

1986

Barriers to International Trade in Professional Services

Legal Forum Editors
LegalForum@chicagounbound.edu

Follow this and additional works at: <http://chicagounbound.uchicago.edu/uclf>

Recommended Citation

Editors, Legal Forum (1986) "Barriers to International Trade in Professional Services," *University of Chicago Legal Forum*: Vol. 1986: Iss. 1, Article 2.
Available at: <http://chicagounbound.uchicago.edu/uclf/vol1986/iss1/2>

This Note is brought to you for free and open access by Chicago Unbound. It has been accepted for inclusion in University of Chicago Legal Forum by an authorized administrator of Chicago Unbound. For more information, please contact unbound@law.uchicago.edu.

The University of Chicago Legal Forum 1986

Barriers to International Trade in Professional Services

On September 20, 1986, in Punta del Este, Uruguay, ministers from seventy-four contracting countries to the General Agreement on Tariffs and Trade (GATT) agreed on an agenda for a new round of multilateral trade negotiations. While several previous GATT rounds have resulted in agreements governing world trade in goods, the Uruguay Round is the first series of negotiations under the GATT framework to address trade in services. According to the final agenda, negotiations "shall aim to establish a multilateral framework of principles and rules for trade in services, including elaboration of possible disciplines for individual sectors. . . ."

This volume of the *University of Chicago Legal Forum* explores a topic likely to be of concern to the Uruguay Round negotiators: Barriers to International Trade in Professional Services. At its first annual symposium, held on February 7, 1986, the *Legal Forum* brought together legal scholars, economists, members of the legal and accounting professions, and the official in charge of developing a services trade policy for the U.S. government. The articles in this volume are the product of that symposium.

The first article, by Geza Feketekuty, Counselor to the United States Trade Representative, provides an overview of the topic, describing economic and policy developments relevant to trade in services generally, and professional services in particular. Mr. Feketekuty has had personal responsibility for developing the U.S. government's policy and negotiation program for trade in services. His comments on the nature of barriers to international trade in professional services, and his suggestions on how best to reduce those barriers, thus provide an informed preview of the issues and tactics that will be considered by the Uruguay Round negotiators.

Two articles examine more closely the economics of trade in professional services, noting the important conceptual and practical differences between trade in services and trade in goods that must be recognized by the GATT negotiators. Jagdish N. Bhagwati

points out the conceptual distinctions between the ways goods and services are traded, and the implications of these distinctions for trade negotiations. Thierry J. Noyelle and Anna B. Dutka present an empirical analysis of trends in the development of the world market for four important classes of professional services and the principal constraints to trade in these services. They conclude from this sampling that barriers to trade in services are different in kind from barriers to trade in goods, and thus cannot be dealt with simply by applying existing GATT principles governing merchandise trade.

John H. Barton's article analyzes the principal legal constraints to trade in professional services. Mr. Barton describes particularly barriers arising from the ways the U.S. and the European Economic Community regulate migrations of professionals, short-term provisions of services across national borders, and the multinational operations of professional services organizations. He then examines the implications of this analysis for the choice of institutional strategies for liberalizing trade in professional services.

Particular problems facing the legal and accounting professions are described in the articles by Sydney M. Cone, III, and Frank A. Rossi. The Appendix to Mr. Feketekuty's overview also treats the architecture and engineering, management and consulting, health, and education services sectors.

As the various articles make clear, the Uruguay Round negotiators face the difficult task of forging a multinational agreement that recognizes the increased importance of trade in services in the world economy, but also respects national sovereign prerogatives. This volume seeks to contribute to that effort.