Title: Uneven development and price competitiveness

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ABSTRACT

It is possible for a country with absolute disadvantage to sell at lower price than a more advanced country. For arriving to such a conclusion Marxian theory of value are used .
Based on Marxian theory of value productivity is defined and assuming prices proportional to labor values it follows that:

$$\frac{p_{iA}}{c_{BA}p_{iB}} = z\frac{\Pi_A}{\Pi_B}\frac{{}_{iA}}{\mathbf{p}_{iB}}$$

where p_j is the price of commodity i in country j, c_{AB} is the current exchange rate between countries A and B, A_j is the mean productivity in country j, B_{ij} is productivity for commodity i in country j, and z is the ratio: purchasing parity exchange rate / current exchange rate.
Empirical work with Mexican and US data are used to support my deductions.
It is remarkable that in the framework used in this paper mean wage differences between countries is a consequence of uneven development and does not explain price competitiveness at all.