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ENTREPRENEUR

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# EVERYONE IS AN ENTREPRENEUR

Selling Economic Self-Determination in a  
Post-Soviet World

**By Gregory V. Diehl**



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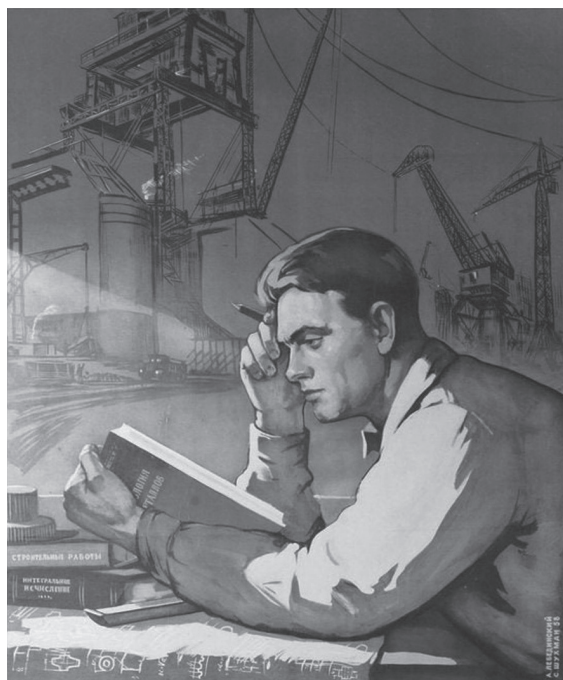
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## **DEDICATION**

Knowledge is the prime source of wealth in the world. The knowledge promoted by this book represents my best attempt to temper the problem of inadequate wealth to sustain human comfort and thriving, otherwise known as poverty. It is how I wish to contribute to a state of ample opportunities among all people, which we can think of as greater wealth. Consequently, this book is dedicated to humanity.



**ЧТОБЫ СТРОИТЬ-НАДО ЗНАТЬ,  
ЧТОБЫ ЗНАТЬ-НАДО УЧИТЬСЯ**

”

In order to build,  
one must know. In  
order to know, one  
must learn.

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# PREFACE

I HAVE WRITTEN this book for the man or woman who is intensely curious about how the world works and how they can improve their working worldview. It is for the person who is bold enough to question their beliefs about what value they can offer the world and, in turn, receive from it. These words are for those who do not accept limitations at face value, automatically believe what others believe, or follow rules for the sake of following them regardless of where they live in the world or the forces currently controlling their choices.

There may be some who open this book expecting tactical advice on improving the sales or management of their enterprises, cutting costs and increasing profits, and the like. Or perhaps they are seeking motivational prose for people who pursue lifestyle and financial freedom by becoming their own bosses. Such readers might overlook the purpose of the broader examination of entrepreneurial principles and world culture contained herein. They may miss the point of anecdotes featuring villagers trying to maximize the productive output of their dairy cows, the scarcity and necessity of a commodity called hay in winter, and the dynamics of baking and selling bread in a tyrannically controlled economy. They may not see the direct and principled connection between the choices they make in their own lives and the choices made by people the world over with superficially different lifestyles.

What's written here was directly inspired by the need I saw for knowledge of the principles of entrepreneurship among the

rural residents of a scenic but underdeveloped village called Kalavan in the Gegharkunik province of the far-Eastern European (or far-Western Asian) nation of Armenia. It is a place where, beginning three years ago, I decided to make a home for myself. At that time, I purchased an old house in disrepair and began to gradually improve the state of my domicile and my social presence within the community. What began at first as an early retirement plan and the opportunity to explore Armenia, my maternal grandmother's nation of origin, turned into an on-the-ground examination of how this former Soviet nation has adjusted to the freedoms and responsibilities that come with the economic self-determination that followed the collapse of communist control.

In my observation, it is people in this transitional state (in what economists might call frontier or emerging markets) who have the most to gain from learning to see the world as entrepreneurs. Fortunately, they now have the freedom to do so for the first time since near-total authoritarian control began over the economy and culture a century ago at the inception of the USSR. Despite how it is popularly depicted, entrepreneurship is not confined to offices or boardrooms, university lecture halls, startup garages, or trendy online membership forums. It does not require the hiring of employees and the turnover of millions of units of whatever asset someone manages to take to market. Entrepreneurship is a mindset, a revolutionary way of seeing the world that applies equally to people in all cultural and economic circumstances.

Take particular note of the fact that the title of this book is not "*Everyone Should Become an Entrepreneur.*" It's "*Everyone Is an Entrepreneur.*" There are none who do not fall under this description, except perhaps infants, the braindead, or the unconscious, who are incapable of making choices and performing willful actions in the pursuit of conscious goals. There is no

escaping the fundamental principles of how intelligent human beings strategize to interact with reality to produce and manage the things they consider valuable: Not artists, doctors, teachers, laborers, farmers, homemakers, scientists, or any other category of service you can imagine, irrespective of age, nationality, race, religion, or gender. There is no one whose life cannot be improved by learning how to think this way and applying the logic of these principles to all their choices.

Entrepreneurship, like science, is at once a submission to the truth and the determination to squeeze out every emergent property the truth can offer. Everyone is an entrepreneur to the extent that they seek to interact with reality on its own terms in order to change it to be more satisfying to them. To cease being an entrepreneur would be to give up entirely on the idea of a principled approach to life, to willfully deny oneself the pursuit of one's own values. It would be to adopt a magical way of thinking that demands reality change to meet human expectations without first changing human understanding and actions to meet reality as it is.

Adopting and applying this paradigm of self-determination is what this book aims to help the reader accomplish, no matter where they live or their present level of material wealth and professional experience. Even lacking direct, explicit, and organized education, someone with an entrepreneurial way of seeing things can pick up on relevant patterns and principles, so long as they have the opportunity to observe them and the freedom to apply them. That's the point of willful entrepreneurship: To stop feeling like a victim of circumstances and instead believe in our reasonable ability to direct the outcomes of our lives.

Gregory Diehl  
Kalavan, Armenia



# THE STIFLED FLOWERING OF ENTREPRENEURSHIP IN A POST- SOVIET CULTURE

IF YOU ARE a Westerner who has grown up in a predominantly free society, you have had your paradigm for interacting with the world formed primarily by the opportunities afforded to you by your and your neighbors' abundant liberty. It's something often taken for granted: The freedom to, in large part, determine your own values, your own philosophical identity, your own role in society, the information and activities you will fill your own life with, and how you will pursue your own highest sense of happiness and purpose. It might be difficult or even impossible for you to imagine what life would be like if such essential choices were withheld from you, determined for you by a centralized authority that claimed the right to make them on your behalf and enforce your compliance through threats of imprisonment, forced labor, or execution.

That bleak depiction is precisely what life was like for millions of people living in one of the 15 nations under communist rule in the Soviet Union until just thirty years ago in 1991. The communist system collapsed after 71 years, and the citizens of previously dictatorially controlled nations were free again to do what they saw fit with their own lives, according to whatever best served their interests. Despite the fundamental econom-

ic, educational, and political changes that have emerged since those dark and directionless early days of independence, the methods many such people learned to live by continue to be carried over in their lives (and the lives of their children and grandchildren) now, even long after they gained the freedom to make those choices for themselves. Concepts related to business, wealth accumulation, self-fulfillment, and the conscious pursuit of meaningful goals that might seem to be common knowledge and in the best interests of all people continue to be overlooked—**not because people are too unintelligent or oblivious to understand them, but because they have been conditioned by generations of restricted freedoms and fear-based incentives away from such proactive ideas.** In the oppressive world they grew up in, such concepts were irrelevant or even dangerous to consider, so it's no wonder that there is still lingering reluctance in post-Soviet cultures to think about entrepreneurship proactively.

In the command economy of the Soviet Union, control over providing the basic necessities of life was taken out of the hands of individuals, so those individuals never developed paradigms that would have empowered them to take care of their own needs. Whatever they needed was provided for them in a bare minimum fashion without any possibility of disagreement or choice about what was proclaimed the best possible manner for the good of Soviet society. And when the State inevitably failed to adequately deliver the necessities it promised, there was no recourse or alternative avenues available to acquire what was needed. Even if individuals were clever and ambitious enough to devise alternative means of production and economic exchange outside the tyrannical rule of their Soviet leaders, they faced harsh and violent treatment from the penal system for doing so. It was illegal to even think or speak ideas that were counter to communist ideals, as an anti-Soviet mentality was

classified as a mental disorder by the State. Contributing to “propaganda” that weakened Soviet authority or defamed the Soviet State was punishable by up to a decade behind bars.

Why was it inevitable that the centralized planners running the show and determining who needed what goods and services and in what quantities would fail integrally at their task? Why was the Soviet Union doomed to collapse from the outset? The answer is simple, and it is the same answer that explains why any intentional effort can fail to produce the intended outcome: The methods employed were incompatible with the reality being dealt with. No one can ignore the laws of economics because they seem unfair or inconvenient and expect a positive outcome. They likewise cannot ignore the laws of physics, even if being stuck to the ground or the inability to phase through solid objects is a bit inconvenient, or that two and two make four just because they prefer the sum to be five. They cannot succeed in these defiances against reality even with the full might of the Red Army to support their opposition.

If the ideal outcome of the economy is to meet the maximum amount of its participants’ needs for the minimum costs required from them, only the millions of individuals participating in the Soviet economy could have adequately expressed what those needs were and how much of their time, labor, capital, and other assets they were willing, as individuals, to invest in acquiring them. The authorities forcefully commanding the Soviet economy made the same mistake that all authorities trying to make people behave in prescribed manners make: They ignored the actual priorities of the people and attempted to override them with their own under threat of violence for non-compliance and utopian indoctrination that required utter dependence on appointed leaders.

The fatal flaw was that the Soviet economic machine was never running according to natural and authentic inputs by

the people seeking to meet their goals within it. It was, instead, elaborately and convolutedly constructed to produce the arrangement of goods and services that a small group of disproportionately powerful people decided would be in the best interests of everyone. Such an illegitimate representation of what consumers wanted could never begin to approach the optimal method of filling those wants. It also could not even produce its fabricated mandates in an optimally cost-efficient manner. The result was more and more costs required for less and less actual productive output, and what was produced was far from the optimal arrangement of what people actually wanted.

Under Soviet economic rule, both output and input were sabotaged from the start. There is no way for a Labor Department to organically calculate what productive roles people are best suited to perform and the ideal way to compensate them for their productivity without allowing them to make those choices according to their own priorities and abilities on an individual level. No generic and universal mandate can ever adequately approximate the vast confluence of what value is available to be supplied and what value is presently in demand, and the consequences of ignoring this fact only get more drastic the larger the scale of the economy.

What do you suppose the justification used by Soviet authorities for taking control over the arrangement of their economy was? In large part, it was a circular claim about individuals' inability to make those kinds of vital choices for themselves. It's easy for people to fall into the fallacy of thinking that the way something is presently done is the only (or best) way it ever can be. So, all a Soviet supporter needed to do to invent a justification for what an outsider would see as human rights violations and counterproductive economic policies was point to the visible occurrence of something as simple as the State providing bread rations for hungry people.



“See? We are feeding the hungry,” they could claim. “Without us taking the extreme measures we do, these people would have no bread and quickly starve to death. The fact that any people at all are still alive is due to our direct intervention in the natural process of their starvation and the benevolence we gift them. If we were to stop forcing the production and distribution of bread to occur, there would be no bread at all.”

This analysis leaves out an obvious yet unspoken premise: The only reason the State was the only producer of bread was that they employed violence against the bread-producing populace to ensure things worked out that way. There was generally no flour available in stores because the State controlled the production and distribution of flour. If any individual figured out a better way to produce grain and offer bread outside of State control and attempted to offer it on the market to hungry people, there would quickly be efforts to remove these private producers from the economy. Their choices and mentality would be seen as threats to all the people who depended upon State-produced bread. They would be considered profoundly selfish for taking matters into their own hands and caring foremost about their own benefit at the expense of the collective need for bread. That individuals continued to risk death by State mandate in order to find their own under-the-table methods of feeding themselves, their families, and their communities is a testament to just how bad the State was at meeting these essential needs for them.

This simplistic centralized economic model of feeding people also completely overlooks the fact that there are countless varieties of staple foods beyond mere bread, and there are equally untapped strategies for producing enough calories and micronutrients to sustain large populations of human life. In the West, where more varieties of food now exist in greater abundance than any other time in history, many people even

elect to omit bread and other grain foods from their diet, which is something that would have seemed impossible to Soviet citizens who principally depended upon bread to meet even a basic level of nourishment.

It is now so easy to feed people in the West, in fact, that we have created the inverse problem of starvation: Far more people now die from eating *too much* than eating *not enough*. This is a beautiful form of irony that perfectly demonstrates what can happen when artificial restraints to production and consumption are removed and entrepreneurs are enabled to serve their vital function in society. More problems are solved in a greater variety of ways when you have more people free and incentivized to solve them. But a single centralized body can never take into account all the possibilities outside the linear models it has adopted as the singular means to solve what it perceives as singular problems.

Over the last 15 years, I have traveled from one economically developing country to another, living, working, or teaching among the local populations in more than 50 nations. I began my journey where I grew up in California but ended it in a rural village of Armenia, where I have lived the last three years. In many ways, the cultural mentalities regarding how to organize the productive pursuits of life could not be more different.

But what has always stood out to me is how often many of the poorest residents of a nation, notably those who live in villages or small communities away from major cities, are quite competent and talented in a range of important lifestyle skills. Their isolated lives require them to be. If they need to repair parts of their homes to protect themselves from poor weather, there is no handyman to call to give them an estimate and a timeline for the job. If their cars break down in an unfortunate spot, the burden is theirs to provide for themselves and support each other in fixing them with whatever is available. There is

simply a problem, with real consequences, that they need to figure out how to solve as soon and as efficiently as possible.

Even without access to modern schooling, books, or the internet, as is often the case, they manage to pass wisdom and skills among their communities, from the old to the young and neighbor to neighbor. But what they rarely seem to learn is how to apply their knowledge and skills in tactical and systematic ways to take control over their ability to produce, manage, and leverage value in their favor.

The cause of this strategic shortcoming seems obvious. When people grow up with one particular paradigm for how they are allowed or ought to interact with reality, they will usually carry that paradigm forward for the remainder of their lives, no matter what changes around them. Likely, they will also pass their limiting beliefs on to their children, even if it is evident to an outsider that the world their children live in is radically different than the one they adapted to. While this unfortunate bias applies to all of us, it is of particular consequence to cultures undergoing rapid and massive changes in political and economic practice. The rules of the game that previous generations learned to play by as they were coming of age are outdated and often counterproductive to the aims of their progeny.

One conversation I had with Mery, a young Armenian woman from the capital city of Yerevan working as an English teacher in a village neighboring mine, comes to mind. She introduced me to her young students as a “business author” and then described her ideas about what business is to them in a way fairly close to how I would describe gambling. **“In business, you need to risk everything you have to start something new. And you might be very lucky for a little while and make a lot of money, but then the next day, you could just lose everything and go out of business.”**

What sticks out to you about this description? To me, it reeks of a sense of having zero control over the outcome of be-

ing involved in business. Perhaps such people get into business for the wrong reasons and under the wrong impressions about how it will work. Perhaps they view it as a guaranteed get-rich-quick vehicle that is bound to bring hundreds of eager patrons with cash to burn to their doors. And maybe, just maybe, such people happen to be in the right place and at the right time with the right product so that they find some modicum of success at the start. But they are not capable of telling the difference between what they are doing right and what they are doing wrong, and, sooner or later, their mistakes catch up to them. The success (or the illusion of success) they start with quickly crumbles, and they are left with only the cold reality of a non-sustainable business model. They don't know what they did wrong, so they can't even blame themselves. They only blame some nebulous concept of business itself or the market conditions under which they failed to find success.

That's why such people prefer the apparent certainty of a guaranteed paycheck, however meager it may be and however unrewarding the work required to earn it. At the very least, they know their job won't just crumble beneath their feet for reasons they can't identify. This outlook is, of course, only an illusion of security. Any job in any organization can disappear at any time for reasons either in or out of their control. But a job creates the appearance of comfort, security, and a place to belong in the world, and that appearance is all some people have. They prefer it to the unknown uncertainties of trying to make it on their own.

It's quite ironic that laypeople tend to think of economics as a dull or impractical subject to learn about or discuss. In my paradigm, economics describes the sum total of willful human behavior on this planet. It's fascinating for me to consider everything it encompasses and how every choice people make interacts with and affects every other choice.

Economics is also one of the subjects that the average person seems to be the most ignorant on and, more than that, ignorant even of the fact that they are ignorant of it. Whereas someone who does not study biology or mathematics likely won't profess to understand very well how they work or form strong vocal opinions about them, it seems that just about everyone insists on some particular view of how economics does or ought to work, as though its objective nature were somehow malleable to popular opinion and the culture of the day. I've often pondered why this might be the case. The best answer I can come up with is that most people have never been taught that the science of economics even *has* an objective nature at all, most likely because it is the study of human choice, and humans have free will after all. Therefore, so they seem to think, economic models should operate however we freely will them to.

What this unvoiced analysis misses is that economics is the study of human choice applied to an objective and finite reality that functions according to hard and fast rules. It is a discourse on how we interact with reality to get what we want from it and change it to how we want it to be. There is no way to do this without first acknowledging the natural laws and qualities of reality, including the topics we call economics and entrepreneurship. **An entrepreneur, in principle, is merely someone who produces or manages wealth in the form of subjective value.** It is impossible to consciously live without doing this.

Many of my Armenian countrymen and other post-Soviet citizens still live today in a culturally derived state of unconscious fear about the concept of freedom and personal responsibility. Having lived under the control of dictators for so many decades, many have lost the natural and innate sense of pride that comes from taking charge of one's own life, deciding for oneself how that life will go, and achieving through intentional effort what one wants for themselves. The transition to a sys-

tem of relatively greater personal freedom at the termination of Soviet control and the new paradigm required by it was not easy for them. Many among the older generations continued to believe that dictatorship and economic enslavement were preferable to the unprecedented burdens that are inherent to acting willfully within the world that they faced for the first time. They preferred a powerful and imposing figurehead or State agency to make choices for them about their production and management of wealth.

This pathological fear of freedom prompts parents and grandparents here in Armenia to teach their children to avoid unnecessary risk, which also means cutting them off from the possibility of emergent gains. The predictable result is that many talented and creative young individuals found great incentive to leave the limitations of Armenia for foreign lands that could provide greater freedom and opportunity to pursue their ambitions. And without its most entrepreneurially minded forward-thinking youth, Armenia's progress toward economic sustainability and abundance remains stifled.

Money is exchanging hands every single day all around us. Everyone decides all the time that there are countless things they would rather have than money, and that's why they make the exchanges that they do. Through this lens, it's really a wonder that anyone has any trouble finding at least one way to make money at all. Monetary exchange defines our modern way of life. The number of ways to *spend* money grows every day, and, by corollary, so does the number of ways to *make* money. After all, for every dollar, euro, yen, or dram spent, there must be a dollar, euro, yen, or dram received.

But people rarely think this way. They, of course, see the obvious range of options for giving their hard-earned money away. We are inundated with advertising and the other effects of consumerism that encourage us to spend, spend, spend on

everything under the sun, including things we might not have even previously known existed, let alone that we should want. But when people think about the opposite side of the equation—the options for *making* money—they tend to view the world through limited and rigid structures pertaining to acceptable career paths.

So, why the imbalance? Why have we accepted that opportunities for spending money are abundant and freeform, but opportunities for making it are scarce and must adhere to strict dogmatic rules and be forced to occur under the limiting eye of bureaucratic social institutions? The answer is not physical or even intellectual in nature; the answer, of course, is cultural. And, fortunately for those who struggle the most to make a living in the world, culture can change. To be an economic success, all anyone really has to do is produce more than they consume. The ways they can arrange their choices and actions to accomplish that are as endless as the forms of wealth that exist for them to produce or manage in the first place.

You may already be critical of my premises and approach to this much-debated subject. **Accordingly, you should accept the arguments I make throughout this written work *only* if you agree with the premises and definitions I present and see the logical connections I make between them.** It has been my endeavor to be as clear and consistent as possible with the key terms I use; to that end, you will find a principled glossary of entrepreneurial terms at the end of this book that elaborates on exactly what I mean within the confines of this book and in the context of economics.

More than that, you should be able to extrapolate beyond the isolated, anecdotal examples I give here and apply them to whatever is going on in your own life and the cultural and economic conditions you are in. Only then can we say that the principles I endorse are universal and that they are not appli-

cable only in a particular nation, economy, or at some arbitrary level of personal wealth and education. They apply to the most impoverished and least educated third-world residents just as much as they do to the rich and credentialed residents of the most developed countries on Earth.

I have never been one to let cultural associations with how things are *supposed* to work (or how people would *prefer* that they worked) stop me from figuring out on my own how they actually *do* work. And, in the end, that's all anyone needs to be a successful entrepreneur at any scale: The willingness to try new things, question established practices, and think for themselves about the best way to accomplish their goals according to only the hard and firm rules of reality. Anyone who tells you differently is trying to affirm the limitations of the paradigm they've learned to live by... or perhaps they're just trying to sell you something.



SECTION I:

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**WHAT WEALTH IS AND WHERE IT  
COMES FROM**

**ALMOST EVERYONE ALIVE today is wealthier than almost everyone who lived in previous generations.** Analyzing the validity of that bold claim requires us to first have a useful understanding of what wealth is and the natural hierarchy of how it comes into being. What most people think of when they picture wealth in their heads is actually only a facsimile of it, the map that points to the genuine territory it is supposed to be representing. Even those who most people consider to be professionally successful might not understand the nature of their material wealth and where it comes from.

Is seeing a large number in your bank account balance wealth? How could it be? It's just a series of numeric symbols on a screen or a piece of paper. Of what utility is that? What about the paper cash you carry in your wallet? Is that wealth? After all, it's just colorful paper (or plastic polymer, depending on what country you live in) with some cryptic designs and portraits of long-dead leaders.

Are precious metals like gold and silver wealth? What about diamonds and precious gemstones? Is Bitcoin wealth? It's just a bunch of computer code. But then again, so is every computer program ever written. Is owning stock in a successful company wealth? The company is certainly wealthy.

Is having completed a bachelor's degree, master's degree, or doctorate at a prestigious university wealth? They sure are expensive, so they must somehow correlate to the acquisition of wealth, right? Is knowing advanced calculus wealth? Or how to change a flat tire?

Are 1,000 rolls of toilet paper stockpiled in your basement wealth? How about a toolbox full of various hammers, saws, and drill bits? Does such an analysis depend at least partially upon your knowledge of what to do with such tools and your skill related to building or fixing things with them?

**Wealth is something that every person in the world both produces and consumes every waking day of their lives.** Yet, for something so ubiquitous, we seem to have a lot of misaligned ideas about what it is, how it works, and the best ways to procure and grow it.

All wealth derives from creation, and creation is the result of our choices and intentional actions. We use our knowledge and our skills to create things that we find useful. Utility is whatever is objectively capable of delivering value to an individual. But what you find useful might be very different than what I find useful or what the man down the street or on the other side of the planet finds useful. Value is whatever will bring an individual to a higher state of subjective satisfaction. What is subjectively valuable will change throughout a person's life and even moment to moment with the passing moods of each day. How two people prioritize all their values will never be completely identical.

This is the principle that allows a free society, a massive conglomeration of strangers working harmoniously for mutual benefit, to function. **Our differences in preference and ability allow one individual to pursue their own values by helping someone else pursue theirs and vice versa.** If everyone wanted the same things to the same degree (and they were equally capable of acquiring them), commerce as we know it could not function. All people would work to pursue the same arrangement of knowledge, skills, and material goods. It is our differences that enable us to specialize the application of our thoughts and labor to produce specific things that other people will want enough to exchange the specialized products of their labor for. We get something we want that we could not or would not have produced on our own, and so do they.

A wealthy person is one who has an abundance of options, a broad array of opportunities for utility. They have many av-

enues to acquire what will bring them satisfaction. They have more ways to solve the various problems of living than people of lesser wealth. They have more security, so long as they manage their wealth strategically, because there are fewer catastrophes that they are not prepared to manage or could not find a way to recover from. Wealth is ownership of assets that deliver subjective value; it is selective dominion and control.

That is why we can confidently say that almost everyone alive today is wealthier than almost everyone who lived in previous generations. The cultural ubiquity of modern technology in almost every part of the world today, such as plumbing, electricity, internet access, and cheap and accessible smartphones in some of the most impoverished places, affords opportunities to nearly everyone that could not have existed in generations prior. The common person today has more choice and available actions than royalty of ages past could neither have dreamt of nor exchanged every stone, horse, and servant in their kingdoms to acquire.

The generations that preceded us made it possible for us to enjoy our material splendor by gradually innovating new knowledge and technology for harvesting and refining the natural resources of the planet into useful commodities. Those commodities have been turned into goods that enable us to pursue goals that seem ordinary to us but that would have seemed like magic to anyone from a time before. Our economies and networks of exchange have developed to a point where we can find ways to buy almost anything we want that we cannot produce ourselves, so long as it exists somewhere on the planet, because we can communicate with other producers across barriers of language and culture and overcome logistical difficulties across any distance or terrain. And we can offer something other producers will find valuable in return for whatever random or esoteric product they happen to be capable of providing,

## SECTION I

even if what we give them is just a numerical representation of real wealth.

And because we are so blinded by our modern opulence, almost all of us forget what it is like not to have so many options from the time we are born. We can hardly imagine what it would be like to live in a society where we would have to find ways to provide all the things we consume by ourselves or from a small local community because they aren't instantly and universally available. So, we forget where things come from and what it means to be someone who plays a part in creating the visible splendor we associate with a high standard of living. But all the while, the truth remains that it is ordinary human knowledge, skills, and technology that are the foundation of everything we consider to be wealth.



## CHAPTER 01

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# KNOWLEDGE AND SKILL— INFORMATION AND ITS USEFUL APPLICATION

FREQUENTLY, WHAT PEOPLE assume to be the most critical component of wealth and security is the willingness to work hard. It's a very linear equation in their minds: If you want to get wealthier, you have to work harder at it. And there are, certainly, tasks that must be done where this linear analysis is quite appropriate. If there's a large and heavy boulder in the road you're on (and no other paths are available), you're not going to get anywhere until you've found a way to move it, which will undoubtedly involve some amount of physical exertion. But even within this controlled micro-analysis, your ability to move what blocks you does not come down to your willingness to work hard alone. Certainly, all other things being equal, a larger and stronger person with high endurance will have an easier time pushing a boulder than a smaller and weaker person with low endurance.

But your success will also depend on your knowledge and ability to assess the situation and the resources available to you in your environment that might give you leverage and amplify the effectiveness of your actions. If you are extremely clever and resourceful, you might even be able to improvise tools on the spot that allow you to get the task done faster and with less exertion. If you are a good manager of people and can convince even complete strangers to help you in your task (with each focusing on what they are best at), what seemed like an impossible challenge might suddenly become quite manageable. With enough study, you might improve your powers of observation so much that you see obvious solutions that were there the whole time but which you had overlooked because you thought pushing as hard as you could was the only way to move the boulder.

Simply throwing yourself, body and soul, at the boulder until the end of time like Sisyphus is not the most efficient way to work. The knowledge of how to use (and, if necessary, improvise) tools that will multiply the effects of the force generated by the muscles in your body will ultimately contribute more to the moving of the boulder than mere brute force alone.

**In the chain of value causality, knowledge of how reality works is the prime mover.** From our knowledge, all our choices spring. By understanding what to do or not do in order to achieve the outcomes we want and avoid the outcomes we don't want, we become capable of performing useful actions. If wealth is valuable utility, it is our primary priority to become educated on what is valuable (both to ourselves and to others) and how to access or create it.

It may take some paradigmatic adjustment to begin to see the world this way, but nothing that exists in nature actually has any utility in its default state. Without some kind of deliberate action upon it to make it useful, it remains only a raw,



unrefined resource with the *potential* for utility. Its inherent potential, however great, still relies upon a human mind attuned to recognizing the value in it that will acquire and act upon it.

Consider the history of the planet. The vast majority of natural resources that exist today on Earth have existed in roughly their present forms for millions of years. Various woods, metal ores, and fossil fuels have been around longer than we can imagine. Even the modern plants and animals we cultivate as our primary foodstuffs have ancient equivalents. If their value has been the same all this time, why is it that only in recent decades and centuries do we see their value being put to use in a scalable sort of way? Our earliest primitive ancestors and every non-human animal should have had access to the same levels of wealth as modern humans if the value truly exists inherently within every resource in its natural state.

But clearly, that is not the case. There is a major discrepancy between what we are capable of accomplishing with natural resources now and in the recent past than at any time before or what any creature of lesser intelligence has *ever* been capable of. The difference is knowledge of what to do with our abundance of potential.

If any of us were to venture out into the rawness of nature, away from civilization, modern technology, and the abundance of man-made possessions we are accustomed to, we would quickly realize the true nature of wealth and value. Would having a lot of money be valuable to us in the uninhabited tundra, desert, or jungle? Perhaps, if we wish to burn it for warmth, but certainly not for its intended function as a medium of exchange. What use is a medium of exchange when you have no one to exchange with?

Would having a lot of raw, unprocessed resources be valuable out in nature? In an ordinary forest, where life is teeming in all directions, we would already be surrounded by more lum-

ber in the trees for shelter construction, plant fibers for weaving, meat and vegetation in the wildlife for food, water from the rain or lakes and ponds for drinking, hides of animals for tarps and clothing, and stone for tools than we could use in a lifetime. But none of this natural abundance of resources has any utility unless we have the knowledge, skills, and technology to harvest and process it into useful forms.

Under natural conditions, trees do not fell themselves or divide spontaneously into wooden planks of uniform dimension, and those planks do not arrange themselves into the form of a cabin. We need, at the very least, hand tools like axes and saws to cut them, and we need the knowledge of how to join them together so that our cabin will protect us from the weather and other dangerous elements. Under natural conditions, wild animals do not just wander over to a campfire, skin and gut themselves, and cook what remains to our liking. We will need some manner of hunting weapon, such as a knife, spear, or bow and arrow, and the practiced skill of using it effectively to catch our prey and prepare it for the fire.

Under natural conditions, someone who has knowledge of the principles of their environment, has practiced basic productive skills, and has even a single versatile tool such as a lowly hatchet will survive better than the richest person in the world who has none of these. In time, they will learn how to apply these starting assets in ways that allow them to acquire more and more. After enough time living in the forest, they will discover where new sources of food and water are. They will locate additional natural resources that they can harvest and use more effectively to ensure their comfort and survival. They will build new tools. They will practice using these tools until they are highly skilled and have many options for creating new kinds of wealth out of the rawness of nature.

If we were to remake the modern world from square one, that is how we would do it—by starting with our knowledge of how things work and expanding naturally to produce wealth from there. The more you understand about how reality works, the more you are capable of doing in reality. This is why it's advantageous not to limit education to just a single specialized area that is cut off from the rest of what we can know about the world. While becoming a hyper-specialist might make us more capable within that field, it prevents us from seeing all the innumerable other ways we might combine our broad knowledge of things in ways that no one before us has done. Special value often comes from uncommon arrangements of many distinct practices, not just phenomenal precision in a singular applied task.

This is why the wisest investment in present and future wealth and security does *not* lie in the end products commonly associated with wealth, such as currencies and commodities or even luxury goods like cars and real estate. **The greatest security in life comes from useful knowledge, as from that, we can go on to produce everything else that is considered valuable, including new things that no one yet even knows to consider valuable.**

Fortunately, there has never been an easier time in history to get educated about almost anything you could wish to learn. Education is *not* restricted to universities, degrees, or any form of formal schooling. It's not even limited to what you can be trained to do in professional trade schools. There may have been a time where those were the best places and avenues to learn more useful knowledge about the world, but it simply isn't true anymore. What such places *are* likely still the best for is acquiring degrees and certifications for your knowledge, which may still be very useful depending on how you plan to use your knowledge.

How can you get an education about something you want to learn about? There are only two ways: Personal experientia-

tion or secondhand instruction. Of these two options, far more of what you will ever learn in life will come from the advice of other people than will come from your own direct experience. There is far too much to know and not nearly enough time for you to infer it all directly. Yet, sometimes trying something yourself and forming your own conclusions is still the best (or only) way to learn what you seek.

Secondhand instruction is everywhere and comes in countless different ways. This book is a form of secondhand instruction from me to everyone who has the opportunity to read it. A parent answering their toddler's incessant questions about why common things work the way they do is a form of secondhand instruction. That same parent showing their teenager how to drive a car is a form of secondhand instruction. A video of a skilled craftsperson performing their trade and explaining how they are doing it as they go is secondhand instruction. Anyone who knows enough about anything and can adequately articulate or demonstrate it is a secondhand instructor. Instructors and opportunities for learning are everywhere in the modern world, but you might not notice them until you've made the conscious determination to learn something.

When we apply our knowledge through our targeted actions, we start to call it a skill. Skills are choices made manifest as strategic actions for the purpose of achieving valuable goals. In the Soviet Union, professions were predetermined by a primary skillset that would go on to define a limited number of repetitive productive actions people would perform under the command of the Labor Department throughout their productive lives.

But looking at the world through the entrepreneurial paradigm, the concept of a mono-tradesman is a mostly outdated one. It was the result of the limited avenues once available for being educated and (if necessary) certified in a particular do-

main where people could trust your work enough to pay you money to perform it. Not only is it profitable now to learn a second, third, or fourth marketable skill, but anyone can exponentially increase their earning capacity by acquiring skills that strategically complement each other. This is frequently the path a tradesman takes to become a full-fledged business founder. To run any business effectively, you need at least a passable understanding of not just the primary source of the value sold to customers but everything related to it as well. You need to know how and why people make the choice to purchase one option over another in your field. You need to know about the implementation of the products or services you peddle, including everything that can go wrong and other areas of life that might be affected by owning or using them. No trade exists in a vacuum.

So, although you do not need to be a bonafide expert in every tangentially related area of life to your primary area of study, learning at least the basics elevates you to a position where you can far more effectively offer people a broader range of what they want. It gives you the perspective to evaluate a larger range of situations and the type of help required in them (and whether or not you alone can deliver it). It makes you better able to find, hire, and manage people who might specifically specialize in the areas you prefer not to focus on because, at the very least, you will be able to judge their abilities and the quality or appropriateness of their work for what you intend to deliver.

Holding a variety of skills, even ones that aren't obviously complementary, is analogous to diversifying your monetary investment portfolio. Remember that everything new you learn how to do is an investment in yourself, as you will be able to move forward from that point in time doing that thing in ways that are valuable to yourself, your loved ones, and even com-

plete strangers who might be willing to pay you money to do it or offer you something else of value in return.

Any economic environment is subject to shifts in what is in demand. When you are the “owner” of many commonly valuable skills, it is unlikely that all of them will simultaneously fall out of demand for very long. All you need to do to adapt to changing circumstances is shift what skills you put your focus on promoting and performing depending on what you see is receiving the most popular response at the time (and therefore will likely generate you the most income). You are the only manager of the business that is your life. Your products are your abilities.

Skills are more difficult to acquire than mere knowledge. Knowledge is intangible. It exists in its own theoretical world of logic, concepts, and symbols, a vacuum not affected by the physics of reality. Whereas, any skill requires training our bodies to perform specific, often highly precise, actions that use our knowledge in a tangible way to create something real. The body can't change its ability to operate instantly. Its muscles retain their own memory through their repetitively performed actions.

Even if we can have something explained to us and understand it as a concept very quickly, it takes frequency and recency to train the relevant parts of our bodies to work the way we want them to on command. For some difficult tasks, we may need many months or even years to develop both the strength and endurance required to do them reliably and effectively enough to include them in our portfolio of income-generating activities. That's one reason why it's not generally a good idea just to wait and see what skills are in demand right now and then begin to learn them. We want to already be in a position to capitalize on what we can do when the opportunity is there.

All other things being equal, the best skills to acquire are those that arise from a natural passion for the craft. You will

have a much easier and more pleasant time learning them. As a bonus, the skill itself will be a joyful reward even if you never have or need the opportunity to apply it professionally. Find out what you like to do and what you have a natural aptitude for now so you can begin the lengthy journey of building a skill-set around those things. This is one of the best ways you can invest in your future wealth and security. So long as you are alive and mentally and physically capable, you will still be able to capitalize on those intangible assets that are now part of you.

Learning new skills teaches you how to solve problems you didn't know you could before, perhaps even problems you had just accepted must have no solution or problems you had not even realized were problems. When your default response to any problem is to assume that there must be a solution somewhere and you just aren't seeing it, your entire approach to it will change. You won't just be analyzing your life and opportunities on the level of analysis you are accustomed to. You will actively be looking for other perspectives at all times. You will ask yourself what you would assume the best way to resolve this problem might be if no one had ever told what the only solution was or that there was no solution at all.

As well, once someone, anyone, has accomplished something previously unknown, it's relatively easier to observe their work and reverse engineer it than to figure out how to do it from scratch all over again. Even knowing that at least one viable method exists makes it possible to focus on the solution more than when you were just playing with possibilities. If you can watch someone perform a difficult skilled task, even if you don't know exactly what they are doing and how they are doing it, you will intuitively begin to deconstruct what you can observe of their technique and begin to map for yourself what changes you would have to make to your own approach to more closely approximate theirs.

