



Professor Csongor István Nagy

International Trade

Session 2

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Welcome to the course on International Trade.

The second session of the course provides **further details of international trade law**.

Please watch the interview with Keith Rockwell of the World Trade Organization, which is available at <https://youtu.be/ftQ7IWvGI7E>

Since its creation in 1994, the WTO became a truly **universal institution**. In contrast to GATT 1947, which was founded by 33 countries, the WTO currently has more than **150 members**. With the accession of China in 2001 and Russia in 2012, the WTO became a truly universal trade organization: its member states account for **96.4 % of world trade**, and thus, its rules and principles are vested with an almost erga omnes authority.

Please watch Nobel-laureate Milton Friedman's presentation on "Free Trade vs Protectionism", which provides interesting **insights into protectionism and its effects**. The presentation is available at <https://www.youtube.com/watch?v=urSe86zpLl4>

Please read Chapter 12 ("Csongor István Nagy: International Cooperation in Economic Relations") of Interstate relations (Zsuzsanna Fejes, Márton Sulyok, Anikó Szalai (eds.), Iurisperitus, Szeged 2019), at 203-215.

This chapter provides an introduction into the **fundamentals of international trade law and free trade agreements**. It **defines terms like customs duties and quantitative restrictions, protectionism, free trade and new generation free trade agreements**.

It is available at http://acta.bibl.u-szeged.hu/69103/1/opera_iurisprudenciae_002_002_203-215.pdf

Finally, please watch my video on **Baptist-Bootlegger coalitions** in world trade.

Furthermore, the social discourse and political process on international trade is often dominated by Baptist-Bootlegger coalitions, where **selfish interest groups longing for protectionist spoon-feeding (Bootleggers) combine with stakeholders endeavoring to protect social values (Baptists)**. These coalitions **may emerge unnoticed** and the two interest groups may not be aware drive the social discourse and the political process in the same direction unconsciously. Bootleggers may contribute to this with intensive lobbying while Baptists may provide useful moral labels.

In the context of international trade, this may imply that **domestic fishing companies may combine with animal protection non-governmental organizations (NGOs) to cut out foreign goods produced via methods causing unnecessary pain to animals (killing dolphins or turtles), or local farmers may combine with public health advocates to cut out foreign products disinfected in an alternative way (such as chlorine-washed chickens)**.

At the end of the session, please answer the following questions:

- What are states' traditional means to restrict trade?
- What is economic protectionism?
- What are free trade agreements about? What are the novel features of new generation free trade agreements?
- How has international trade been liberalized after the Second World War?
- What are Baptist-Bootlegger coalitions?