WP Nº 201960:

“A new and benign hegemon on the horizon? The Chinese century and growth in the global South”

- A very quick summary:

This paper seeks to estimate the impacts of trade with China on the gross domestic product (GDP) of the global South, by considering models including some relevant data features as cross-sectional dependence, heterogeneity and structural breaks.

- Positive contributions:

1. The paper is clear enough both in theoretical and empirical perspectives. It is in line with recent developments in related methodologies and combines them properly.
2. The findings are relevant and they aim to close the inconclusive previous empirical evidence.

- Issues to be fixed/improved:

1. In my view, the main issue to be fixed/improved is how the institutional features of these countries are included in the model. In my view, warnings included regarding the low bargaining power of developing countries when trading with advanced economics also applies in the transactions with China. I am aware of the low availability of these type of indicators (perhaps there are some related indicators in data from World Bank) but authors need to justify the absence of these sources more explicitly.
2. Between the limitations of the study, should be mentioned the reduced number of years included in the analysis. In particular, when authors explore “long-run” relationships and when the period after financial crisis is isolated.
3. There are some minor typos throughout the full text, so that a detailed revision of the document is needed.