

Summary:

Rogowski uses a three-factor model (land/labor/capital) to determine the interests of domestic actors vis expanding free trade. Specifically, he operationalizes the Stolper-Samuelson theorem with regard to trade preferences, noting that holders of abundant resources will favor expanded free trade (because market clearing prices for abundant goods will rise to the world level where the goods in question are expected to be less abundant and thus more expensive than in the closed domestic market). On the other hand, Rogowski argues that holders of *scarce* resources will favor reduced trade and protection (because market clearing prices for scarce goods will fall to the world level where the goods in question are expected to be more abundant and thus less expensive than in the closed domestic market). Further, as trade increases, so will the political power of factors which gain from trade, the converse—less trade more power to protectionist groups—is also true.

Further, Rogowski argues that specific configurations of abundant/scarce factors correlate with particular domestic political arrangements. Specifically,

Abundant Capital, Abundant Land, Scarce Labor = Class Cleavage; US “New Deal” economics

Abundant Capital, Abundant Labor, Scarce Land = Urban/Rural/Cleavage; Radicalism (fascism)

Scarce Capital, Scarce Labor Abundant Land = Urban/Rural Cleavage; “Populism”

Scarce Capital, Scarce Land, Abundant Land = Class Cleavage; Socialism

(See pages 6, 8, 12, and 14)

Outline:

I. Stolper-Samuelson Theorem (p. 3)

- A. “Protection benefits (and liberalization harms) owners of factors in which, relative to the rest of the world, that society is *poorly* endowed, as well as producers who use that scarce factor intensively.”
- B. “Protection harms (and liberalization benefits) those factors... that a given society holds *abundantly*, and the producers who use those locally abundant factors intensively.”

II. Preferences (p. 5)

- A. Factor holders will be politically activated to protect/extend their material interests along the lines of cleavage predicted by Stolper-Samuelson (IA, B)
- B. As factor holders gain power (say abundant factor holders during an era of expanding trade) they will also enjoy increased political influence

III Axes of Conflict (pp. 6-14)

I strongly recommend that the reader look at the 2X2 matrices on pages 6, 8, 12 and 14 of *Commerce and Coalitions*, which nicely summarize Rogowski’s major arguments and points. I briefly (and less clearly) list the predicted axes of conflict and coalition below:

Abundant Capital, Abundant Land, Scarce Labor = Class Cleavage; US “New Deal” economics

Abundant Capital, Abundant Labor, Scarce Land = Urban/Rural/Cleavage; Radicalism (fascism)

Scarce Capital, Scarce Labor Abundant Land = Urban/Rural Cleavage; “Populism”

Scarce Capital, Scarce Land, Abundant Land = Class Cleavage; Socialism

Conclusion

Rogowski does about 140 pages of case studies (not summarized here—read the book!) and:

- (1) finds strong support for his hypotheses;
- (2) however there is some degree of variance and disconfirming data (see especially Canada pp. 47-9, 71-74);
- (3) Rogowski believes that factor models have superior long-term, and over-all, accuracy than sector models (v. Frieden 1991). See discussion on the “Leontief Paradox” p. 16;
- (4) The three-factor model *may* have to be updated to deal with the realities of the modern economy

And, most importantly (p. 20):

Rogowski does not believe that a factor/conflict model will be able to tell *who* will win in such conflicts; it *can* tell where the axes of conflict will lie and which groups (given exogenous easing or contraction of trade) will be gaining relative to other, competing groups. He notes however, that “victory or defeat

depends, so far as [he] can see, both on the relative size of the various groups and on the institutional and cultural factors that this perspective so resolutely ignores.”