An Unequal Equalization: An Investigation into Why the First Age of Globalization Took Place Through Understanding the Rates of Profit

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Abstract

A basic question emerges in the context of today's highly interconnected world: What were the catalysts for this phenomenon's beginnings and what kept it going? In order to answer this question, I will look at the profitability dynamics from 1870 to 1913, a critical time that is frequently heralded as the beginning of globalization. Some academics argue that Marx was among the first to foresee the inevitable rise of globalization, citing profit as a strong argument in favor of nations opening up. This study, which may be groundbreaking in its field, aims to determine how globalization affects profitability at this critical period of global history. In addition, I investigate whether capital mobility in this period of time saw a convergence of profitability levels across countries, which is a necessary condition for the existence of unequal exchanges between countries. Even if a lot of research focuses on current profitability trends, it is crucial to examine a time when the great European nations were industrializing. This paper shows that globalization did have an impact on profitability. This paper poses the question of whether the rate of accumulation is responsive to the rate of profits. While this relationship has been tested several times, it is essential to inquire whether such a law would still hold during historical times.

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