

**INTERNATIONAL TRADE IN SERVICES**

Master de Recherche, mention Relations Internationales, spécialité Economie  
Spring Semester, 2008-2009

**Professor: Mr Bernard HOEKMAN**

**Days: to be confirmed**

**Enseignement réservé aux étudiants  
du Master Recherche  
en Economie des Relations  
Internationales**

**1. Contacts**

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**2. Objectives of the course**

The aim of this course is to provide an introduction to economics of trade in services and the political economy of international negotiations to liberalize trade in services. The course will review the role of services in economic development and growth; the recent empirical evidence on the impacts of regulatory reform and liberalization, and discuss issues related to the design of trade agreements covering services.

**3. Methods**

The course will comprise a series of lectures, and include a country case study (on Zambia). There will be a number of required readings, mostly published articles and recent working papers.

**4. Assessment**

Course grade will be determined by class participation (20%) and a short paper (10-15 pages), to be completed by the end of the term (80%).

**5. Course plan**

The course will start with an overview on the characteristics of services and the implications for the economics of services trade (relevance of standard trade theories). It will then address issues of measurement – flows, stocks – and discuss the policies affecting trade in services, with an emphasis on assessment of the effects of policies in theory and discussion of the available empirical evidence on the effects in practice. The last section of the course will be devoted to trade agreements – regional and multilateral (WTO) – with an emphasis on the political economy of services negotiations and implications for the design of trade agreements for services. The course will conclude with a case study of Zambia.

**6. General References**

Hoekman, B. 2006. "Liberalizing Trade in Services: A Survey," World Bank Policy Research Working Paper.

Mattoo, A., R. Stern and G. Zannini (eds.), *A Handbook on Trade in Services*, Oxford University Press, forthcoming. [Selected drafts of chapters will be distributed to students]

## 7. Detailed Reading List

- Arnold, M., B. Javorcik and A. Mattoo, 2006, "The Productivity effects of services liberalization: Evidence from the Czech Republic," mimeo.
- Bhagwati, Jagdish, A. Panagariya and T.N. Srinivasan. 2004. "The Muddles over Outsourcing," *Journal of Economic Perspectives*, 18:4: 93-114.
- Deardorff, Alan. 2001. "International Provision of Trade Services, Trade and Fragmentation," *Review of International Economics* 9: 233-48.
- Deardorff, Alan and Robert M. Stern 2004. "Empirical Analysis of Barriers to International Services Transactions and the Consequences of Liberalization," mimeo.
- Eschenbach, Felix and Bernard Hoekman. 2006. "Services Policies in Transition Economies: On the EU and WTO as Commitment Mechanisms," *World Trade Review*.
- Eschenbach, Felix and Bernard Hoekman. 2006. "Services Policy Reform and Economic Growth in Transition Economies, 1990-2004," *Review of World Economics*.
- Francois, Joseph and Kenneth Reinert. 1996. "The Role of Services in the Structure of Production and Trade: Stylized facts from a Cross-Country Analysis," *Asia-Pacific Economic Review*, 2:35-43
- Hoekman, Bernard and Aaditya Mattoo. 2007. "International Trade: Multilateral Disciplines on Trade in Services", in *The Handbook of International Economic Law* (Andrew Guzman and Alan Sykes, Editors), University of Chicago Press.
- Hoekman, Bernard and Patrick Messerlin. 2000. "Liberalizing Trade in Services: Reciprocal Negotiations and Regulatory Reform," in Pierre Sauv  and Robert Stern (eds.), *Services 2000: New Directions in Services Trade Liberalization*, Washington D.C.: Brookings Institution.
- Konan, Denise and Keith Maskus. 2006. "Quantifying the Impact of Services Liberalization in a Developing Country," *Journal of Development Economics*.
- Mattoo, Aaditya, Randeep Rathindran and Arvind Subramanian. 2006. "Measuring Services Trade Liberalization and its Impact on Economic Growth: An Illustration," *Journal of Economic Integration*.
- Mattoo, Aaditya and Randeep Rathindran. 2006. "Does Health Insurance Impede Trade in Health Care Services?," *Health Affairs*, latest issue..