

Peter Gourevitch, (1977) "International Trade, Domestic Coalitions, and Liberty: Comparative Responses to the Crisis of 1873 – 1896" *The Journal of Interdisciplinary History*, VIII, 281-313.

Summary:

He is trying to understand why four different countries reacted differently to the Great Depression of 1873-1896, reactions being high or low tariffs. He tries out four different explanations of each country: economic, political system, international system, and economic ideology. He concludes that domestic societal interests supplanted by a concern with state structure provide the most satisfying explanation.

Central puzzle: Beginning in 1873 world prices fell industry and food, and continued to fall for two decades. Gourevitch wants to understand the roots of the tariff strategy each country adopted in reaction to the market change. He doesn't buy that all explanations are equal and necessary, group interests, class conflict, ideology, institutions, foreign policy. The four explanations he subjects each country to are:

- 1) Economic explanations – tariff levels derive from the interests of economic groups who are in a position to effect public policy.
- 2) Political system explanations – The political structures and actors get in between interests and outcomes, groups differ in their access to power, prestige, etc.
- 3) International system explanations – considerations of military security, stores of military supplies, stability, shape trade policy.
- 4) Economic ideology explanations – policy is decided based on intellectual orientations about proper economics and trade. These orientations may have been spawned through one of the above 3 concerns, and adopted as appropriate for all situations.

Germany:

Gourevitch shows how all four explanations could play a role in explaining Germany's trade policy. He traces which economic groups would favor modernizing or protection policy in agriculture and industry, the trade-offs that took place among groups, and the ability for groups to organize. Major groups had an interest in high tariffs, structures and actors favored protectionism, national security called for high tariffs, and the economic traditions supported the outcome.

France:

Although in a different agricultural and industrial position than Germany, France also adopted a protectionist stance against the international market. High tariffs can be explained by all four of the above explanations.

Great Britain:

GB did not raise tariffs for agricultural and industrial products at this time. Low tariffs were consistent with her role as supplier of industrial goods for many parts of the world (though this was deteriorating at the time). In agriculture low corn prices did not lead to protectionism because there was so much emphasis on the industrial sector. Empire and navy make it easy to depend on overseas sources of food. Again all four explanations are shown to fit the situation.

US:

The US adopted low agricultural tariffs and high industrial tariffs. Strong ag did not need protection while less competitive industry did. For several reasons though, including the tariff policy, agriculture suffered at the hands of industry. In the end all explanations, save for the international one, work to explain the actions of the US tariff policy.

The point Gourevitch is trying to make is that we must discriminate between explanations. Functionalism can yield explanations which are rational and make sense, but might not be the whole story. By doing a comparative analysis he can see where political structures and systems were the same across cases in each country, and whether or not policy outcomes were the same (Mill's method).

The winning groups in each instance had uniform economic characteristics, making a better case for an economic explanation over a political one. The translation of economic advantage into policy though does require action, organization and politics. So the economic explanation by itself is not sufficient.