Gdansk University of Technology

Attention: Ph.D., Office
Evaluation of the Ph.D. Thesis Entitled: ESSAYS ON CHINA'S INTERNATIONAL TRADE-FOCUS ON ONE-BELT ONE-ROAD INITIATIVE".
Scientific discipline: ECONOMICS AND FINANCE
Ph.D. Candidate: Mr. YUXIN LU

External Referee: Filippo Reganati, Department of Juridical and Economic Studies, Sapienza, University of Rome

External Referees Areas of Expertise & Research Interests

Professor Filippo Reganati is currently the Head of Department of Juridical and Economic Studies at the Sapienza, University of Rome. He joined Sapienza in 2008 and he teaches Economics, Economics of European Integration, and International Economics. Prior to his appointment at Sapienza, Professor Reganati served at the Universities of Cassino, Salerno, Benevento, Luiss 'Guido Carli' and Foggia.

After graduating in Economics from the University of Catania, he obtained a M.A. in International Economics and a Ph.D. in Economics from the University of Reading (UK). His main research interests are in the areas of international trade in imperfect competitive markets, foreign direct investment and multinational enterprises, firms' dynamics and survival, economics of crime. Professor Reganati is the author of 6 books and over 90 articles published in both Italian and international scientific journals.

He has been principal investigator and member of several national (MIUR, CNR, Svimez, Istituto Guglielmo Tagliacarne, Commissione per la Garanzia dell'Informazione Statistica and ISMEA) and international (EU Seventh Framework Program, Forum Euroméditerranéen des Instituts de Sciences Économiques) research projects. He has carried out study and research periods at: the OECD, the Department of Economics of the University of Dundee and the Department of Economics of the Ministry of Foreign Affairs of Luxembourg. He has held numerous seminars at Italian and foreign universities and has presented papers (peer-reviewed) at various national and international conferences¸ promoted by, among others: International Economic Association, European Economic Association, Academy of International Business, International Atlantic Economic Society, European Trade Group Study, European International Business Academy, Midwest International Trade Meetings, Italian Society of Economists). He is member of the Editorial Board of the *Journal of Business Economics and Management*. He is Member of the Academy of International Business, the International Economic Association and the Italian Economic Association. He has been Visiting Professor at Demidov Yaroslavl State University and at the Department of Economics and Management of the University of Dundee (UK).

Evaluation of Mr. YUXIN LU Ph.D. Thesis

In this report, I would like to provide you with my assessment of the doctoral thesis submitted by YUXIN LU entitled 'ESSAYS ON CHINA'S INTERNATIONAL TRADE-FOCUS ON ONE-BELT ONE-ROAD INITIATIVE'. The aforementioned thesis represents an original and comprehensive scientific work, with clear novelty elements in the field of study covered. In particular, I point out how the work of Mr. Yuxin Lu reaches a good academic level in terms of the formulation of the research questions, the appropriateness of the methodology used, the literature examined and the form of presentation, as well as the arguments and conclusions postulated.

In my opinion, I believe that doctoral thesis of Mr YUXIN LU certainly fulfils the requirements for a doctoral thesis and is worthy of public defence for the award of a doctoral degree without any major changes. In general, I can say that:

- The research questions are clearly formulated and appropriately developed.
- The research methods used to develop the work are appropriate to the subject matter and are correctly applied.
- The thesis provides a sufficiently comprehensive study of the subject matter.
- The research findings are adequately articulated and accompanied by adequate exposition.
- The quality of writing, the works' organization and the clarity of the thesis are satisfactory.
- The thesis makes an original contribution to the subject with which it deals allowing an advancement of knowledge in the subject area.

Evaluation Scale					
Scientific Quality	**Excellent**	**Very Good**	**Good**	**Fair**	**Poor**
Originality of thesis results		X			
Remarkability of results in the scientific context		X			
Technical and scientific level	X				
Methodological rigour		X			
Description of procedure			X		
Literature review		X			
Clarity and Synthesis of the Presentation	**Excellent**	**Very Good**	**Good**	**Fair**	**Poor**
Clarity of the thesis document			X		
Rationality of presentation			X		
Clarity of results presentation			X		
Clarity and completeness of figures and tables		X			
Appropriate length of the thesis		X			
Completeness of references		X			
Table of content		X			
Figures		X			
Tables		X			
Overall Evaluation of the Thesis		X			

Comments on Chapter one

In the first chapter of the dissertation the candidate analyses the effects of the One-Belt-One-Road (OBOR) initiative on international trade. In particular, he poses the following three research questions:

- RQ 1: To what extent does the OBOR initiative affect the volume of bilateral trade?
- RQ 2: To what extent do the OBOR economic corridors have a different impact on bilateral trade?
- RQ 3: What are the effects of the OBOR initiative on China's exports?

In the Introduction to the chapter, I would move the paragraph describing the sources of the data used in the analysis to the section 1.3. I would also suggest expanding the novelty part of the paper by briefly adding some of the main results obtained.

Regarding the section on the literature review (1.2.), the brief reference to the theoretical schools on international trade seems to me too brief and especially unnecessary given the objectives of the work. Furthermore, the explanation on the structure of gravitational models would perhaps be more appropriate when the candidate addresses his empirical analysis (section 1.4.1.).

In my opinion, the literature review most relevant to the topic of the chapter is that contained in the second part of section 1.2.3. In this regard, I would suggest focusing the review first on the effects of OBOR on trade and then on the other possible effects (investment, welfare, etc.)

In the definition of the gravity model variables (XX), I am unclear as to the meaning of the dummy Smctry. You mean that the two countries had previous trade relations? If so, make it clearer. Moreover, in the same section the candidate takes into account the research questions RQ2 and RQ3 and some robustness tests. I believe that it would be better to separate the two into distinct sections.

The candidate presents two proofs of robustness. I am not very clear on the second one. In this regard, it would be better to explain in more detail the procedure followed.

Finally, on the commentary on the results obtained and in particular on the fact that the effect of the OBOR initiative on Chinese exports appears to be quantitatively lower than that of participation in the WTO, ASEAN and ACFTA, more interpretative effort would be desirable.

Comments on Chapter Two

In the second chapter of the thesis, the candidate focuses his analysis on the participation of China and OBOR countries in global value chains (GVCs). In particular, after describing the participation and positioning of China and OBOR countries within GVCs, the candidate develops two lines of research. The first concerns the effects of the OBOR initiative on GVCs, while the second considers the effects of both international and domestic value chains on the Chinese labour market.

In the first line of research the candidate uses a gravity model to answer the following research questions:

- RQ 1: To what extent do the OBOR initiative and its corridors influence bilateral value-added trade and GVCs?
- RQ 2: To what extent is Chinese domestic value added absorbed abroad?

Particularly noteworthy is the second line of research in which the candidate constructs a province-level dataset in which the value chain participation is divided into three components: international, inter-provincial and intra-provincial. Using a seemingly unrelated regression equations (SURE) model, the candidate intends to answer to the following research question:

- RQ 3: How does the participation of Chinese provinces in GVCs affect wages, employment and productivity?

From my perspective it would have been more interesting to have two different chapters instead of having them all together in one like the candidate is doing in the present dissertation. It would be better to have one chapter dedicated to RQ1 and RQ2, while the other one about RQ3.

This would have increased the value of the second line of research, which instead is hastily presented despite its obvious novelty. In addition, as suggested in the previous chapter, to give more coherence to the discussion I would bring the part on corridors immediately after the general one.

Comments on Chapter Three

In the third chapter of the thesis, the candidate focuses his analysis on the impact of the OBOR initiative on the export diversification of participating countries. Using data at macro-level, he poses the following two research questions:

- RQ 1: To what extent does a country's participation in OBOR influence the diversification by product and market of its exports?

- RQ 2: Are these effects different if one considers a definition of OBOR other than the simply formal adherence to the initiative?

In examining this issue, the candidate hypothesises that there are three possible channels through which participation in OBOR could influence export diversification, namely (i) improving the infrastructure endowment of member countries; (ii) increasing Chinese investment, especially in the energy and transport sectors; and (iii) increasing the cost competitiveness of Chinese products.

In the empirical analysis (section 3.4.), the candidate presents several models in which the dependent variable (export diversification) is measured using four different proxies. I think that as done above, it would be preferable to explain more analytically.

For greater clarity for the reader, a section defining the indices used to measure export diversification would have been desirable. For those unfamiliar with the subject and not just a reader, it is important to see which formulas have been used.

My only problem with this chapter is that in section 3.3.2. the candidate attempts to conduct a micro-level analysis using data from enterprises operating in the Guangdong province. Such an effort, while useful for the information it adds to the subject matter, is in my opinion unrelated to the overall organisation of the chapter.

Questions to be asked:

I.   In several parts of the thesis, the candidate refers to the role of foreign direct investment Why is it that among the control variables of the models used, this variable is never taken into account?

II.   Could the candidate explain the economic reasons for including the variable on female labour participation as a robustness test when examining the link between GVCs and the labour market in China?

III.   Based on the knowledge gained, which research areas do you think should be developed and why?

Final Decision:

In summary, my conclusion is that YUXIN LU's Ph.D. thesis presents original research results and I recommend that the candidate be awarded the doctoral degree.

Rome, September 25, 2023

Sincerely,

Filippo Reganati

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