

Special Studies in Trade Negotiations
2022 Second Semester

Professor: Yoo Myung-hee (Visiting Professor)

Office: Building 140-2 Room 304

Office Hour: Thursday 11:00-12:00, or by appointment, or after each class

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COURSE DESCRIPTION

As a sequel course to “Seminar in International Trade on Emerging Trade Issues and Negotiations,” this course deals with more advanced and applied aspects of emerging trade issues and negotiations on digital economy, technology and security, industrial policy, and environment-related trade measures, etc.

The course will be conducted through lectures and presentations on theoretical aspects of the issues, and analysis and discussions on actual cases, as well as negotiation simulation exercises. The course devotes the first three weeks to principles and practices for international negotiations, the next five weeks to digital economy and the remaining weeks to other emerging trade issues.

The basic knowledge on the WTO and trade negotiations, for example, from the classes such as “Understanding International Trade Law,” “WTO and Multilateral Trade Agreement,” and “Seminar in International Trade on Emerging Trade Issues and Negotiations,” will be useful for this course although they are not required as pre-requisites.

COURSE OUTLINE

This course consists of three parts: (i) practical approach to negotiating trade agreements, (ii) various issues and cases on digital economy and (iii) other emerging issues and future global economic order.

First part covers basic principles and practices for international trade negotiations. Negotiation exercises will be conducted in a class, based on actual multilateral and bilateral trade negotiations, where all students should participate in.

Second part delves into various issues and cases on digital economy, including services classification, data transfer, data localization, national security, competition, and digital transformation in manufacturing sector. Recent cases happening around the world will be used to supplement theoretical aspects of the issues.

Third part addresses other emerging trade issues, from supply chains, industrial policy, technology and national security as well as trade and environment. At a wrap up class, we will discuss the development of new global economic order.

The final assessment for the course will be based on a take-home assignment (40%), class presentation (30%), negotiation simulation (10%) and participation (20%).

As this course deals with most recent issues and cases and some of the lectures will be based on the actual experience of the professor, there are no required textbooks for this course. The relevant reading materials, such as articles will be available in “etl” webpage, no later than a few weeks before the class.

Students in this course are also advised to regularly keep up with current developments in international trade area. Useful sources include, inter alia, Financial Times, The Economist, and Inside US Trade.

There are numerous books and materials related to the WTO, trade negotiations, digital trade and other emerging trade issues. You may also refer to the following books for your research and studies:

- Charan Devereaux, Robert Z. Lawrence & Michael D. Watkins, Case Studies in US Trade Negotiation: Vol. 1 Making the Rules (2006)
- Congressional Research Service (CRS), World Trade Organization: Overview and Future Direction (2021)
- Stormy-Annika Mildner et al., WTO 2.0 – Making the Multilateral Trading System Fit for the 21st Century and How the G7 Can Help (2022)
- Paul R. Krugman, Maurice Obstfeld, Marc J. Melitz, International Economics: Theory and Policy (2018)
- CRS, Digital Trade and US Trade Policy (2021)
- Mira Burri and Thomas Cottier, Trade Governance in the Digital Age (2012)
- Dan Ciuriak and Maria Ptashkina, Toward a Robust Architecture for the Regulation of Data and Digital Trade, Center for International Governance Innovation (CIGI) Papers No. 240 (2020)

- Dan Ciuriak, World Trade Organization 2.0: Refdorming Multilateral Trade Rules for the Digital Age, CIGI Policy Brief No. 152

SUGGESTED CLASS SCHEDULE

09/01 Introduction

09/08 Challenges to the WTO and outcomes of MC12

- Challenges and future work for the WTO
- Outcomes of MC 12 and lessons learned from the negotiation perspective
- Negotiation strategies and practices

* Reading Materials

- Stormy-Annika Mildner et al., WTO 2.0 – Making the Multilateral Trading System Fit for the 21st Centry and How the G7 Can Help (2022)
- Barbara C. Matthews, The WTO Ministerial Agreement - Problematic Progress. Atlantic Council (2022)
- Inu Manak, The WTO Hangs on, Council on Foreign Affairs (2022)
- James Bacchus, WTO Steps Back from the Abyss of Irrelevance... but Crucial Issues Remain Unresolved, CATO Institute (2022)

09/17 Negotiation strategies and practies as well as a simulation exercise

* Reading Materials

- Devereaux et al., Ch. 2 Negotiating Trade Agreements

09/22 Korea-US FTA and negotiation exercise (Korea-US FTA)

- History of Korea-US FTA and its amendment negotiations
- Negotiation simulation exercise

* Reading Materials

- Outcome documents of Korea-US FTA Amendment Negotiations (to be uploaded on “etl” webpage)

09/29 No class and make up class on 12/15 (tentative)

10/06 No class and make up class on 12/19 (tentative)

10/13 Digital Trade I: WTO rules, classification and tarriff

- Overview of WTO rules in the digital age
- Digital products as goods or services?
- Services classification and the case of Netflix
- No-duty moratorium

10/20 Digital Trade II: Data governance (data transfer and localisation)

- Differences in data governance rules of RCEP, CPTPP, USMCA, USJDTA and DEPA
- Differences in data governance rules of US, EU and China
- Analysis of “legitimate public policy objective” exception
- Recent trends and issues on data governance
- Case of Google being imposed fine for violation of GDPR

10/27 Digital Trade III: Data and security

- National security exception in the digital age
- Personal data protection and transfer, and national security
- Information control, surveillance, technology governance and future of digital order
- Case of Tiktok ban in the U.S.

11/03 Digital Trade IV: Digital economy and competition

- Promoting competition in the digital area vs creating a level playing field by regulating big tech
- EU’s Digital Markets Act (DMA) and other countries’ policies
- Cases of Google in-app purchase policy and Netflix’s net neutrality argument

11/10 Digital Trade V: Special lecture by a digital trade expert

- Digital transformation in manufacturing sector and its implication in digital trade governance

11/17 Supply chains in key sectors in digital economy

- Supply chains in semiconductors
- Supply chains in critical minerals
- Managing supply chains in key sectors: reshoring, near-shoring vs diversification
- Re-emergence of industrial policy and techno-nationalism

11/24 Trade, technology and national security

- Use and abuse of national security exception under the WTO
- Increase of coercive economic measures
- US laws and regulations on export control and investment review
- Proposals for new plurilateral framework for export control and their implications

12/01 Trade and environment

- Analysis of EU's Carbon Border Adjustment Measures (CBAM)
- Problems arising from the implementation of the CBAM
- G7's outcome on climate club and its future

12/08 Trade and labor

- Overview of issues on human rights and labor rights in trade rules
- Enforcement cases of labor-related rules in the FTAs (USMCA and EU's FTA)
- Implementation trends of the US Uyghur Import Force Labor Prevention Act
- Recent trends and developments in corporate environmental social governance

12/15 Wrap-up discussion on global economic order

- Recent developments in CPTPP and IPEF
- Discussion on global economic order

12/19 Exam (take-home exam)

- * This date can be adjusted to accommodate available dates for the students.