

Figure 1: Map of the Horn of Africa with foreign military bases and port operators<sup>[1]</sup>

During the past decade, foreign countries have invested heavily into various ports in the Horn of Africa, often following their commercial deals with the opening of military bases next to those ports (for example China in Djibouti, the United Arab Emirates (UAE) in Berbera and Turkey in Mogadishu). This article looks at how the Horn's coastline has been transformed into an important strategic area – not only for maritime trade routes, but also due to its proximity to regional conflicts – and consequently has attracted a range of foreign powers. The influx of foreign actors, mixing commercial incentives with military deals, has led to the securitisation of the Horn's ports, the importing of foreign political cleavages, and has influenced intra-Horn politics.

## Capitalising on regional instability and foreign geopolitical ambitions

While there are also important economic developments in the Horn that have contributed to the influx of foreign actors, these are outside the scope of this short paper, which focusses on security dimensions. Although the Horn of Africa was an active theatre of competition between the US and the Soviet Union during the Cold War, after the end of the Cold War and the costly Battle of Mogadishu in 1993, the international community has largely disengaged from the region. Recently, however, there has been a marked renewal of interests. Key security developments since the turn of the century have elevated the geo-strategic significance of the region from the perspective of foreign actors, and over time the high concentration of foreign actors has created its own momentum for what seems like a military base race. Governments within the Horn have been eager to capitalise on the renewed interest.

The French have historically maintained a military base in Djibouti, their former colony. Shortly after 9/11 the United States opened a military base as well using Djibouti as an operational base for the US in the 'War on Terror' specifically to target Al-Qaeda related targets in Yemen and Somalia.<sup>[2]</sup> Several years later, when piracy skyrocketed off the coast of Somalia in 2007 threatening maritime commerce in the busy trade lanes through the Bab-el-Mandeb Strait, Djibouti doubled as the perfect base for international anti-piracy operations.<sup>[3]</sup> Anti-piracy operations led to Italy and Japan<sup>[4]</sup> both opening military bases, while the French base now also hosts troops from Germany and Spain and numerous other navies frequently visit the strait.<sup>[5]</sup>

The Gulf States have long used their vast financial resources derived from oil exports as a foreign policy tool in the Horn. Through their investments, the Gulf states ostensibly pursue economic aims in the Horn such as food production, regional trade and economic diversification, but perhaps more importantly political aims such as denying Iran a strong presence in the ports along one of the Gulf's main supply lines.<sup>[6]</sup> As oil prices have risen, so have the Gulf states' disposable funds for foreign policy, leading to a large influx of Gulf money in the Horn after the oil price boom of 2008 (see figure 2 below). When the war in Yemen broke out in 2015, Saudi Arabia and the UAE began military operations out of Djibouti, but soon left the country after a physical altercation between the head of the Djiboutian Air Force and an Emirati diplomat. Relations were already strained because of a legal dispute between the government of Djibouti and Dubai Ports World, a company which until recently ran Djibouti's Doraleh container port and is frequently considered an instrument of UAE foreign policy. The UAE and Saudi Arabia first moved to Assab, in Eritrea, where the UAE was granted a 30-year lease of the military use of the port.<sup>[7]</sup> In 2016, the UAE announced it would also build a military base in Berbera, Somaliland. This was only shortly after Dubai Ports World won a concession to manage Berbera port<sup>[8]</sup> The UAE company announced investments worth USD 442 million in the port, and recently followed it up with a subsequent deal worth USD 336 million in Bosaso port (Puntland, Somalia). Saudi Arabia, on the other hand, mended its relationship with Djibouti, and is currently finalising a deal to build a military base there.[9]

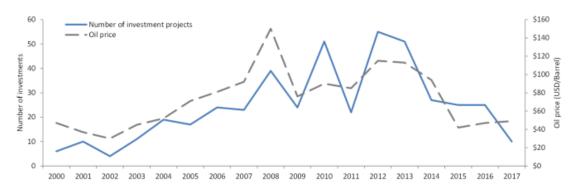


Figure 2: Investments by the Gulf states into the Horn and oil price.

The presence of several major powers in the Horn, each with their own military base, has brought foreign rivalries to the Horn and has created momentum for other countries to also compete in this region. China and Turkey, both rising powers, were not brought into the Horn purely by conflicts in the wider region; both are keen to translate their economic success into a larger role in international relations. China's key interest in international maritime trade made Djibouti - along the Bab-el-Mandeb Strait, the main artery for Chinese exports to Europe - an essential location to secure access given the abundant security presence by other actors. In Djibouti, China Eximbank has financed Chinese companies like the Chinese State Construction Engineering Corporation and China Harbour Engineering Corporation to develop Doraleh Multipurpose Port and Ghoubet Port. In late 2017, China opened its first overseas military base in Djibouti, adjacent to Doraleh Multipurpose Port.<sup>[111]</sup>Turkish investments are similarly drawn to the Horn in response to the rising foreign presence. The substantial Gulf influence in the region made it relevant for the wider intra-Middle East competition, which later erupted in the form of the Gulf Cooperation Council crisis, pitting Qatar and Turkey against the Saudi-led coalition. Much like the UAE and China, Turkish military bases carry a link with commercial port deals. In late 2014, the Turkish firm Albayrak Group took over management of Mogadishu's port; then in early 2016, Turkey announced it would open a military base in Mogadishu.<sup>[12]</sup> At the end of 2017, Turkey announced it had been given a lease to rebuild and operate Suakin, a former Ottoman port city in north-eastern Sudan. The agreement reportedly includes naval facilities and Sudanese-Turkish military cooperation.<sup>[13]</sup>

Horn leaders have not been passive recipients of foreign attention, but have been eager to capitalise on the renewed interest for the region. Many Horn budgets are small: Djibouti's government budget for 2018 is around USD 700 million, while Somalia's budget for 2018 is USD 274 million. Considering some military bases fetch up to USD 63 million a year in rent (not to mention the accompanying port investments and trade opportunities, which can boost the private sector and create new jobs), it is unsurprising that leaders in the Horn have seized this opportunity. Djibouti's Ismael Omar Guelleh, for example, has used the rivalry between foreign powers to negotiate increasingly lucrative land lease deals.<sup>[14]</sup> The military base rents are a lifeline for Djibouti and allow government services and infrastructure projects to continue without even higher levels of debt. Along with the financial incentive, the security implications and status of hosting foreign military bases in small states should not be ignored. For example, Somaliland has received much wanted recognition and regional support through its hosting of the UAE military base, while President Guelleh can host high ranking generals from several countries and presents an image of warm relations with the two strongest militaries in the world.

## The result: foreign cleavages and shifting balance of power

The increased involvement of foreign countries in the Horn's ports has significant impacts on the Horn itself, as the substantial flow of foreign funds from investments and rents from military bases gives foreign actors considerable influence over Horn politics. Examples can be found in Somaliland's support of the Saudi-UAE side in the Qatar diplomatic crisis; Djibouti's support for the Saudi-led coalition in Yemen and its downgrading of diplomatic relations with Qatar; and Mogadishu's refusal to side against Qatar, due in part to its close relationship to Qatar's ally Turkey. Foreign political cleavages are transported into the Horn of Africa by foreign states through their considerable financial capacity, unafraid to combine commercial deals with political pressure and (reportedly) the occasional bribe or threat of cutting off financial aid.<sup>[15]</sup>

Regional balances of power also shift as hundreds of millions of dollars are invested and military bases are established, altering the status quo by funding actors involved in inter-state rivalries. For example, Ethiopia's decision to take a 19 % stake of the Berbera port deal is understandable, as it is eager to diversify its reliance on Djibouti for import and export and may want to keep an eye on the activities of the UAE. But this has upset its Djiboutian and Somali neighbours, clearly concerned with respectively losing trade and seeing a breakaway state gain international support.

Additionally, the large amounts of foreign funding have brought changes to local political settlements, not least because the funds from abroad may empower certain politicians within individual Horn countries challenging the existing political settlement. For example, the DP World deal was accompanied by a Somaliland cabinet reshuffle: the former Minister of Foreign Affairs who opposed the deal resigned and was replaced by someone who had been in favour of DP World. The deal for Berbera port management and the UAE military base were followed by allegations that Somalia parliamentarians as well as the Somaliland and former Somalia presidents had accepted bribes in return for their approval.<sup>[16]</sup> Regardless of whether these allegations are true, the size of the investments ensure that their impact will have profound consequences on Horn politics.

## **Conclusion and Recommendations**

Developments in the wider Red Sea region have turned the Horn's coastline into a strategic location for foreign actors and have resulted in an international base race. This has led to the securitisation of the Horn's ports, with commercial port deals now almost acting as antecedents to the construction of foreign military bases. The activities of these foreign powers have significant impact on the Horn: foreign cleavages are being 'imported' into the Horn and fusing with the Horn's own cleavages, while domestic and regional balances of power are shifting. But there are also economic opportunities from

foreign rivalries playing out in the Horn, and Horn governments are already seizing them.

Policy makers should take into account the increasing strategic relevance of the region to a variety of foreign actors and include the role of foreign influences, particularly of Gulf states, China and Turkey, into their thinking on the economics, politics, and security of the Horn's ports and the region. Events as far away as in Abu Dhabi, Ankara and Beijing now affect the travel schedules of Horn diplomats as well as the container handling cranes and soldiers stationed in Berbera, Mogadishu and Djibouti. With foreign engagement in the Horn gaining its own momentum as long-standing external cleavages are projected on the region – translated in 30-year port operation concessions and decades-long land leases for military bases – it appears that the securitisation of the Horn's ports by foreign powers is here to stay.

**Willem van den Berg**, Research Assistant at the Netherlands Institute of International Relations 'Clingendael', <u>wberg@clingendael.org</u>

**Jos Meeste**r, Research Fellow at the Netherlands Institute of International Relations 'Clingendael', <u>jmeester@clingendael.org</u>

## References

[1] Map by Clingendael, based on Horn of Africa template by yourfreetemplates.com.

[2] Menkhaus, K. *Somalia: State Collapse and the Threat of Terrorism*. London: Routledge, 2004.

[3] Styan, D. ''Djibouti: Changing Influence in the Horn's Strategic Hub.'' Africa Programme Briefing Paper, Chatham House, 2013.

[4] Japan has passed legislation in the last two decades allowing its constitutionallyrestrained armed forces more room to maneuver. The Japan Self-Defense Force Base in Djibouti was opened in 2011 to support Japan's anti-piracy operations.

[5] Dahir, A. "How a tiny African country became the world's key military base." Quartz, https://qz.com/1056257/how-a-tiny-african-became-the-worlds-key-military-base/(August 18, 2017).

[6]For example, the port of Assab saw frequent Iranian traffic until the UAE and Saudi Arabia established a military presence there: UN Monitoring Group on Somalia and Eritrea. *Report of the Monitoring Group on Somalia and Eritrea pursuant to Security Council resolution 2317 (2016): Eritrea*. New York: United Nations; another example is when Gulf states suspended most aid, trade and investments in Sudan, partly because of Al-Turabi's security relations with Saudi Arabia's enemies Iran and Iraq: Meesters, J., van den Berg, W. and Verhoeven, H. "Riyal politik: the political economy of Gulf investments in the Horn of Africa." Clingendael Conflict Research Unit. https://www.clingendael.org/sites/default/files/2018-04/riyal-politik.pdf (2018)...

[7] Mello, A and Knights, M. "West of Suez For the United Arab Emirates." https://warontherocks.com. <u>https://warontherocks.com/2016/09/west-of-suez-for-the-united-arab-emirates</u> (September 2, 2016).

[8] Cannon B and Rossiter, A. "Ethiopia, Berbera Port and the Shifting Balance of Power in the Horn of Africa." *Rising Powers Quarterly*, 2, Issue 4 (2017). http://risingpowersproject.com/wp-content/uploads/2018/01/vol2.4-cannon-rossiter.pdf

[9] Meseret, E. "Tiny Djibouti aiming to be global military, shipping center." *The Washington Post*, 9 April 2018. <u>https://www.washingtonpost.com/world/africa/tiny-</u> *djibouti-aiming-to-be-global-military-shipping-power/2018/04/09/5d3408a6-bd6-11e8-955b-7d2e19b79966\_story.html?noredirect=on&utm\_term=.13c30bd34c40* 

[10] Notes: number of investments based on Clingendael's Gulf Investment Database; figures are indicative; Gulf States include Kuwait, Qatar, Saudi Arabia, UAE; the Horn includes: Djibouti, Eritrea, Ethiopia, Somalia, Somaliland, South Sudan, Sudan; oil price in Brent Crude Oil.

[11] Downs, E., Becker and deGetengo, P. ''China's Military Support Facility in Djibouti:The Economic and

Security Dimensions of China's First Overseas Base." CNA Analysis and Solutions. https://www.cna.org/CNA\_files/PDF/DIM-2017-U-015308-Final2.pdf (2017).

[12] Wasuge, M. "Turkey's assistance model in Somalia: achieving much with little", The Heritage Institute for Policy Studies.

http://www.heritageinstitute.org/wp-content/uploads/2016/02/Turkeys-Assistance-Modelin-Somalia-Acheiving-Much-With-Little 1-1.pdf (2016).

[13] Brewster, D. "Base race in the Horn of Africa." https://www.lowyinstitute.org/the-interpreter. 2018. <u>https://www.lowyinstitute.org/the-interpreter/base-race-horn-africa</u> (2018).

[14] After the US opened camp Lemonnier, France's annual rental bill went up from 20 to 34 million USD a year. After the Chinese opened their base last year, the US accepted an increase of their rent by 100 per cent to ensure China would not be granted access to Djibouti's national airport: Clingendael interviews in Djibouti, December 2017; Dahir, A. "How a tiny African country became the world's key military base." Quartz, August 18 August 2017. https://qz.com/1056257/how-a-tiny-african-became-the-worlds-key--ilitary-base/(August 18, 2017).

[15] Alghoul, D. "Somalia rejects secret \$80m bribe to stand again Qatar in ongoing boycott." The New Arab, June 12, 2017. https://www.alaraby.co.uk/english/news/2017/6/12/revealed-somalia-rejects-secret-80m-q atar-blockade-bribe.

[16] Hassan, M. "Somali Official Says Somaliland Deal with UAE Corrupt, Illegal." VOA News. 14 February 14, 2017. <u>https://www.voanews.com/a/somali-official-sa-</u> <u>s-somaliland-deal-with-uae-corrupt-illegal/3724682.html</u>; Clingendael interviews with business elites and parliamentarians in Hargeisa and Mogadishu, September 2016.

