

On emergence and persistency of unequal exchange free trade equilibria in the pre-industrial capitalist world economy

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This paper analyzes the unequal exchange of labor (UE) in the context of international exchange. A dynamic international trade model of infinite-horizon subsistence economies with a Leontief production technology is presented. Focusing on a certain type of pricing rules being non-constant, we show the existence and a characterization of equilibria involving UE. Moreover, the existence result also enables us to confirm that equilibria under the pricing rules generate the persistency of exploitation.

JEL classification: D51; D63; D91.

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