# 博士論文審査結果報告
## Report on Ph.D. / Doctoral Dissertation Defense

National Graduate Institute for Policy Studies (GRIPS)

政策研究大学院大学

Professor HOSOE Nobuhiro

教授　細江　宣裕

審査委員会を代表し、以下のとおり博士論文審査に合格したことを報告します。

On behalf of the Doctoral Dissertation Review Committee, I would like to report the pass result of the Doctoral Dissertation Defense as follows.

| プログラム名 / Program | | GRIPS Global Governance Program (G-cube) |
|---|---|---|
| 学位申請者氏名（ID）/ Ph.D. Candidate (ID) | | ZELEKE, Abay Agidew (PHD20601) |
| Dissertation Title / 論文タイトル (タイトル和訳) | | Comparative Assessment of the Potential Impact of Africa Continental Free Trade Area (AfCFTA) and World Trade Organization (WTO) Accession on the Ethiopian Economy アフリカ大陸自由貿易協定と世界貿易協定の潜在的影響に関する比較研究 |
| 学位名 / Degree Title | | 博士（国際開発研究）Ph.D. in International Development Studies |
| 論文提出日/ Submission Date of the Draft Dissertation | | 2023 年 12 月 26 日/ December 26, 2023 |
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| 論文最終版提出日/ Submission Date of the Final Dissertation | | 2024 年 2 月 21 日/ February 21, 2024 |
| 審査委員会/ Doctoral Dissertation Review Committee | 主査 Main referee | 細江　宣裕 HOSOE, Nobuhiro |
| | 審査委員 Referee | 髙橋　和志 TAKAHASHI, Kazushi |
| | 審査委員 Referee | 板倉　健 名古屋市立大学 ITAKURA, Ken Nagoya City University |
| | 審査委員（博士課程委員会）Referee (Doctoral Programs Committee) | 山内　慎子 YAMAUCHI, Chikako |

※ タイトルが英文の場合、文部科学省に報告するため、和訳を付してください

Please add a Japanese title that will be reported to MEXT.

1. Summary of Defense and Evaluation

This is a study on the potential impact of two free trade deals–African Continental Free Trade Area (AfCFTA) and the World Trade Organization–that Ethiopia faces recently. Abay Agidew Zeleke studied the impact of the two free trade policies by employing simple trade indicators and a static world trade computable general equilibrium (CGE) model. The first approach with simple trade indicators sheds light on the cause of fears about free trade, which Ethiopian people may have regarding some particular weak industries, which could be impacted by the influx of imports under free trade. Employing two different types of indicators: comparative advantages and protection rates, he compared their predictions and found consistencies between their predictions in some industries but also detected potential problems in their uses for trade policy assessments. That is, both comparative advantage and the existing barriers should be considered for a comprehensive macroeconomic analysis of free trade. Thus, he took the second approach by developing a world trade CGE model and simulated two trade policy changes: the AfCFTA and WTO accession. Assuming reductions of tariff and nontariff barriers under AfCFTA and WTO, he demonstrated their potential impacts on trade, sectoral output, and welfare. His quantitative assessment suggested a larger impact of the WTO accession than that of AfCFTA, the latter of which has attracted much attention. Scrutinizing sectoral output changes, he found that some of the weak sectors are not necessarily weak, depending on the trade deals.

He contributed to the literature by shedding new light on the trade policy assessments for the Ethiopian economy, which has not joined major free trade areas or the WTO, and by revealing sectors affected by the free trade deals in unique ways, such as the leather and transport sectors. His approach by jointly employing trade indicators and a structural CGE model is notable from a methodological viewpoint. His study bridged these two strands of research successfully by synthesizing findings obtained by these two approaches.

## 2. Dissertation overview and summary of the presentation.

Ethiopia has not joined any free trade areas (FTAs) until AfCFTA, while most other African countries have formed regional FTAs, such as the East African Community, the Economic Community for Central African States, and the Economic Community of Western African States. The country is also one of the last few countries which have not yet joined the WTO. Therefore, its free trade assessment has not attracted much research attention. While some studies assessed the impact of AfCFTA across the continent, they did not investigate its detailed impacts on the Ethiopian economy, but only from a macroeconomic perspective. The study by Abay Agidew Zeleke provides an important piece to fill this research gap. His study aimed to conduct a comprehensive macroeconomic and sectoral impact analysis of the AfCFTA and WTO accession that Ethiopia faces.

In Chapter 2, he reviewed major trade theories for and against free trade and major empirical methodologies for trade policy assessment. Past studies on the impact of the AfCFTA and WTO accession have been also reviewed. In Chapter 3, he computed two different types of trade indicators. One is Balassa's revealed comparative advantage and its variants, which measure the competitiveness of industries. The other is nominal and effective rates of protection, which measure the degree of border barriers. He compared their results and found some consistency between their predictions under free trade and also suggested that comparative advantage computed under protection could be biased and that both comparative advantage and trade barriers should be jointly considered to quantify their total impact.

Because both competitiveness and trade barriers need to be jointly considered, a comprehensive approach is called for. He took the second approach in Chapter 4 by employing a CGE model, where exports and imports, industrial input and output, consumption, and the resulting welfare outcome are simultaneously determined in the Arrow-Debreu general

equilibrium framework. Based on the GTAP database, he constructed a static world trade CGE model and simulated the two trade deals. In his AfCFTA simulations, he considered removals of mutual tariffs and reductions of nontariff barriers within Africa with and without exclusions of sensitive goods from the tariff removals. His WTO simulations, which assumed halving tariff and nontariff barriers by Ethiopia unilaterally, revealed many findings. Among others, he found that the WTO accession, although it is a unilateral border barrier cut by Ethiopia, would bring larger benefits than the AfCFTA would. While nontradable sectors are generally predicted to contract under free trade in earlier studies, the transport sector is expected to grow in his study. Public concerns about an influx of imports support protection, especially, for the textile and leather sectors in Ethiopia; his experiments showed that their concerns would not necessarily come true, dependent on the trade deals. In Chapter 5, he synthesized the findings in Chapters 3 and 4 and drew policy implications and recommendations for Ethiopia so that it can better integrate its economy into the global value chain.

He contributed to the literature by shedding new light on the trade policy assessments for the Ethiopian economy with new trade deals and by revealing sectors affected by the free trade deals in unique ways. His approach by jointly employing trade indicators and a structural CGE model is notable from a methodological viewpoint. His study bridged these two strands of research by synthesizing findings obtained by simple trade indicators and a structural macroeconomic model. This provides a standard polity tool for future policymaking in Ethiopia.

3. Evaluation Notes from the Doctoral Dissertation Review Committee (including changes required to the dissertation by the referees)

He presented his dissertation at the defense on January 23, 2024, and had discussions with the reviewers. While he responded to their comments and questions at the defense, he revised the manuscript by incorporating comments from the reviewers and the audience. Major

comments are:

-Motivation and contributions should be more broadly described, not limited to the Ethiopian context.

The literature survey should be revised by specifying the methodologies that each earlier study took.

-Nontariff barrier data in the UNCTAD dataset should be examined, and their computation should be presented in the manuscript.

-Numerical results should be carefully examined and appropriately explained especially regarding their magnitude.

-Policy implications and recommendations should be provided consistently with the results obtained in the manuscript.

4. **Confirmation by the Main Referee that changes have been done to the satisfaction of the referees and final recommendations**

About three weeks after the defense, the candidate submitted the revised manuscript to the committee members along with a note that described changes in response to the comments and questions at the defense. They checked the new version and found that the revisions were made appropriately. The doctoral dissertation review committee recommends that GRIPS award the degree of Ph.D. in International Development Studies to Abay Agidew Zeleke.