What is wealth and how to measure it?

The 250th anniversary of the publication of *The Wealth of Nations*

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The year 2026 celebrates 250th anniversary of the publication of Adam Smithi's *The Wealth of Nations*. We position his concept of *wealth* in the unified classical approach (Itaki 2026) and attempt to reorient modern economics. The dual equation deployed in the long-term dynamic continuum plays the key role in the approach.

What is wealth and how to measure it has been an old and new question in classical political economy and modern economics since Mercantilism. Wealth is almost equivalent to national income or GDP in modern macroeconomics since Keynes (1936). Their absolute magnitude per capita is used as one of the most important indicators of the standard of living across time and space. Smith himself comprehended wealth in a peculiar manner, which is concisely summarized in the very first part of *The Wealth of Nations*: "necessaries, conveniencies, and amusements of human life." This dismantled the fallacy of mercantilism concerning the origin of wealth: it comes from labor of ordinary peasants and workers rather than gold or silver.

It should be noted, however, that Smith does not refer to any means of production such as machinery, tools, or raw materials, but only to means of consumption as the ultimate embodiment of nations' wealth. In his view, means of production still remain in the intermediate stages of production towards final consumption.

We are going to scrutinize the *measurement* problem of wealth as well as its closely related categories, namely, techniques for producing wealth and their productivity in the entire *macroeconomic* context. We further extend the issue and develop a long-term *dynamic* measurement model of wealth, technique, and productivity. We adopt for the analytical purpose abovementioned the dual equation between income distribution and resource allocation grounded on the unified classical approach (Itaki, 2026).

The structure of the full paper is as follows: first, we rule out Keynesian categories of wealth, i.e., national income and GDP per capita; second, we summarize the dual equation grounded on the unified classical approach; third, long-term dynamic measurement of wealth, technique, and productivity is scrutinized; and fourth, poverty and impoverishment, the opposite concepts to wealth and enrichment, will be discussed.

Itaki (2026), "The dual equation between income distribution and resource allocation in the long term," *Review of Political Economy*, on-line published on 17 Mar. 2026 (https://doi.org/10.1080/09538259.2026.2634818)