



# Effects of Foreign Power Presence in Djibouti and Lessons for Horn Countries

## Executive Summary

This policy brief provides a warning on foreign power presence in Djibouti. Following a realist tradition, the policy brief discusses dangerous effects of foreign power presence and argues that tensions between China and the US might escalate into unrest, that China will use its growing economic and military might to leverage other states in favour of Chinese interests, and that small states like Djibouti and others in the Horn of Africa are easy targets for power projections masked as economic development. Promoting Pan-Africanism and fostering a strong and independent African continent, reducing reliance on foreign funding, and addressing tensions between foreign powers in Djibouti can be some of the steps that Djibouti can take to address negative effects of foreign powers presence.

## Background

Djibouti is situated in the Horn of Africa, next to the Bab-el-Mandeb Strait, a narrow passage between the southern tip of the Red Sea and the Indian Ocean. Djibouti's strategic geographical location has been at the centre of international attention for the last decade, with the United States hosting its only permanent military base, Camp Lemmonier,

on the African continent in Djibouti. Camp Lemmonier was erected at the beginning of the 'War on Terror' in 2001 to accommodate troops operating in the Horn of Africa and the Middle East. Currently, there are around 4,500 troops on this base, conducting, among others, naval operations, anti-piracy operations, drone strikes and reconnaissance, and counter-terrorism operations into Somalia and Yemen (Combined Joint Task Force Horn of Africa [CJTF-HOA], 2018).

France's military base in Djibouti, consisting of around 2,000 troops, is its largest military base on the continent. Japan has its only foreign military base anywhere in the world in Djibouti since 2011. Italy and Turkey have military bases, and Spain and Germany are also present on Camp Lemmonier, following the European Union's anti-piracy efforts. China has recently completed their first foreign base anywhere in the world in Djibouti. On March 14, 2018, Djibouti terminated a contract with Dubai-based port controller DP World to run the Doraleh Container Terminal (DCT), on the grounds that it was contrary to the fundamental interests of the nation (George & Lendon, 2018). General Thomas Waldhauser, Commander of US Africa Command, argued that if the port would fall in Chinese hands,



this would significantly hamper the refuelling of US naval ships and the supplying of Camp Lemmonier.

In its first year of independence from France in 1977, Djibouti joined the predecessor of the African Union (AU), the Organization of African Unity. In addition, Djibouti is now a member of the United Nations (UN), and the Arab League. In 1986, Djibouti was among the founding members of the International Governmental Authority on Development (IGAD), a regional organization in the Horn of Africa. A briefing paper by Chatham House in 2013 argues that Djibouti's strategic options have been driven by four factors: the Ethiopian – Eritrean war of 1998-2000, the impact of Ethiopia's economic transformation and growth of trade, shifts in US strategy since 9/11, and the upsurge of piracy along the Gulf of Aden and Somali coasts (Styan, 2013).

The realist tradition in international relations posits that the international system is anarchy, that states are the central actors in this anarchy, and that all states desire power to ensure their own self-preservation (Goodin, 2010). Power projection refers to the capacity of the state to "apply all or some of its elements of national power - political, economic, informational, or military - to rapidly and effectively deploy and sustain forces in and from multiple dispersed locations (Department of Defense, 2013)." The ability of a state to project its power might be an effective diplomatic lever,

influencing the decision-making of other states who perceive this power as threatening. The more power a state can project, the more threatening a state is, ensuring greater self-preservation. Power projection might be through 'hard' approaches (military force, or the threat thereof), or 'soft approaches' (economic or political force. (Nye, 2004). Neo-colonialism, the practice of using capitalism and globalization to influence a developing country, is a soft approach to power projection adopted by economic powerhouses to influence decision-making of smaller states (Boon, 2016).

The presence of foreign powers in a small country such as Djibouti might create tensions between these powers, and between these powers and the host country. Different foreign powers have different motivations for forward bases and deal differently with the local context. This might have a negative effect on the host country.

## Key Findings

Allisson (2015), Moore (2017), and Krupakar (2017) argue that increasing tensions between China and the US might escalate into war. Allisson (2015) follows the theory of the Thucydides Trap (TT) that posits that a rising power and a reigning power in the international system are destined for war. Moore (2017) discusses seven reasons why China and the US might not be able to avoid the Thucydides Trap: the bilateral strategic trust deficit, lack

of agreement on the nature of the US pivot, recent trends in China's maritime policies, disagreements over cyber security, security dynamics underlying China's Anti-Access/Area Denial and Washington's AirSea Battle strategies, recent trends in Sino-Russian strategic alignment, and Washington's concerns about China's increased defence spending (Moore, 2017, p. 1). With China building a military base in Djibouti, three of the reasons for why China and the US might end up at war (bilateral strategic trust deficit, trends in China's maritime policies, and increasing defence spending) have been fulfilled. There is a contradiction between Beijing's rejection of the Thucydides Trap through a rhetoric of a "new model of major-country relationship (Jinping, 2015)" and its disregard for the US and its allies (Er, 2016). Djibouti hosts military bases of both countries, which creates further tension between the two powers. The Thucydides Trap is a warning for Djibouti that there might be tensions between its tenants in the future.

Mearsheimer (2001), Friedberg (2011), and Deng (2015) argue that when China grows more preponderant, it will leverage its growing might to impose its will on other states in favour of Chinese interests. They argue that the relationship between China and smaller states will not always be win-win situations. At the 2010 Association of Southeast Asian Nations (ASEAN) Regional Forum in Hanoi, China's then foreign minister

Yang Jiechi bluntly reminded his regional counterparts that “China is a big country and other countries are small countries (Pomfret, 2010).” This seemed to confirm the image of China as being more assertive over the last decade (Boon, 2016). Boon and Ardy (2017) argue that Chinese investment in Africa has increased significantly as part of Chinese President Xi Jinping’s ‘One Belt, One Road’ (OBOR) initiative, aiming to connect the road through a renewed silk road and a maritime component. In the case of Djibouti, both the IMF and the African Development Bank have warned Djibouti for its public debt, which ballooned from 60.5 per cent of GDP in 2014 to 80 per cent in 2017 (Author unknown, 2016). Recently, Sri Lanka was forced to grant China a 99-year lease on a port in the Hambantota deal to service some of the billions

in debt it owes to Beijing (George & Lendon, 2018). Some scholars have dubbed this neo-colonial behaviour, hinting at the practice of using capitalism and globalization to influence a developing country (Zhao, 2014). China’s foreign policy has been tooled on Xi’s “new type of international relations”, that promises to build win-win partnerships with countries as equals “regardless of their sizes or levels of developments (Yi, 2014).” China is generally perceived in net-positive terms as a key banker, market, infrastructure developer, benefactor, and tourism mover (Boon & Ardy, 2017), importing products worth USD 2.15 billion from China (The Observatory of Economic Complexity [OEC], 2016). In comparison, Djibouti has imported USD 132 million from the US (OEC, 2016). Realist thinking

obliges however to always ask questions of state’s intentions. In this light, states should always be able to function independently from other states and “considerations of security subordinate economic gain to political interest.” (Waltz, 1979, p. 107).

Boon and Ardy (2017) argue that small or developing states like Djibouti pose easier targets for soft and hard power projections, because they are inexpensive to win over Maersheimer (2011) and Kennedy (1989) argue that the relationship between power projection and economic power is a tight one. Power projection can be masked in economic development. Large scale foreign investment in development projects is another form of power projection designed to serve the foreign power rather than the host country.

## Conclusion

Following the theory of the Thucydides Trap, there is a chance for war between China and the US. Djibouti hosts military bases from both countries, and is deeply dependent on economic cooperation from China. If China and the US slip in the TT, Djibouti will significantly feel the consequences.

When China grows more preponderant, it might leverage its growing might to impose its will on other states to further Chinese interests. The US is currently losing the public relations battle with China in Africa: China is generally perceived in net-positive terms as key banker, market, infrastructure

developer, benefactor, and tourism mover, while US soldiers have been isolated on their base, supplied by US contractors. China’s increasing assertiveness over the last decades might pose challenges to Djibouti’s sovereignty.

Meanwhile, Djibouti itself seems to benefit drastically from foreign power presence. However, the ports account for 70 per cent of GDP but only provide a few thousand jobs (Author Unknown, 2016). Around 60 per cent of the populace is unemployed, while 45 per cent is illiterate. The increased cash flow from foreign investment is not shared with the populace, and only a small

elite benefit from it. The Fund for Peace, which publishes the annual Fragile States Index, already registers Djibouti as a “very high warning” risk of state collapse (Fund For Peace, 2018). China and

the US do not interfere with the internal situation of Djibouti though because they want to keep projecting power rather than interfere in the host country’s internal affairs

## Recommendations

The Djiboutian Government should:

- **View foreign power investment with caution.** Horn countries should not accept investment without critically considering the intentions behind it. They should ensure investment is transparent and know that the interest rate on loans or investments is not too high to become a problem.
- **Keep an eye on the public debt.** They should reduce dependence on foreign powers in the new scramble for Africa. Dependency limits critical decision making and makes countries more likely to accommodate the interests of foreign powers that may be detrimental to the host country.
- **Be wary of foreign power politics.** Hosting military bases might put these countries’ own citizens at risk. Horn countries should leverage the United Nations and the African Union to reduce foreign troop presence and avoid a potential neo-colonial situation. Djibouti should design a mechanism to mitigate a potential attack and clash of interests between rival military bases.
- **Promote Pan-Africanism.** Djibouti should foster a strong and independent African continent that can truly take an independent seat at the negotiation table. Create stronger regional ties through extensive trade agreements, military cooperation, and good neighbourliness. Djibouti and other Horn countries should push for free trading zones that are of more economic significance than hosting military bases.
- **Share revenues of foreign presence.** Sharing the benefits of economic growth would reduce Djibouti’s vulnerabilities that make it susceptible to foreign power exploitation.

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