



The chosen few

How literacy helped the Jews

THE APPROACHING Jewish New Year 5774 is not just a time for personal soul-searching, but also for taking a hard look at ourselves as the Jewish nation.

A virtual culture war has erupted between secular Israelis and the ultra-Orthodox over the legislation to draft the latter into the army. Vitriol, invective and name-calling have erupted on both sides. In the debate over sharing the (military) burden, there has been mostly heat and very little light. “Parasites!” scream the secular. “*Shmad!*” (religious persecution) scream the Haredim.

I found “The Chosen Few,” a book on Jewish economic history by Maristella Botticini and Zvi Eckstein, enormously enlightening and relevant to the draft-the-Haredim debate, even though it ends its analysis in 1492, the year of the exile of the Jews from Spain. It was published recently in Hebrew by Tel Aviv University Press, and won the 2012 US National Jewish Book award.

Why are the Jews an urban population of traders, bankers, lawyers, physicians and scholars?

Botticini is an economics professor at Bocconi University, Milan, Italy, while Zvi Eckstein served as deputy governor of the Bank of Israel from 2006 to 2011, is in the running to become the next Bank of Israel governor, and is now dean of the School of Economics at the Interdisciplinary Center in Herzliya. Their book provides a fresh perspective on how we, the Jews, became who we are today.

“Why are the Jews an urban population of traders, entrepreneurs, bankers, financiers, lawyers, physicians and scholars... ‘the chosen few?’” ask the authors. “Why have the Jewish people experienced one of the most scattered diasporas in world history, living as a minority in cities and towns around the globe for millennia?”

Most of us know the answer.

They write, “An Israeli would respond: We were persecuted and expelled from our country and many others... We were a diaspora population for almost 2,000 years after the destruction of the Second Temple in Jerusalem.

“A European would argue that in medieval Europe, Christians were banned from lending money at interest, Jews were excluded from crafts and merchant guilds... [hence] Jews became... moneylenders, bankers and financiers... Persecutions, expulsions and massacres accounted for the Jews’ dispersal.

“And an economist would maintain that Jews were repeatedly persecuted, reducing their incentive to invest in physical capital... [instead] they invested in human capital [education], which is highly portable and not subject to the risk of expropriation.”

These three views all comprise what has been called the lachrymose theory of Jewish history, which claims that we Jews are what we are because, well, the anti-Semites hated us. I subscribed to it, too. My own parents and grandparents fled Bessarabia and immigrated to Canada after the Kishinev pogroms in 1903 and 1905.

But, say Botticini and Eckstein, “none of these [three] long-held views is valid. The true explanation lies elsewhere... The destruction of the Second Temple in 70 CE... transformed Judaism from a cult based on ritual sacrifices to a religion whose main norm required every Jewish man to read and study the Torah in Hebrew and to send his sons to school or synagogue to learn to do so. The unifying force of the Temple was replaced by the unifying force of Torah.

But this meant every Jew had to be literate, to know the Torah. As a result, Jews were literate when others were not. This gave Jews a comparative advantage in the burgeoning commercial economy, in crafts, trade, commerce, moneylending, banking, finance and medicine. A voluntary diaspora occurred when Jews dispersed in search of worldwide opportunities.”

I interviewed Botticini and Eckstein in an effort to delve deeper into their iconoclastic premise.

Was it truly the Jews’ literacy that created the chosen few, or was it instead the Jewish worldwide network that built wealth on banking?

“The causality is from literacy/education to networking abilities. First you become literate and educated. Then you move to occupations that benefit from education, such as trade and finance. Then you become mobile because you move in search of business opportunities.

BY MOVING and because you are educated, you develop networking abilities. If Jewish children and adults learned to read the Torah in Hebrew, they could read other texts, such as letters and contracts. Thus, religious literacy helped them acquire general literacy. In the period we study, 70-1492, Jews learned different local languages, e.g. Aramaic, Greek, Latin, Arabic, Spanish and German. Literacy and education fostered mobility... which then fostered networking among Jews in different locations... very valuable for traders and bankers.”

I believe there is another element that made the Jewish network highly valuable, too – ethics, related to Torah study. People trusted the Jews to handle and transfer their money because they were honest, anchored by a strong code of law. This is relevant in today’s post-crisis world, in which ordinary people no longer trust in banks, banks don’t trust other banks, and people don’t trust their governments, because they bailed out the banks and the wealthy people who own them with the people’s money. Is it not trust rather than capital that drives global banking, then and now?

“Many centuries ago, the Jews had a set of contract-enforcing institutions – a legal written code, the Talmud, rabbinical courts, and rabbinical written Responsa that helped solve legal controversies when unforeseen in the Talmud... Values, ethics and codes of law are important pillars of how markets



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function. Maybe we can blame economists and economic historians (including the two of us, of course) for not having communicated this message with enough strength and clarity to the general public.”

The place where I work, the Technion-Israel Institute of Technology, was founded by Martin Buber and Chaim Weizmann in 1912 because Jews were excluded from technical studies in Russia. Doesn't this support the 'persecution' theory?

“We do not deny legal restrictions, bans or persecution in Jewish history. Some restrictions occurred later in the modern period, but not in the period we study, between 70 and 1492. If these restrictions did not exist, they cannot explain why Jews left agriculture and entered trade, finance, medicine, etc. There must have been some other factor.”

How is “The Chosen Few” relevant to the fierce debate over drafting Haredim? I would like to recount two personal stories.

First, many years ago, a young man named Rabbi Dov P. came into my office at Tel Aviv University, where I was then a young lecturer and new immigrant. He wore the garb of a Haredi. He studied day and night at an elite yeshiva. But out of interest, he was also doing an external BA degree in economics, by correspondence, with a British university. He asked me a question about economic theory. His rabbis did not, of course, know about his moonlighting; such study was *bitul Torah* (wasting time that should be spent on Torah). The correspondence course was highly demanding. But Dov did the studying and homework in his spare time, with great ease, and had mastered economic theory. For him, economics was child's play compared to the

complexities of Talmud.

Since then, I've always regretted the enormous waste of Haredi brainpower when only Torah and Talmud are studied. In history, Jews studied both Torah and professions. Abroad, today, they study both. Why not in Israel? And the road to professions and productive labor requires army service or some form of national service.

SECOND, TWO years ago, I interviewed Aharon D., who was completing his BSc degree in civil engineering at the Technion. One of 12 children in an ultra-Orthodox Bnei Brak family, he studied 11 hours a day in a yeshiva – no math, no science. At age 25, with a wife, two children and another on the way, he left the yeshiva and enrolled in the Technion's preparatory course. When the lecturer wrote an algebraic equation on the



MIRIAM ALSTER / FLASH 90

Zvi Eckstein



PAOLO TONATO

Maristella Botticini



Hebrew translation of 'The Chosen Few'

board, Aharon asked him: What is that thing with the two lines? (It was an “x”!). Aharon said he realized he had to understand math the way he understood Talmud. And he did. He supported his family by working for a *hevra kadisha* (burial society). He is now considering doing graduate studies.

The Haredim are right. We Jews are who we are, as “The Chosen Few” shows convincingly, because we studied Torah and Talmud. This is a core value that must never be discarded or demeaned. Let us cherish and strengthen it.

At the same time, secular Israelis are right, too. At no time in Jewish history did all observant Jews sit and study Torah for their entire lives. A tiny select handful did. Let’s choose that handful carefully, just as we selectively choose our professors of philosophy and literature. Let the rest study Torah and Talmud and also work productively and defend their families and their country.

Your next book, a sequel, will be called “The Chosen Many.” What will it be about?

“What explains the divergent trajectory of Ashkenazi vs. Sephardi Jews in the 450 years after the 1492-7 Iberian expulsion? Around 1492, there were about 500,000 Ashkenazim and 500,000 Sephardim in the world. Some 450 years later, there were about 14.3 million Ashkenazim and 2.2 million Sephardim.

Why? Why was there almost no migration of Jews from the Mideast and North Africa to the US, Canada and South America? Why did Jewish migration from central and Eastern Europe greatly accelerate at the end of the 19th century and not earlier? Why were Jews key players in commercial and financial sectors during the 17th-19th centuries but contributed very little during the Scientific Revolution or the Industrial Revolution? We hope “The Chosen Many” will shed light on these fascinating questions.

I MUSTERED up my courage and asked Maristella, “Are you Jewish?”

“I am not Jewish. But three things made me deeply attached to Judaism, the Jewish people and Israel. One – When I was six, my parents (both with primary school educations and blue-collar jobs) bought me an illustrated kids’ encyclopedia. I learned that many things existed beyond my village, histories of people who lived centuries earlier. This is one of the many reasons I deeply admire the Jews. They cherished learning and study for everyone, two millennia ago.

Two – My name Maristella is the Italian equivalent of the Latin *Stella Maris* (Star of the Sea), a widespread first name of Jewish women in Italy in the Middle Ages. Who knows? Maybe I have among my ancestors a great-great-great-great grandmother called

Stella. Three – I bumped almost by chance into Jews and Jewish history at graduate school. One day, I met Zvika [Eckstein] at Boston University. We started talking about research and the rest is history. He is a fantastic scholar and a wonderful co-author. Our families are also bonded by personal friendship.”

Botticini and Eckstein raise a worrisome issue. “About 80 percent of Jews in the United States are college educated. In Israel, less than 40 percent have a college education. Can this gap persist? Is [our] theory consistent with the exceptional success of the recent Israeli high-tech boom?”

I have now rethought my own family’s history. True, my grandparents and parents fled pogroms and grinding poverty. But they were pulled to Canada, in part because Canada needed them, their energy, honesty, hard work, and high aspirations. And I was pulled to Israel, in part because Israel in 1967 needed economists to teach at the newly founded Tel Aviv University. I had in fact chosen to study economics partly for that reason, after a chat with the founding father of Israeli economics, Don Patinkin. Am I – and my ancestors, too – evidence for “The Chosen Few”?

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