

Uzolecki's Version: i

1.  $J$ : netto Invest.

$$(m + \theta n) J(t - \theta) = m J(t) - \theta J'(t)$$

2. netto

$$i(t + \theta) = \frac{\alpha}{1 + c} i(t) + \mu \frac{\Delta i(t - \theta)}{\Delta t} + \varepsilon(t)$$

3. Brutto

$$I(t + \sigma) = \alpha I(t) + b \Delta I(t) + F(t)$$

How to define?

(How you do things)

Know-how refers to the

mastering of practical operations  
(light & fire)

Learning to create a new operator  
is an innovation

(economic about - elements)

Component of operations require many simple operators

general - general innovation

(specific and non-specific)

which form part of many composite operations

"diffusion of knowledge"

know-how is here a separate form of knowledge  
technical capacity

Basic economic fact: Learning how to do things

needs time (gestation period)

this is the fundamental constraint  
of technological development  
"time" as scarce factor

The pieces of know-how are heterogeneous, just like  
the commodities of economics.

Problem of "evaluation" a stock, a population of  
"methods" (operations)  
("capabilities")

We might measure the innovation (the stock of know-how) by their effects  
for example on investments or on the demand for labor or on the demand for capital.