

**PO230 States and Markets: An Introduction to International Political Economy  
Seminar Week 7. The Imperial Politics of Liberal Free Trade**

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**What is Ricardo's contribution?**

- What were the 'Corn Laws'? What is their relevance for Ricardo and the politics of free trade?
- What is he trying to do?  
 "In all these calculations I have been desirous only to elucidate the principle, and it is scarcely necessary to observe, that my whole basis is assumed at random, and merely for the purpose of exemplification. The results though different in degree, would have been the same in principle. ... My object has been to simplify the subject" (Ricardo 1951–1973, vol. 1, pp. 121–122).
  - Ricardo is important because he *abstracted* economic relations
  - History gets lost in abstraction
  - Normative principles are encoded into the way we abstract
  - Abstractions - laws of the social world - feed policy.
  - Is there a argument that defends abstraction?
- The comparative advantage of British cloth? What else do we know about the global textile trade?



- Criticisms of Ricardo's work from an IPE perspective?

**Ricardo Today?**



In the canon?



<http://i-peel.org/homepage/container/>

- Does this example confirm Ricardo's model of trade, or not?

#### **GATT Part I, Article I: General Most-Favoured-Nation Treatment**

This outlines the concept of Most-Favoured-Nation (MFN) treatment and states that trade concessions granted to one Member are applied immediately and without conditions to all other Members.

#### **CETA Agreement**

Under the terms of the agreement, the EU and Canada have agreed to eliminate or reduce their bilateral tariffs on the imports of goods, either directly when CETA enters into force or gradually over a transition period. Tariffs are essentially taxes on imported or exported goods levied by governments at the borders, in order to generate revenue or protect their domestic industries from global competition. The aim of these tariff reductions is to reduce the costs for exporters and improve competitiveness, while lowering prices and increasing choice for consumers.

- What is normative about these statements?
- How do they relate to Ricardo?

#### **Economic concepts made easy:**

- Ricardo and comparative advantage:  
<https://www.youtube.com/watch?v=U12yZXBmQmY>
- The whole series, '60 Second Adventures in Economics', animations by Open University: <https://www.youtube.com/watch?v=LCRNI04tnN8>

#### **Next Week:**

Please send me your favourite memes about Karl Marx.