

The core-periphery dichotomy revisited: the Chinese trade specialization pattern with Latin American and African economies

Roberto Alexandre Zanchetta Borghi

Lecturer in Economics

Institute of Economics, University of Campinas (Unicamp), Brazil

PhD in Development Studies, University of Cambridge, UK

Contact: razb@unicamp.br

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China's global economic rise has been leading to the rethinking of international relations between developed and developing economies. Well-known as the new workshop of the world, China has been rearranging global trade. Trade between China and other developing partners is particularly interesting in this regard, once reproducing a core-periphery dichotomy central to the structuralist development theory.

This paper aims to discuss the trade specialization pattern that has been established and reinforced between China and developing countries from Latin America and Africa since the 2000s. The analysis addresses the importance assumed by China in trade relations with other developing peers and the trade composition between them in terms of both exports and imports. Data from international and national institutions are used for this purpose.

China has become the key trade partner of most Latin American and African economies. Moreover, while China mainly exports manufactured goods of all sorts to those countries, their exports to China are largely concentrated in some primary commodities, namely agricultural and/or mining goods, depending on natural endowments of each country.

This asymmetrical trade specialization pattern reproduces among developing economies the original core-periphery dichotomy. Opportunities and limitations arise from the consolidation of such relationship. Although countries can benefit from short-term gains in trade with China, especially during commodity booms, the process of catching-up becomes increasingly constrained by structural factors, above all, the difficulties to industrialize or, in some cases, the risk of deindustrialization. Long-term development strategies are therefore required to address the patterns of integration these economies will have within global trade and value chains.