The measurement of labour content: a general approach*

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Abstract

This paper analyses the theoretical issues related to the measurement of labour content in the context of general technologies with heterogeneous labour. A novel axiomatic framework is used in order to formulate the key properties of the notion of labour content and analyse its theoretical foundations. Then, a simple measure of labour content is uniquely characterised, which is consistent with common practice in input-output analysis and with a number of recent approaches in value theory.

JEL classification: D57 (Input-Output Analysis); J24 (Human Capital; Skills; Occupational Choice; Labor Productivity); O33 (Technological Change: Choices and Consequences); D46 (value theory).

Keywords: labour content, labour productivity, technical change, axiomatic analysis.

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