



FROM *START-UP NATION* TO *HEDONOMICS*: WHAT ARE THE DRIVING FORCES OF PROSPERITY AND SUCCESS?

This week, January 14-20, I will be in Ivory Coast. DM to set a meeting.

“Strength is the courage to change your mind when you discover the truth is not with you.”

Imagine you live in the Middle Ages; everyone says the world is flat in the center of the universe, but one person says it is a round sphere shape and is not at the center of the universe. Opposing a generally agreed convention is always uncomfortable and lonely.

Then, one day, a respected and reputable person says, *“Maybe, after all, Earth is not flat and not the center of the universe”*.

For those who *love wisdom* (i.e., *Philosophy*, in Greek), nothing is more satisfying than the delightful sounds of a cracking, rooted, dreadful axiom that stops humanity from stepping forward.

Could we have reached our scientific and technological achievements had we continued believing the world was flat?

The world holds its secrets from no other than those fearing challenging "agreed conventions".

The sounds of "*cracking, rooted, dreadful axiom*" are what I heard when I was exposed to the second book out of two by Singh and Saul, books that discuss the source of Israel's prosperity.

YES, those books focus on Israel, and NO, they don't discuss agriculture.

But it doesn't matter since they ask the same question we, and dozens of developing countries, care about: '*How does a developing country create economic and social prosperity?*'

While Singh and Saul's first book represents a "flat world" point of view, i.e., economic success results from technological advancement, their second book brings a new, refreshing perspective that shakes the flat world technology-based economic success concept, suggesting it might have to do with 'social aspects'.

Remember, in science, as in life, our goal is not "to be right" but to understand reality better so we can act appropriately to reach our goals faster, with less effort, and improve people's lives.

In our case, we care most about improving the livelihood of hundreds of millions of small-hold farmers.

There is only one way we can achieve the goal of shifting away from poverty: by understanding the root causes of prosperity, success, and happiness, i.e., what triggers those phenomena.

Saul Singer and Dan Senor, both with business and banking backgrounds, entered the hall of fame when they published in 2009 the book titled *Start-Up Nation: The Story of Israel's Economic Miracle*, which instantly became a *New York Times Bestseller*. Then, nearly fifteen years later, in 2023, they published their second book, *The Genius of Israel*, which instantly became a bestseller.

Why should we care about those books and discuss them?

Because, like most African and Asian countries today, Israel was not long ago a developing economy.

Israel shifted from poverty to prosperity thanks to, not although, its agro sector. Is this not interesting!?

For centuries, the economy in the territory now known as Israel was agrarian, and Jewish farmers survived only thanks to wealthy European donors.

If you think it is impossible to turn agriculture into a profitable sector, try doing it after 2000 years in exile, where the few Jews still living in *The Promised Land* do it under frequently changing empires who care nothing about the people of the land.

Yet, against all the odds, Israeli farmers became worldwide recognized and known for their innovation and success. Oh, and agriculture was the first and the primary key to Israel's path to prosperity.

Do you still think it is irrelevant for developing economies facing the same challenges?

Spoiler 1: If you've followed my previous columns, you know my perspective on the universal roots of economic prosperity and human achievement; it is consistent across sectors, countries, continents, and religions. This underscores the significance of bestselling authors investigating "the roots of national prosperity," especially as they transition from initially crediting success to technology in their first book to emphasizing social factors in their second.

Spoiler 2: In an era where the consensus links national economic prosperity to technology, the crucial takeaway isn't whether the authors' specific reasons for Israel's economic success are accurate. Instead, it lies in the notable shift away from solely attributing it to technology.

TECHNOLOGY

Israel is far from being a perfect country - that is a fact. However, since independence, it has rapidly improved its people's lives. But how?

However, Dan Senor and Saul Singer, the authors of the book *Start-Up Nation: The Story of Israel's Economic Miracle*, didn't ask if Israel is "perfect" but addressed a different question that is of high interest to many economic experts:

How is it that Israel, a country of 7.1 million people (in 2009), only sixty years old, surrounded by enemies, has more high-tech start-ups and a more significant venture capital industry per capita than any other country in the world, including peaceful, and stable nations and regions like Japan, China, India, Korea, Canada, and all of Europe? [Wikipedia](#)

The authors conclude that it results from **structural** matters and the Israeli culture, impacted by the compulsory army service and continuous immigration that encourages a flat management and organization structure.

In other words, the Israeli army system provides everybody the same chance to deal with **technology** and excel, so when the young people complete their army duty and leave the army, they bring with them to citizenship the state-of-the-art technological knowledge, experience, personal skills, teamwork habits and a broad network of relations, which enables them to become successful entrepreneurs and establish new startups faster and easier than anyone else on the planet.

In summary, **technology** creates economic prosperity.

The answer provided by *Start-Up Nation* was easy to explain, understand, and sell to the public, which is well aware of Israel's technologically advanced society and army.

The book was accepted well by the Israeli tech industry, which used it to raise more funds, and politicians who found an excuse to continue investing more in the army instead of the civil population; the book gave the perfect excuse that investing in the military is investing in the civil economy, i.e., startups.

If there was a question of what preceded what, the *Start-Up Nation* book was decisive about the answer: technology is the creator of economic prosperity, while organizational structures, such as the army, support a faster and better spreading of technological advancement.

Suppose Israel's success is indeed thanks to its technology and army. In that case, we should ask about the nation's source of success **before** "technology" became a keyword and what enabled its army's success.

I will share a secret with you: both of my parents were part of the Israeli armed forces that fought in Israel's Independence War.

Now, hear this: many of the soldiers and the supreme command of the pre-Israeli army were farmers, like my parents, or spent a significant time at a Kibbutz or Moshav.

Was it a mere coincidence?

CHANGE OF HEART

Nearly 15 years after *Start-Up Nation*, on November 2023, Dan Senor and Saul Singer published their second book – *The Genius of Israel*.

While they keep focus on Israel's economic success, this time, they bring in a broader set of questions:

Why do Israelis have among the world's highest life expectancies and lowest rates of "deaths of despair" from suicide and substance abuse? Why is Israel's population young and growing while all other wealthy democracies are aging and shrinking? How can it be that Israel, according to a United Nations ranking (and despite the wars and security problems), is the fourth happiest nation in the world? Why do Israelis tend to look to the future with hope, optimism, and purpose while the rest of the West struggles with an epidemic of loneliness, teen depression, and social decline?

The authors had to spend more time learning about Israel's society to answer those questions, which made them realize they missed some key points that set Israel apart.

In 2023, Israel is still widely admired for having the world's highest density of high-tech start-ups. However, listen to what the authors say now - **Israel's most outstanding innovation may not be a technology at all but *Israeli SOCIETY itself*.**

Senor and Singer argue that examining how a country like Israel, which grapples with numerous challenges, manages to achieve economic success and rank high in happiness (#4) can offer a surprising solution for Western nations dealing with crises related to community, human connections, and life purpose in the modern world.

The Israeli secret, so they say this time, is not its technology, management, or army but the story of a diverse people and society **built around the values of service, solidarity, and belonging**.

Senor and Singer's work turned the spotlight on the impressive innovative distinctions of Israeli society - and what other communities and countries can take and learn from this.

While keeping their eyes on national economic success, Senor and Singer go a long way from '*Technology is the source of economic successes*' to '*Values of service, solidarity, and belonging*'.

They deliver the message to their readers in the Western developed economies that '*Values of service, solidarity, and belonging*' are not only good for the economy but also therapeutic to Western democracies' most urgent challenges, e.g., life expectancy, "deaths of despair", suicide, substance abuse, population aging and shrinking, happiness, an epidemic of loneliness, teen depression, and social decline.

Takeaway: more critical than what Senor and Singer emphasize as the source of Israel's success is what they don't say; they don't say technology is its source of success.

DIGGING DEEPER

In a recent column, I explained how "*Technology is the icing on the cake, the penthouse at the top of the tower; it is visible and valuable for enhancing efficiency and productivity but is far from being the primary reason for Success in agriculture or any other sector.*" ([November 25th 2023](#))

In *Start-Up Nation*, Senor and Singer revealed the icing on the cake - technology.

Failing to understand Israel's uniqueness and its source of power, Israel invested a lot of resources in trying to "export" its success by exporting technologies and advisors related to agriculture, etc.

Did it help nations to copy the Israeli success?

To a limited extent – Yes. Dramatically? No.

Though agrotech-importing countries improved parts of their agro/other sector, overall, the economy and society of the countries receiving the support remained unchanged.

While Senor and Singer point to issues that genuinely set Israel apart from others, I am afraid they fail to reach the Root Causes that triggered Israel's economic success, which leaves them pointing to anecdotes and phenomena unique to Israel.

Sadly, we can't reach prosperity by copying anecdotes and phenomena from others, but only by copying principles, which can be applied after proper adjustments.

In *Start-Up Nation* and *The Genius of Israel*, the authors aim for other countries and communities to learn and copy Israel's success.

Other countries can undoubtedly learn and copy parts, such as how to support startups and set up large agro-projects.

Others can also learn how and what Israel did and rightfully admire it for it. However, countries can only do a little with this plenty of information, as it was not presented as easy to copy 'principles'.

In various fields like language, engineering, medicine, psychology, biology, physiology, agriculture, etc., to effectively apply learned knowledge, it's crucial to understand the fundamental principles.

Once grasped, these principles allow successful application in diverse environments without replicating the original structure.

We can see and appreciate the long way that Senor and Singer went from discussing *technology* to discussing *society* as the root of Israel's success.

Yet, for other countries and communities to use and enjoy the Israeli economic success, high life expectancy, low rate of "deaths of despair" from suicide and substance abuse, high happiness rate, optimism, etc., the authors missed reaching the core principles, and point the building blocks that needed to trigger economic success under all conditions.

And what about agriculture and rural communities?

PRINCIPLES, PRINCIPLES, PRINCIPLES

Whether we want to fight poverty and hunger in developing economies or to improve the metrics of life expectancy, loneliness, and happiness in developed economies, we must discuss **principles**.

You know the story about the blind men, each touching a different part of the elephant: a trunk, a tail, a leg, a belly, and each describes a different animal.

Today, we fight various social problems and challenges as if they are unrelated, not to mention that developed economies are sure their issues are unrelated to those of developing economies and, hence, don't care as much.

However, when we dig deep, we find that underneath the surface, the challenges of **all countries** stem from the same source and differ only by how it is reflected and affects them.

Let me repeat this critical part: in essence, the fundamental problems of all countries are similar, but the severity and how they are manifested and visible differ between countries.

To deal with those challenges, we must first understand and master those principles.

The alternative to understanding “principles” and “processes” is to continue hovering on the surface of the knowledge ocean, where, like with a giant iceberg, we can’t grasp its size and potential positive/negative impact unless we dive deep.

The current state of humanity, where 550 million small-hold farmers live in poverty and developed countries suffer pandemics of loneliness, unhappiness, negative growth, etc., is similar to a repeated crash of the Titanic into an iceberg, where every time the captain declares “*This time I am in control, and everything is going to be perfect*”. Would you trust your future in the hands of such a captain?

FEAR ONLY FEAR ITSELF

If you read this, it means that you are fearless, ready to jump into the freezing water and dive deep to find out how deep the iceberg is and its potential impact.

Many times in the past, we detected pseudo-principles (i.e., more technology, better technology, more funds, knowledge transfer, etc.), which helped us little.

However, in our quest for a better future, we didn't stop where results proved to be no more than an empty well. We continued our pursuit until we discovered the fundamental principles that no one can see but matter the most to trigger and build economic prosperity and social success.

This column is dedicated and focused on smallholders in developing economies, so I use examples related to farmers. However, this shouldn't confuse you about the merit of the **same principle** to other human and social challenges.

Furthermore, I repeatedly stressed how the principles applied in the Israeli rural communities percolated the rest of Israeli society.

If it still needs to be clarified how the same principles apply to diverse challenges, then think of social and economic challenges as you would think of living organisms.

You can think of each living organism on the planet as a separate entity unrelated to the others. This concept was common for millennia; hence, when we wanted to solve a problem of a sick plant, fish, or human, we faced each challenge separately as if nothing connected them.

However, when we understand that all living organisms are made of the same four blocks (nucleotides A, T, C, and G) of DNA, and living cells work nearly the same in plants, fish, and humans, we can fight diseases and pests easier and better regardless of the type of organism we wish to protect or cure.

But that is not all; when we dive deeper, we find that the DNA of all organisms is made of molecules, which are made of atoms, and those are made of smaller particles, etc.

In practice, living organisms are so alike that during my first few years in university, I studied many courses with a group of friends, although each of us later specialized in a different topic, such as plants, insects, fungi, veterinary, human diet, soil, etc.

We were able to do this thanks to human knowledge of how those topics that once seemed far and different are now known to be closely related, living and dying, based on the same principles and reasons.

When we solve poverty and hunger problems, we **instantly** gain the essential tools to solve the issues and challenges of the developed economies.

We can do it because developed and developing countries have more in common than they realize; hence, the solutions to their problems are based on the same principles.

We can, therefore, analyze problems (“the sickness”), be it poverty, typical to developing countries, or loneliness, typical to developed countries, and provide a dedicated solution (“the medicine”).

To practice this effectively, we need more knowledge, tools to fix the problems, awareness, and the ability to communicate and transfer information.

We miss **a new field of science** that would connect those ends under one umbrella, as Biology connects the study of all living organisms.

The new field of science should be dedicated to studying the interdisciplinary nature of wealth and happiness/well-being.

Such a novel scientific field could be termed ***Hedonomics*** (or *Eudonomics*): The Study of Wealth and Well-Being.

This term combines “Eudaimonia”, a Greek word representing human flourishing and well-being, with “Economics”.

In its broad context, the field of *Hedonomics* would encompass the study of wealth and happiness, including human communities and organizational structures, emphasizing the goal of achieving harmony and balance in both the social and economic aspects of human life.

Until we have the first faculty to offer us *Hedonomics* studies, the best you can do for yourself and those you love is to attend the [IBMA](#) conference, with its 2024 topic: *Reshaping Agribusiness Models for Building Prosperous Rural Communities*.

Suppose you would like to move straight to applying the principles of Hedonomics in your rural communities. In that case, you should have the Dream Valley program to support you on this initiative to bring change and get tangible long-term results.

Would you like to see faculty for *Hedonomics* studies?

TAKEAWAY MESSAGES

- **SOCIAL ASPECTS and NOT TECHNOLOGY** are the source of economic prosperity and human happiness.
- **EXPOSING THE PRINCIPLES** of prosperity and happiness creation remains a top priority for humans.

- **HEDONOMICS:** A call for a new field of science connecting wealth and well-being, offering principles for a harmonious society.

More on the October 7th genocide in South Israel:

[Humanity is one organism](#)

[Videos - The October 7th genocide](#)

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**** Mental and Economic Freedom Are Interconnected ****

See you soon,

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P.S.

If you missed it, here is a link to last week's blog, "[Why Embracing Your Imperfections Will Make The World A Better Place?](#)"

P.P.S.

[Dream Valley](#) is a field-proven disruptive business model based on the successful Israeli Model.

To learn more and become a Dream Valley partner, contact me at nisraely@biofeed.co.il, +972-542523425 (WhatsApp/Text)

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***Change Begins With A Decision
That The Existing Reality Is A Choice
and Not A Decree of Fate***