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*Digitalisation of the Labour Theory of Value – Problem or Solution for Mankind?*

Abstract

The theory of value deals with the basic problem of economics, endeavouring to explain the relationship between the value and the prices of goods and services. Price can also be defined as in the quantity of money-expressed value. The crucial questions of economic theory are why goods and services are priced as they are, what is the correct price, and what is the origin of the value. Economic theory has so far developed two basic approaches: the subjective and the intrinsic theories of value. Subjective theory of value argues that the value of goods or services depends upon consumer tastes and preferences. The consumer selects on the market the purchases that give him the most benefit; his self-interest leads him (without conscious calculation) to purchase an amount of goods such that marginal utility is as close as possible to the market price. According to the intrinsic theory of value, the value (prices) of goods and services is not a function of subjective judgement. The value is contained in the good itself.

Labour theory of value, as part of the intrinsic theories of value, argues that the amount of “socially necessary labour” (including embodied labour) needed for production determines the value of goods and services. The labour theory of value suggests that the quantity and quality of consumed human psychophysical energy is the basis of the value of the goods. Two commodities will be traded for the same price (exchange value) provided they embody the same amount of labour time (psychophysical energy). Concrete measurement of the quantity and quality of the needed psychophysical energy (labour time) for production of different products and services was one of the problems in the field of implementation of the labour theory of value in practice. Digitalisation and modern technology are solving this problem.

Microsoft has a patent for a ‘Cryptocurrency System Using Body Data Activity’. The patented system uses human biometrics such as body heat and brain-wave activity (used psychophysical energy) to mine cryptocurrency. The human body activity represents “proof-of-work” which is achieved when a user (worker) performs given tasks, or even online activities, such as viewing ads and using search engines. As to how body activity and biometrics will be communicated to servers and cryptocurrency hardware, the patent explains that “a sensor communicatively coupled to or comprised in the device of the user may sense body activity of the user.” The patented solution enables total control of workers’ activity and simplifies the calculation of wages. This patent if misused, however, represents a danger for all mankind, most likely paving the way towards modern slavery.

*Keywords:*

theory of value, digitalisation, workers