

wasteful consumption, remains unattended. Such consumption takes place not merely in households but more in government and business. Continuation of tensions between countries and attempts of big powers to dominate the world also have immensely adverse environmental consequences. Rolston does well to pinpoint responsibilities of individuals and business firms, but his silence on the responsibilities of countries and their governments is rather deafening.

## Review

### Politics of Trade

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**Commerce and Coalitions: How Trade Affects Domestic Political Alignments**  
by Ronald Rogowski, Princeton University Press, Princeton, 1989, pp. xvi + 208  
(hardback), \$ 24.50.

The scope of this book is truly awesome. Taking the Stolper-Samuelson theorem on gainers and losers from trade in a two-factor world as a starting point, Ronald Rogowski investigates its explanatory value with respect to domestic political alignments and cleavages in a large number of countries, choosing for examination historical periods that he characterizes as either trade-enhancing or trade-constricting. Three periods are explored in depth, two in the trade-enhancing class (the last third of the nineteenth century and the post-war world of the twentieth); and one that was trade-constricting (the inter-war period of the twentieth century). The leap from economics theorem to political reality is long and treacherous and we can only applaud Rogowski for having attempted it. The scholarship he brings to bear on his task is impressive in its range (he even takes a peek at classical Greece and Rome). The author takes care to stress repeatedly that political reality is influenced by a variety of considerations, but it is clear that he believes, from the considerable evidence he has marshalled, that factor endowments do shape political forces in a manner that follows predictably from the Stolper-Samuelson theorem (S-S). Thus, in a trade-favourable period, so characterized because of a reduction in either the costs or the risks associated with trade, he expects to see in each country a political ascendance of abundant factors and a political decline, accompanied perhaps by defensive action, of scarce factors. During periods of trade-constriction, he expects the reverse, with scarce factors taking the upper hand.

The evidence he assembles is considerable, but some of it sticks in the throat. For example, nineteenth-century Britain and continental Europe in the post-war period were both land-scarce in trade-favourable eras. But whereas nineteenth-century Britain saw a steep decline in the political clout of the land-owning gentry, landed interests in post-war Europe, far from being in decline, were if anything in the ascendant, and resulted in the coming together of the initial six of the European Economic Community (EEC). A defensive rearguard action? Perhaps; but from the vantage point of a Uruguay Round stalled over the concerted EEC stand on the Common Agricultural Policy (CAP), a powerful position for a scarce factor in a trade-favourable era. Rogowski treats CAP with a dismissiveness it does not deserve and cites in support the fall in employment in European agriculture, but surely the power of the lobby is doubly impressive in the face of that decline in numbers.

There is also an analytical problem with the criteria used for establishing abundance/scarcity of factors. For labour, the criterion is always *relative* to land, taken either aggregatively or in terms of arable acreage. (The author does allow that labour and land might sometimes both be scarce, but does not operationalize the dividing line between abundance and scarcity for such cases). The

US, with its high land-labour ratio, is permanently slotted into the labour-scarce category. This, coupled with the trade-constricting environment of the 1930s conducive to scarce-factor assertion, is what Rogowski sees as explanatory of the labour-supported New Deal in the US at that time. At the rates of unemployment then prevailing, labour was surely not *scarce*; it was *redundant*, if not abundant. This points to the central difficulty in leaping from the Stolper-Samuelson world which, by assumption, is at full employment, to the real world which does not always conveniently conform to that assumption. Although Rogowski does list a number of 'technical' objections that might be raised to his attempt to relate S-S to the real world, he does not mention this difficulty, the most serious of them all. Scarce-factor ascendance at times of trade-constriction follows from S-S *only if the scarce factor is fully-employed*. If it is not, as happened in the US of the 1930s after a long period when it was indeed fully-employed and scarce, it may fight a powerful rearguard battle for a restoration of its former scarcity. This is surely the more plausible explanation for the emergence of the New Deal. The Rogowski view of it as the political reflection of the added economic muscle acquired by a scarce factor in a time of trade-constriction is curious, to say the least. Scarcity and abundance in the real world are not immutably defined by endowment, but become a function of other variables, among them aggregate macro-economic demand which, in turn, is a function of the trade-favourability or otherwise of the external environment.

But why did the trade-enhancing world of the late nineteenth century turn into the trade-constricting environment of the inter-war period if, as Rogowski would have us believe, the trade-favourable era generated in each country political forces that should have deeply entrenched pro-trade interests. Rogowski merely contents himself with recording that such a reversal did indeed take place: "And protectionism recrudesced powerfully almost everywhere—even, astonishingly, in once devoutly free-trading Britain" (p. 61). But he does not question how it was that Britain, with its powerful coalition of abundant capital and abundant labour (because land-scarce), turned protectionist along with all the rest. Now in the late twentieth century, when a similar transition appears to be taking place all over, that is much the most interesting historical question. Theorems of the S-S variety shed no explanatory light on such developments because they deal with the comparative statics of trade. By contrast, trade and the politics of trade in the real world respond to shifting patterns of comparative advantage, which unlike the static conception of S-S, evolve dynamically in response to technological leads and lags. In such a context, it is more rewarding to seek clues to the politics of trade in sectoral or industry-specific terms (see, for example, Dornbusch and Frankel in Stern, 1987) than in terms of grander macro-economic developments.

India is among the many countries that Rogowski includes in his sweep, but is among the few that he is unable to fit into his pattern. The author pronounces himself mystified by the unassertiveness of labour, the abundant factor, in both the nineteenth century and post-war trade-favourable eras. One certainly sympathizes with the author, since India baffles us all. But herein lies the clue to the failure of the book, despite the painstaking research that has gone into it. The empirical reality that the author has tried to come to terms with is quite simply too vast and varied and the theoretical structure that he has tried to impose on it sadly obsolete. It is hoped that in the years to come we will see more sharply-focused, insightful contributions from this researcher, whose scholarship marks him as a most valuable and scarce resource in the study of the politics of trade.

## REFERENCES

- Dornbusch, Rudiger and Jeffrey A. Frankel, "Macroeconomics and Protection" in Robert M. Stern, *US Trade Policies in a Changing World Economy*, The MIT Press, Massachusetts, 1987.