for its own sake. Read through Mises, Hayek, Kirzner, McCloskey, Mokyr, and Phelps, the record points elsewhere: when general rules secure residual claimancy and honest prices (Mises), when dispersed knowledge is mobilized by open competition as a discovery procedure (Hayek), when alertness and lawful imitation continually correct discoordinations (Kirzner), when bourgeois dignity and liberty legitimate “having a go” (McCloskey), when an Industrial Enlightenment braids propositional with prescriptive knowledge (Mokyr), and when a culture of grassroots initiative animates everyday work (Phelps), innovation becomes a civic practice widely shared. The result is not a court of heroes but a republic of entrepreneurs.

Incorporating the evidence assembled in Section 6, the thesis is civilizationally ecumenical. The republican spirit of innovism is not a Protestant artifact. Japan’s Meiji-to-Shōwa shop-floor ingenuity, South Korea’s supplier-driven learning networks, Taiwan’s contract-manufacturing recombinations, Israel’s lab-to-startup translation, Singapore’s standards-first diffusion, India’s frugal engineering, and episodes in coastal China’s factory districts all show that once lawful imitation, open entry, and honest feedback are secured, non-Protestant societies can and do operate at the frontier. The common denominator is constitutional, not confessional: rules that widen participation in proposing and keep tests fair.

This reframing clarifies three durable puzzles. First, Weber’s appetite for accumulation reappears as a broader social appetite for improvement: the animating desire in a mature commercial society is to propose and adopt better ways of doing things. Second, Schumpeter’s “creative destruction” is, at the level of welfare, better seen as creative construction: private rents function as invitations to imitation; copyable routines are how discovery becomes common wealth; the long-run signature is creative accumulation. Third, what macroeconomists label total factor productivity rises where proposal density is high, feedback is quick and honest, and diffusion is broad—features produced by open, contestable, standard-rich orders. These are institutional–cultural variables, not mere technological coefficients.

The policy stance follows. A republican constitution for innovism does not anoint champions or pick fashionable sectors; it repairs and protects the commons of discovery: simple, predictable, general rules; contestable entry and exit; interoperable, disclosure-oriented standards; intellectual property that teaches first movers’ methods and then expires; procurement and licensing that reward performance rather than pedigree; reputation systems that render quality legible to strangers; and reproducibility infrastructures in science and engineering. Where these conditions hold—in eighteenth-century workshops and twenty-first-century code forges, in hospitals, farms, and factories—non-elite actors repeatedly translate useful knowledge into reliable routines. Where they are absent, even brilliant science and large R&D budgets underperform because the pipeline from conjecture to diffusion is kinked by privilege or discretion.

This paper has been conceptual, historical, and programmatic by design. We have specified three empirical lenses—proposal density, feedback speed, diffusion breadth—that can discipline measurement and comparative analysis, and we have outlined a republican policy agenda that fits liberal means to liberal ends. The larger claim is straightforward. We introduce “republic of entrepreneurs” and “republican spirit of innovism” to name what economic history and institutional analysis already disclose: modern prosperity is a civic achievement. It arises when ordinary people are permitted and honored to propose, to be corrected, and to be copied under fair rules. To keep faith with that achievement, we should retire rhetoric that centers accumulation and elites, and adopt a constitutional language that centers discovery, diffusion, and citizens—precisely, the republican spirit of innovism.

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