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Land, Inheritance and Firstborn Problematics

Abstract. Introduction. In this article land as the first input factor in the classical production function is analyzed. In economic theory, land is linked to heritage and the firstborn problematics. The methods used are based on history of entrepreneurial research, philosophy, legal and theological aspects. Land represents both opportunities but also obstacles, especially in connection with the firstborn problematics.

Purpose. The article deals with land, inheritance and the firstborn problematics, its historical basis and consequences for economic and social development.

Results. Land is the first input factor in the production process, whose utility and purpose is to create financial profit. Land is covered by everything that is given by nature. The human organism and all that can be extracted from it is land; in processed condition a product or commodity. In an economic theoretical context, inheritance means receiving property from someone who has died, or to bequeath or make a deathbed will, and inter-vivos gifts made by donors in anticipation of their eventual demise. Inheritance by primogeniture not only secures the firstborn son a greater share of the wealth of the entrepreneur, but it also makes the firstborn son in charge of the clan, which is practically similar to being a king. Primogeniture is linked to factors in business and society that are characterized with static economy. Control, routine and stability represent the framework of static production. Schumpeter characterizes entrepreneurs according to will and act, which is the opposite and thereby the forces behind the young men who change to world to the better for all. Entrepreneurs are the creators of civilization.

Conclusions. Land as an input factor in the production function represents an infinite wealth in the world. As a result of the increased degree of innovation, the world's wealth is accelerating. Only wealth can be inherited, the ability to innovate cannot be inherited or transferred from father to son.

Keywords. Land, inheritance; firstborn problematics; production function; primogeniture.

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Земля, спадщина та проблематика первістків

Анотація. У цій статті аналізується земля як перший вхідний фактор у класичній виробничій функції. В економічній теорії земля пов'язана зі спадщиною та проблемою первістків. Використані методи базуються на історії підприємницьких досліджень, філософії, правових та теологічних аспектах. Земля представляє як можливості, так і перешкоди, особливо у зв'язку з проблемою первістка. Також у статті розглядається спадщина та проблематика первістків, її історична основа та наслідки для економічного та соціального розвитку. З'ясовано, що земля – це перший вхідний фактор у виробничому процесі, корисність і мета якого полягає у створенні фінансового прибутку. В економічному теоретичному контексті спадкування означає отримання майна від когось, хто помер, або складання заповіту, подарунки, подани доносорами в режимі реального життя. Спадщина за первородством не тільки забезпечує первістку сина більшу частку багатства підприємця, але і надає первістку особливі переваги. Першородство пов'язане з чинниками бізнесу та суспільства, що характеризуються статичною економікою. Контроль, рутинність та стабільність представляють основу статичного виробництва. Доведено, що земля як вхідний фактор у виробничій функції представляє безмежне багатство у світі. В результаті збільшення ступеня інновацій світові багатства прискорюються. У спадок може потрапити лише багатство, а здатність до інновацій не може передаватися у спадок або передаватися від батька до сина.

Ключові слова: земля; спадщина; проблематика первістків; виробнича функція; первородство.

Formulation of the problem. Innovation is the driving force for democratic development everywhere in the world in the capitalist era. Innovation is new combinations of the first and second input factors in the classical production function and is the only way of entrepreneurial

profit formation. Anyhow, this fact is not the main and only reason for catching your interest concerning land as input factor. Land is also a subject of problem when it comes to firstborn problematics and inheritance. What kind of obstacles for development in the economic, social

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and political systems were the consequences of the abolishing of firstborn sons sacrifices in the Abrahamic descendants' cohorts throughout history and in our time?

Formulation of research goals. The aim of this article is to discuss the first input factor in the classical production function, the problems of inheritance for the entrepreneur and finally the problematics of the firstborn son of the entrepreneur.

The methods used in this article are concentrated on theoretical aspects in the history of entrepreneurial research, philosophy, legal and theological approaches that cover a broad and timeless scope.

Analysis of recent research and publications. The background for the article is the research in three articles that cover Land, Labor and Capital

Labor, innovation and strenuous of life is published in EST 3/2012 [12].

Introduction to Joseph Alois Schumpeter: Entrepreneurial Profit - An Incentive for Democratic Development is published in EST 1/2011 [11].

Land, inheritance and firstborn problematics addresses the input factors in light of the innovation process.

In this article, land is analyzed as an input factor in the production function of the dynamic economy.

Outline of the main research material. The classical production function consists of three input: factors, land, labor and capital [1]. There have been attempts to include additional input factors, such as innovation as the fourth [13] and later human capital, without any success [9].

We are left with the three classical ones that play a significant role in theoretical analyses of the dynamic economy and the operations of the entrepreneur of either kind, business or social, or any other type of entrepreneurship.

Land is the first input factor in the production process, whose utility and purpose is to create financial profit.

Land is covered by everything that is given by nature: The fish in the sea, the trees in the forest, the birds in the air, minerals, natural laws and phenomena, everything that grows, breeds and crawls and can be used by man in a productive process. Land includes any geographical area, geostatic orbit and the electromagnetic spectrum. Land is not man-made, but it represents a potential for economic activity and results. Land is a fundamental prerequisite for the production of any product and commodity, and it is an infinite and transformative resource. Use of land or financial compensation for use of land is rent. Rent is the income of the owner of land.

In the production function, man is not land, but constitutes a potential for work in the form of the second input factor.

Not all human economic activities is labor. Every form of entrepreneurship is excluded. Entrepreneurship carried out by the entrepreneur is exogenous economic activity. Entrepreneurs do not perform labor and do not participate in the production process as classical input factor.

Labor performed by people where the basic man-made requirements for work as an input factor in the production function do not exist, puts man outside the definition of labor. The slave, the prisoner and the serf are equal to the horse and the ox: they all represent land and wealth, but not labor.

Slavery means having legal property over another human being, and exploiting the person's labor and the right to resell the person. Aristotle divides humanity in two, and distinguishes between lord and slave (or Greek and barbarian). A slave is an asset with soul; domestic animals and slave are the same: both meet the needs of existence with physical activity.

The human organism and all that can be extracted from it is land; in processed condition a product or commodity.

Entrepreneurs carry out innovation that is associated with factors in industrial and commercial life, not with market demand based on the wishes of end consumers. Innovation is a new combination of the first and the second input factors and gives the product or service a larger physical product.

Schumpeter introduces in his book *Theorie der Wirtschaftlichen Entwicklung*, 1912, English translation 1934/2008, based on the second edition in 1926, five areas for innovation [14]. The fourth case is very relevant today; "the conquest of a new source of supply of raw material or semi-manufactured goods, again irrespective of whether this source already exists or whether it has to be created" [14, p 66]. The definition goes beyond the immediate understanding of existing and known conditions of land as an input factor [10]:

- 1) Supply of natural conditions that are already known and available but not yet used in production,
- 2) Conditions that must first be uncovered before they can fulfill the task as an input factor in the production process,
- 3) The relatively higher technological level that is continuously and progressively established as a result of an increasing rate of innovation a) opens up for, and b) constantly requires new natural sources for land as an input factor.

Natural phenomena and resources that previously could not be exploited or perceived as relevant to production can become highly relevant and necessary as a result of technological, economic, social and political development.

Similarly, land that has been engaged in production may decrease in importance and eventually disappear completely as a result of the optimization.

The transformative utilization of land is a continuous process where alternative utilization of the first input factor resources can give new and intensified application, e.g. coal and water.

Politically decided and driven utilization of land can involve permanent damage to land and in extreme cases, represent a non-reversible situation. Extraction of minerals and building materials from land and the

transport sector's infrastructure are devastating examples. In both cases, wounds and damage are inflicted on nature by mining bedrock as part of production, both in mines and in transport networks. When the masses are blasted off the bedrock, for whatever reason, the damage will be permanent. Underground mines, open pits, tunnels, tunnel openings, road cuts and blasted boulders are the result of political decisions.

When transport technology in the future is no longer in need of using roads as part of the transport infrastructure, the damaged nature will still be in place.

The damage will shine as a historical monument over a relatively short period where innovation in the transport sector prompted political decisions to build transport networks in the form of roads with the consequences it has for the bedrock and nature in general.

In an economic theoretical context, inheritance means receiving property from someone who has died, or to bequeath or make a deathbed will, and inter-vivos gifts made by donors in anticipation of their eventual demise [8]. The legal aspects of inheritance are regulated by inheritance law. Inheritance law changes over time and place.

The entrepreneur's heirs will thus be able to inherit his assets: company, real estate, raw material sources, factories, securities, tangible and intellectual property rights and cash funds, etc.

The heirs can maintain a higher social status in society to the extent that it was acquired before the inheritance, even if this social status is not formally inherited.

The environmental conditions in the relations between the entrepreneurs and his heirs do not matter as the ability to carry out innovation is not transferred.

In contrast to the transfer of experience and knowledge between the generations on the ownership side in the static part of the economy, the corresponding action does not play a role in innovation-based entrepreneurship.

Management of personnel in static production is to a significant extent based on human capital as a strategy, while innovation management is solely about leading oneself as an entrepreneur in the transformation process.

Successful innovation management requires a special human talent: to see a solution long before the product or service is launched on the market and feasibility based on will and action.

If the personal abilities and the situation allow it, there is a certain connection between career and career choices in children of parents in the three traditional social classes based on land, labor and capital: The firstborn of the farmer becomes a farmer, the firefighter's son becomes a firefighter and the capitalist's children strive to hold the position.

The most important explanations for this bondage are family as well as the social tradition, nationalism, conservatism, the human pursuit of easy solutions and the fear of the unknown.

Above all: human nature: the average person does not want to produce – only consume.

The shortest and most convenient way for humans is to enter into a defined production pattern governed by a high degree of predictability with a clear connection between work performance and the wages workers receive as compensation for their effort.

Few people would be able to support themselves and their families only on their own and outside the established work function.

Production in the static part of the economy is therefore of the utmost importance for maintaining a stable and predictable society, not least as a distribution mechanism of economic goods and purchasing power.

In this context, the knowledge industry fills a mission from the first level to post Doc level: to educate and discipline the society's future workforce.

The knowledge industry does not have a similar task aimed at entrepreneurs: Innovation is an unpredictable process and therefore requires its own pattern of action.

Adaptation, copying, plagiarism and repetition, which are the very basis of the knowledge industry, cannot lead, and lead nowhere in entrepreneurship.

According to Schumpeter, in the capitalist market economy, most fortunes are created by entrepreneurial profit, because wages are not sufficient for capital accumulation.

In the tax state and in the state of oppression, private wealth can be channeled to selected and privileged families very well.

In any case, it is the market forces that channel the entrepreneurial profit to its rightful owner, the entrepreneur.

In the tax state and as well as in the oppressive state, the possibility of private accumulation is granted through the political power struggle and corruption, respectively monopoly.

Entrepreneurial profit on the other hand is not a sustainable source of income and will eventually be brought to an end.

Through the spread of innovation in the market, a new equilibrium will arise where a new static production is established.

After a while, a new spontaneous change will occur and a new cycle will be established where new individuals fill the role as entrepreneurs.

The same replacement also occurs with the people who hold the higher social positions in society "In fact, the upper strata of society are like hotels which are indeed always full of people, but people who are forever changing" [14, p. 156].

The capitalist society recognizes no group of "the rich a class of inheritors who are removed from life's battle" [14, p. 156]. Wealth, and through it the social position is formed by the creation of new combinations, which are both the child of, and the victim of the development of the capitalist system.

What is the firstborn problematics, its historical basis and consequence for development?

The firstborn problematics is related to the "first crop", and will in this analyzes be defined as the firstborn son of the man and conceived by the first woman of his to give birth. In other words, only one individual, the firstborn son of each man can take the position as firstborn son. No other individual of the same father, no matter how many women he fertilizes will be defined as firstborn son.

The historical basis of the firstborn son problematics is described in the earliest sources and can be found in all cultures. In Genesis, 4:8, Cain, the firstborn son of Adam and Eve, kills Abel, his younger brother [5]. We can also refer to Abraham and Isaac in Genesis, Chapter 22 [6]. Abraham, the father is asked by God to sacrifice his son Isaac. In Genesis, Chapter 37, Joseph was the eleventh son of Israel (Jacob) and firstborn son of Rachel [7]. After telling his brothers about two dreams, they got angry and wanted to kill him, instead they sold him to a camel caravan of Ishmaelite going down to Egypt.

There are several narrative texts in the Bible that seems to portrait child sacrifice and the problematics of the firstborn sons.

Every birth, human or animal is understood as a gift from God that is to be recognized through a return to its creator [4].

Human sacrifice and especially sacrifice of the firstborn sons seems to be a norm worldwide at the time.

Human, and especially child sacrifice has been widespread ever since the days of Abraham and Isaac (and long before), and continues to be so. Carthage, founded 814 BC, has a long history of child sacrifice [16].

Historical analyzes based on sources and archeological discoveries support the idea that children were sacrificed for religious, economic and social reasons. Mass graves of tens of thousands of infants have proven the extent of the problem. Counter-analytical theories suggest that the children were not sacrificed, but died for other reasons, mainly for medical reasons.

The list of states and periods of child and human sacrifice can be made long. The Aztec, Inca, Maya, Moche, Timoto – Cuicha cultures are just a few well-know cultures that practice child sacrifice. South Africa and Uganda are known for their child sacrifice today [15].

Our analyzes however, only apply to the sacrifice of firstborn sons, no other children or human sacrifice in general catch our attention in this connection.

Sacrifice of firstborn sons has been based on common religious beliefs and practices throughout the world with the exception of Abraham's decedents.

Why is there a widespread culture of sacrifice of firstborn sons? There is no evidence here, and the explanations differ. The most likely cause is the firstborn problematics. Historical and contemporary solution of the firstborn problematics is the laws of inheritance. The introduction and exercise of the inheritance law entails consequences. These consequences include land division, slowing down on societal development, static societies,

capital not being transferred to entrepreneurs, less openness to change of existing conditions, fear of development, high taxes and oppression of population, to name a few.

Anyhow, when it comes to the Jewish law in biblical times there are no evidences that the Law regulated inheritance. "No biblical text indicates that anyone in the biblical community ever drafted and signed a testamentary instrument or authorized an executor to transfer property to beneficiaries upon the testator's demise. In his classic study of ancient law, Henry Sumner Maine asserted that biblical Israelites or Jews had not developed the institution of testation. There are no laws governing testamentary succession in the Bible. Nevertheless, several texts do suggest that people in the biblical period occasionally did make some kind of testamentary disposition of their property" [8, p.147].

Still there is the right of the firstborn son in the Bible. In Deuteronomy Chapter 21:15-17 the rule of God is explained [2]. If a man has two wives, and he loves one but not the other, and both bear him sons but the firstborn is the son of the wife he does not love, when he wills his property to his sons, he must not give the rights of the firstborn to the son of the wife he loves in preference to his actual firstborn, the son of the wife he does not love. He must acknowledge the son of his unloved wife as the firstborn by giving him a double share of all he has. That son is the first sign of his father's strength. The right of the firstborn belongs to him.

Primogeniture, the state of being the first born son also include being the head of the clan, the one to make decisions not only for the family but also over certain types of kinsmen, slaves, concubines, harlots, animals, property and assets.

In the period of firstborn sacrifice, of course, there was no problem or question about the inheritance of primogeniture to the firstborn son because the firstborn did not live long enough to reach the time when the donor could let him take over. Problems with inheritance to the firstborn son arise after the end of the firstborn sacrificial period of Abraham's descendants.

During the sacrificial period, the mentality and personality of the firstborn son and his actions as a result of his attitudes would not be a problem neither for his father nor the community, because the son did not reach an age of stubbornness or rebellion. After the end of the firstborn sacrificial period, these problems and situation find its solution in Deuteronomy Chapter 21:18-21 [3]. If someone has a stubborn and rebellious son, who does not obey his father and mother and will not listen to them when they discipline him, his father and mother shall take hold of him and bring him to the elders at the gate of his town. They shall say to the elders, "This son of ours is stubborn and rebellious. He will not obey us. He is a glutton and a drunkard." Then all the men of his town are to stone him to death. You must purge the evil from among you. All Israel will hear of it and be afraid. The rule

of God applies to every son, not only the firstborn, but it underlines the reality of the firstborn problematics.

Discussion. According to Schumpeter, the strongest motivation factor for a young man to take on the role as an entrepreneur; to carry out the new combinations of land and labor is to gain an entrepreneurial profit, which only serves as a proof of the success; is to found a kingdom, not necessarily a dynasty. The young man must strive and succeed in the fight at the market. That is a very risky act and requires effort and extraordinary skills that not all young men have or are willing to offer to achieve their goal. On the other hand, not all young men are willing to take the risk or invest in the effort, especially not if the person is born to wealth through primogeniture.

Primogeniture also means that the firstborn son is in charge of the clan, and even if the entire resource is not transferred to him, he still gets status as number one among men. The firstborn son is equal to being a king. Schumpeter's strongest motivation factor does not apply to the firstborn son who is born to wealth through inheritance based on primogeniture. Schumpeter did obviously not have the firstborn sons in mind when postulating the theory of motivation based on founding a kingdom, not necessarily a dynasty. Why should the firstborn son bother himself with creating another kingdom when he already has one without any effort, risk or struggle in the market? On the other hand, the firstborn sons fit in perfectly as inheritors, to take over the fortune when the father entrepreneur is gone. As inheritor, according to Schumpeter the skills of innovation and creativity, and the personality characterized by the will and the action is not needed. The entrepreneur serves as a testator or donor based on inheritance to the firstborn son rather than a master teacher of business skills or supervisor in creativity on the never-ending battle on the market. Inheritors of the entrepreneur are born to fill up the suits of the first class hotels as members of the upper strata for a while, that will be as long as the fortune lasts, because in capitalism nothing lasts forever.

Wealth inherited fits the static function of the economy. According to Schumpeter, the static economy operates like the blood circulation in an animal organism,

without any change of directions. Everything is repeated, day after day, year after year. Static economy does not have the capacity to change itself; exogenous impulse is needed to impose development. The firstborn son is perfect to lead and manage the static part of the economy. Traditions, long roots in culture, conservatism, racism and structure, budgeting and routine, education, experience, wage and capital profit stimulus, titles, awards, private and community positions, and pure vanity are typical factors describing the personality and backgrounds of leaders in the static economy. In farming, labor, business, teaching, policing and armed forces, all men in uniforms, academy and research, in every organization, in religious structures and in politics, the same qualifications are asked for at the top and middle management levels and are dominating their operations. It is no coincidence that fifty percent of all American presidents the last one hundred years are firstborn sons.

It has also been said, put a man in uniform and he is easy to control.

Control, routine and stability is the basic framework for the firstborn son and are typical for the static economy. Schumpeter characterizes entrepreneurs according to will and action, which is the most important force of the young men who change the world for the better for all and in their virtue are referred to as the creators of civilization.

Conclusions. In conclusion, we can summarize the following. Land as an input factor in the production function represents an infinite wealth in the world. As a result of the increased degree of innovation, the world's wealth is accelerating. Only wealth can be inherited, the ability to innovate cannot be inherited or transferred from father to son. Unlike the tax state and the oppressive state, members of the higher social strata of society are replaced through the creation of entrepreneurial profits. The firstborn problematics is important as an explanatory factor, among others in connection with innovation and entrepreneurship. Further scientific approaches should analyze the connection between inheritance and the power of innovation.

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