

The Origin of Wealth and the Concept of Useful Work

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I am very grateful to my friends from the Czech Republic for the invitation and the opportunity to give a short presentation at the EZA seminar. A few words about the performance plan.

Plan

Introduction

1. Inflation and energy supply. Wealth and energy. Inflation and wealth. Reasons for the choice of topic.
2. Podolynsky's legacy on the distribution of work and energy.
3. Can this concept of S. Podolynskyi about work and energy distribution be one of the directions of economic development today?

Introduction

I am professionally involved in research work at the National Academy of Sciences Sciences of Ukraine. Public service has been with St. Volodymyr Foundation for years. The main activity of the St. Volodymyr Fund is a wide range of family support. The Foundation and *Křesťan a práce* are members of UNUM OMNES, a worldwide organization of Catholic men. In addition, I am a member of the Serhiy Podolynskyj community.

I will try to tell his teachings on work, energy, wealth in connection with the theme of the seminar shortly. A few words are said about the possibilities of using the legacy of S. Podolynskyi today. I would be grateful for any questions.

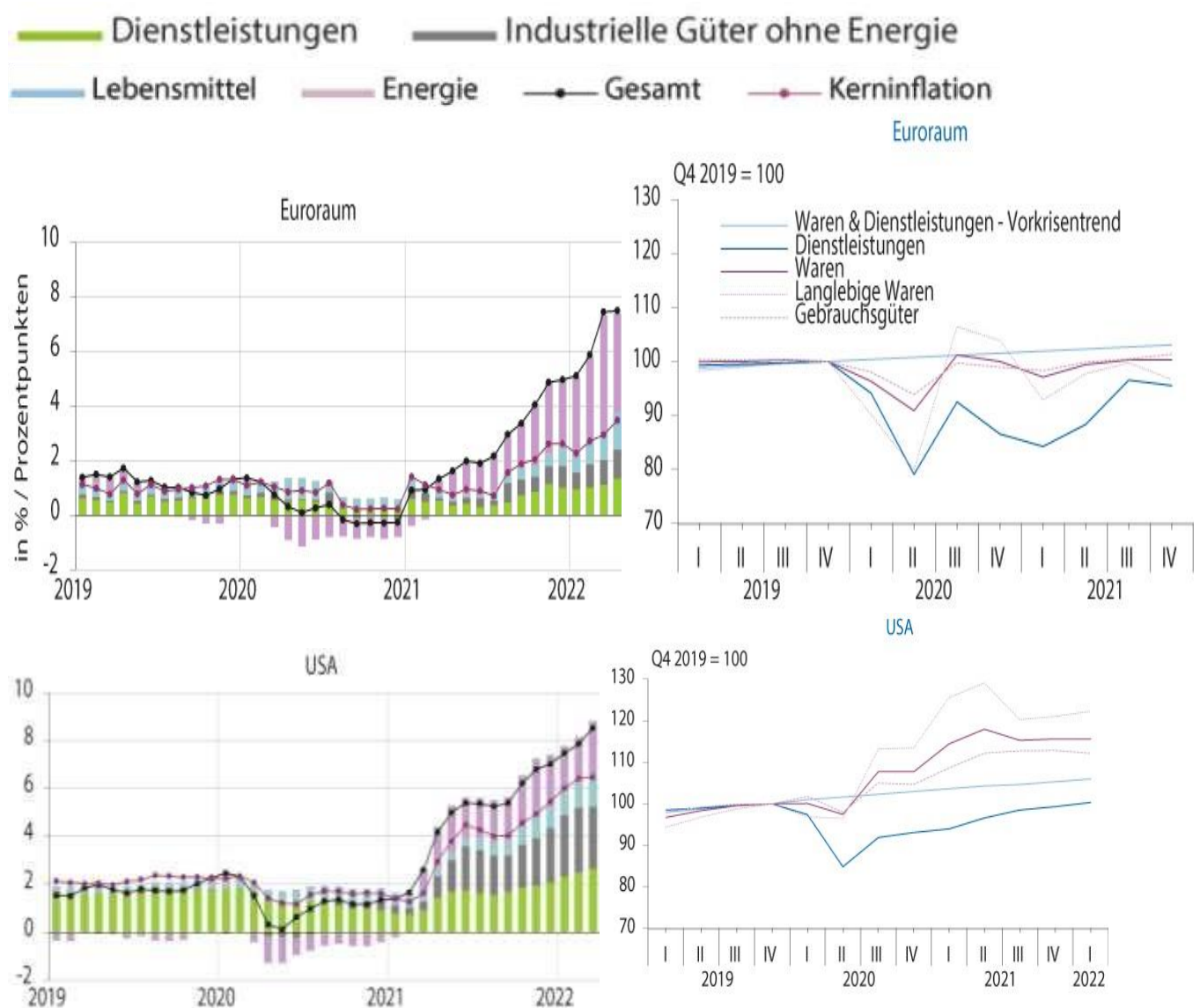
1. Inflation, wealth, work. About concepts. Inflation and energy supply. Wealth and energy. Reasons for choosing a topic

In economics, there is agreement on the concept of inflation. Wealth and work have many meanings. Therefore, I will provide information to understand these concepts, at least in the context of this report.

Under one Inflation (or Price increase Inflation) becomes in the Economics and economics understand the rise of individual prices or the price level in a country within a certain period of time. This does not affect any changes in the quantity or quality of goods and services.

A few Investigations become short To Context between energy supply and inflation. There are relatively few such works. This research touches on the questions of controlling inflation through energy prices, energy conservation and inflation, recession and inflation (Mork & Hall, 1980; Munteanu&David, 2023; Sharp at all, 1980; Thoresen, 1983).

Some results are shown in figures (Gern at all, 2022). The two figures on the left show the contribution to the headline inflation and core rate of different types of economic activities and the cost of energy sources. The next figures on the right show the price changes from 2019 to 2021. The Pre-crisis trend extrapolated based on the average growth rate of goods and services between 2015 and 2019



monthly data, seasonally adjusted; Headline inflation and core rate: year-on-year change in %, otherwise: contribution to the inflation rate in percentage points; Core inflation: excluding energy and food; Euro area: data until April 2022, USA: until March 2022.

Quarterly data, price- calendar- and seasonally adjusted, change on the previous quarter. The pre-crisis trend was extrapolated assuming the average growth rate of goods and services between 2015 and 2019. Euro area estimated as the sum of Germany, France, Italy and the Netherlands.

The relationship between inflation and wealth has been studied in a number of ways. These include, in particular, the redistribution of wealth during inflation, the relationship between inflation and income and wealth distribution, wealth and inflation dynamics, consequences of wealth transfer due to inflation, etc. (Chien & Dunn, 2022; Doepke & Schneider, 2006; Heer & Süßmuth, 2003); Hein, 2024).

In contrast to inflation, the concept of wealth is more diverse. *Term 1.*

First of all, wealth means having a lot of something good. Therefore, one can be rich in friends or happiness or love. Nevertheless, most people think of money first when they talk about wealth. If, for example, it is said that a neighbor has unexpectedly become rich, then it is immediately assumed that she now has a lot of money. It is not believed that they have very many friends or

Happiness or love. (Neuhäuser, 2024). ***Term 2.***

Wealth refers to the abundance of material or spiritual values. In the modern industrialized countries, wealth is often related exclusively to wealth and living standards in quantitative terms, although it does not actually relate to material goods. The importance of intellectual wealth is often underestimated. Socially, the creation of wealth requires the generally accepted agreement that things, land, or money belong to someone and that this property is protected. Thus, wealth is (or was) unknown in egalitarian societies. The cultural diversity of the term is sometimes the subject of fierce debates (wealth).

Term 3rd (XIX century)

But **what is wealth?** In the vernacular, they are houses, lands, ships, goods, with a general "etc." – everything we call property. In science, the term "wealth" includes all valuables and no others.

What is the value? When does an item or commodity have value? When it is an object of human desire and can only be achieved through human effort. Anything that combines these two conditions will have value; that is, a power in exchange. Value is the exchange power that one good or service has in relation to another.

It is not a point of contention that such a power exists. (Walker, 1867).

Term 4.

Dynamic wealth is the concept of assets that are flexible, adaptable, and able to respond to changes in financial markets, economic conditions, and individual goals. It includes strategies and approaches that take into account the dynamic nature of wealth creation, management and preservation.

The topic of wealth has been studied for centuries. However, there is a lack of a thorough description of its essence in modern economic literature. According to many scientists, the idea of viewing wealth as a dynamic flow is the most productive. It is more effective than a static view of wealth. This is in line with the nature, pace, and trends of modern social and economic relations. (Alchian, 1968; Frenkel & Rodríguez, 1975; Bach & Stephenson, 1974; Kanniainen, 1979; Kim & Lin, 2024; Pozdena, 1987; Hall & Klitgaard, 2012). The debate on the concept of wealth is ambivalent: although a new interest in wealth can be observed, a well-defined and generally accepted concept of wealth has so far been sought in vain. (Meireis, 2008).

Origin of the empire

View of the origin of wealth.

As a result, people have assets, but from very different sources. E.g. Two people aged 65 had the same assets. A person disposed of a large inheritance from his parents and resulting capital gains from investments. The second person did not receive an inheritance. She worked hard and saved her earned income. Would we then say that this is a very equal society? (Black at all, 2020) .

It assumes that the wealth in an economy is determined by the economic operating system operating in it. The economic operating system, in its basic form, refers to the circular income flow (CFI). The operating system can have two basic settings; one that reproduces poverty or scarcity throughout the economy, as is the case in today's economy, or one that reproduces wealth and prosperity, creating two very different conditions (Punabantu, p. 2010).

God is the Origin of Wealth (Trompf, 1987)

The concept of productive labor is the origin of the wealth of nations (Smith, 1776).

A brief history of the development of views on the origin of wealth and on the dependence between energy and wealth of nations is presented in (Hall&Klitgaard, 2012).

What is work?

Work may refer to:

1. Work (philosophy), process of conscious creative confrontation of man
2. Work (business administration), planned and expedient, in-house activity of workers

3. Work (physics), amount of energy converted in a process
4. Work (social sciences), purposeful human activity based on social institutions
5. Work (Economics), one the Factors in of Economics
6. Employment, activity to generate income
7. Wage work, gainful employment of an employee for wages or salaries
8. Employment relationship, professional activity to secure one's livelihood
9. Occupation, gainful employment with a special skill or qualification
10. Scientific work, product of research activity
11. Class work, performance assessment at school
12. Artwork, refers to a single artistic work
13. Process of shrinkage and swelling of wood as a result of temperature and humidity fluctuations

These definitions are combined. Therefore, to complete the understanding, it should be considered as a whole.

Work in the philosophical sense encompasses all processes of the conscious creative confrontation of the human being. The meaning of these processes are the self-determined and self-responsible people with their individual needs, abilities and views within the framework of the current natural conditions and social working conditions.

The pre-philosophical use of language has three meanings:

- Work as toil, as opposed to leisure
- Work as an activity to secure one's livelihood and improve living conditions
- Work as the result of these efforts: as performance, work.

Work in the sense of business administration is any planned and expedient Activity of a worker in physical and mental form. It is used to produce goods or services in a company.

So we see that the concepts of wealth and work are blurring. But these concepts of inflation, work and wealth are closely linked. Questions about the connection between work and wealth are still relevant today.

An important point in understanding these relationships is to determine what actual amount of work contributes to the final product and where our benefits come from. Serhiy Podolynskyi, a Ukrainian scientist and public figure, tried to answer these questions.

2. Podolinsky's legacy of labor and energy distribution

Serhiy Andriyovych Podolynskyi (Ukrainian: Сергій Андрійович Подолинський)

* 31 July 1850 greg. in Nova Yaroslavka, Kyiv Governorate, Russian Empire;

† 12 July 1891 greg. in Kyiv, Russian Empire) was a Ukrainian physicist. He came from a family with rich land holdings and was the son of a high

postal workers. His mother was the daughter of a French ambassador who was Napoleon. Serhiy Podolynskyj had studied physics at the University of Kyiv. In Kyiv, he also visited a circle of the economist Nikolai Ivanovich Sieber (1844–1888). In 1872 he began studying medicine in Paris with Claude Bernard. Later he continued his studies in Zurich and at the Institute of Physics in Breslau. It was through Pyotr Lavrovich Lavrov that he met Karl Marx. In 1876 he completed his medical studies. In Breslau (Breslau) he defended his doctoral thesis in German on the topic of "Protein digestion by enzymes of the pancreas" and received the diploma as a doctor of medicine.



The scientist achieved the greatest fame through the published work "Human Work and Unity of Force". It was then published in Germany, Italy, France and Russia.

Most of the works of S. Podolynskyi were published during the author's lifetime in the 70s and 80s of the 19th century, outside the Russian Empire

Podolynskyj's works have been translated into French, German, Italian, Russian,

Serbian and Belarusian translated.

Podolynskyi died on July 12, 1891 in Kyiv. One of the streets of the city Cherkasy, a street (formerly Blagoev) in the central district of the city of Dnipro and an alley in Novomyrhorod are named after Podolynskyi (Serhiy Podolynskyi).

S. Podolinsky: Menschliche Arbeit und Einheit der Kraft.

413

Menschliche Arbeit und Einheit der Kraft.

Von

Serge Podolinsky.

<p>I. Die Lehre von der Energie. Wenn wir die Wichtigkeit der Theorie von der Einheit der Kraft, von der Be-</p>	<p>besitzen, als die zweiten, die Planeten und ihre Satelliten. Bestere Himmels- körper erhalten ihre Energie von ihren</p>
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(Podolynsky S., 1883)

With the beginning of independence, interest in Podolynskyj's scientific work arose. His works have been republished. Specialists from various fields of knowledge began to take an interest in the scientist's legacy.

The better known surname of his grandson Aleks Podolynskyi (Aleks Serhiyovych Podolynskyi; July 1925, Baden-Baden, Germany – June 30, 2019, Melbourne, Australia) is an Australian (Ukrainian) theorist and practitioner of biodynamic agriculture, a world-renowned popularizer of biodynamic agriculture. Invented the "Australian Professional

Biodynamic Method", also known as the Podolynskyi Method, and successfully applied it to agriculture. He became the most famous and experienced biodynamicist in the world, whose expertise is used by biodynamic farmers around the world. (Bradshaw, J. 2019; Lee, T., 2019).

Serhiy Podolinsky's has made an interesting analysis of the economic works of that time on wealth and labor. He offers the following way to resolve these contradictions. I quote verbatim (Podolinsky S., 1883):

"How difficult it is to arrive at a correct understanding of it without using the methods of present-day natural science, we can conclude from the following sayings of three famous economists about work: **Quesnay** said: "Work is unproductive." **Adam Smith** – "only work is productive. **Say** - "labour is productive, the forces of nature are productive and capitals are productive".

Is it possible to reconcile such contradictions? Obviously, harmony here is merely a dispute about the meaning of words. **Adam Smith** says, for example, "The annual labour of a nation is the primordial fund which produces all the objects which are necessary or convenient for life; all these objects are either the direct product of labour or have been bought for the value of this product". **Sismondi** adds: "We believe, with Adam Smith, that labor is the only source of wealth, . . . but we add that use is the sole object of the accumulation (of products), and that the wealth of the national can only be achieved with the National consumption is growing.

On the one hand, Quesnay says the following: "We are not concerned with the formal side of production, as, for example, the artisans who work any material do, but with the **real** production of wealth. I say real production because I do not want to deny that the labour of the artisans gives an added value to the raw material, but one should not confuse a simple addition of commodities with their real production.

Today we can trace this contradiction back to the fact that labour, of course, does not create material, and that the productivity of labour can only consist in adding to the object something which was also not created by labour. In our opinion, this "something" is energy. On the other hand, we know that the only means by which man is able to increase the quantity of energy in any case is the use of his labour-power. That's why Quesnay has He is right when he says that labour does not create a real commodity, because labour cannot produce substance. But Smith is just as right, because what we need in every commodity, what satisfies our needs, can only be achieved with the help of labour. Of course, it must not be forgotten that even outside the influence of human labour, the surface of the earth has the capacity to accumulate a certain amount of energy which can be used by men. But even the older economists knew that these supplies were insufficient in comparison with those supplied by labour. For example, Janie's Stuart says: "The natural products of the earth, which are offered independently of the will of man and always in insufficient quantities, are like the small sum of money which is given to a young man to give him the opportunity to start his course of life and to found some business with the help of which he is to conquer his fortune on his own." from all sides we get all the proofs that the natural products of the earth are not able to satisfy all our needs, and that we are compelled to artificially increase the quantity of products. Useful work serves as a means to achieve this."

Starting point (Podolinsky S., 1883):

- All the energy accumulated on Earth comes mainly from the Sun and, to a lesser extent, from the interior of the Earth (geothermal energy) and from the Moon (tidal forces)
- Man, through his work, only keeps this energy from dissipating.
- Human life depended on how the electricity of solar energy is used.
- Life is concerned with transforming energy
- Mechanical energy is the highest level of energy, as it lies at the end of energy processes.

3. Can this concept of S. Podolynskiy about work and energy distribution be one of the directions of economic development today?

S. Podolynskiy: Why would it be unfair to demand final conclusions from us now? However, we would like to illustrate in a few, perhaps brief, ways in which we think the relationship between human labour and the distribution of energy on the earth's surface should be considered:

- 1) The total amount of energy that the earth's surface receives from its interior and from the sun is gradually decreasing. At the same time, the total amount of energy accumulated on the Earth's surface and available to humanity is gradually increasing. 2) This increase occurs under the influence of human labor and pets. By the term useful work we mean the total consumption of mechanical and mental work of humans and animals, which leads to an increase in the budget of convertible energy on the earth's surface.
- 3) A person has a certain economic equivalent, which decreases with the growth of human needs.
- 4) The productivity of human labour increases with the decrease of its economic equivalent, and with the development of its needs, a large part of it is satisfied by labour.
- 5) The productivity of human labour is reduced by the consumption of this labour. Conversion of lower energy thresholds into higher ones, for example through the rearing of working cattle, the equipment of machinery, etc.
- 6) The use of solar energy as a direct drive and the processing of nutrients from inorganic materials are the main topics that stand on the way to continuing the most productive energy storage on earth.
- 7) As long as each person can possess the amount of technical labor that exceeds his own many times over, as the denominator of his economic equivalent is greater than his numerator; Until then, the existence and reproduction of man is assured, since mechanical work can always be expressed in some way in nutrients and other means of satisfying human needs.

- 8) The limit of this law is only the absolute amount of energy received by the sun and the inorganic materials found on Earth.
- 9) Actions that have the opposite effect of work are energy theft, i.e. an increase in the amount of energy emitted in the room.
- 10) The main goal of mankind at work should be the absolute increase in the energy balance, since at a constant value, the conversion of lower energy into higher energy quickly reaches a limit beyond which it cannot go beyond without unnecessary losses due to energy dissipation.

Thus, the works of S. Podolynskiy open up such possibilities in terms of the interrelations between labor, wealth and inflation:

1. Energy assessment of human activity and work. The justification is confirmed by the graphs and studies indicated.
2. High probability of dependence between inflation and energy supply.
3. Input of the absolute value.
4. Introduction of new economic indicators that would reflect the energy balance.
5. The direction of developing economic theories in conditions where the economy should satisfy people's needs, not their whims.

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