Rogowski, "Political Cleavages and Changing Exposure to Trade"

       Rogowski utilizes the Stolper-Samuelson (S-S) theorem (i.e. that gains from increased trade integration will accrue to the domestic factors of production that are relatively abundant) to formulate a general theory of political coalition formation in response to changes in trade integration. He bases his theory primarily upon two assumptions: 1) gainers from any exogenous change in trade levels will seek to continue the process of trade expansion; 2) those who gain from increasing exposure increase their political power. In Rogowski's model there are three actors: landowners, capitalists, and laborers. Based upon the assertion that it is empirically the case that labor is scarce where land is abundant (and vice-versa), he presents a two-by-two matrix of feasible national economies. Advanced economies consist of those economies in which capital is abundant, backward economies of those in which it is scarce. Of the advanced economies, when labor and capital are abundant, he predicts that an increase in trade integration will lead them to form a coalition in favor of free trade. Landowners, on the other hand, can be expected to lobby for protection. When land and capital are abundant, an increase in trade integration leads landowners and capitalists to form a coalition, pitted against labor, to expand free trade. For the backward economies, increases in trade integration for those with an abundance of land and scarcity of labor and capital and those with an abundance of labor and a scarcity of capital and land lead to coalitions of laborers and capitalists for trade protection in the first instance, coalitions of capitalists and landowners for trade protection in the second. In the face of declining exposure to trade, coalitions can be expected to lobby in the opposite direction.