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# Economic Interdependence as a Driving Force for Peace and Security Cooperation: Ethio-Djibouti Relations

By Endalcachew Bayeh & Kidanu Atinafu
*Ambo University, Ethiopia*

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*Keywords: djibouti, economic interdependence, ethiopia, security cooperation.*

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# Economic Interdependence as a Driving Force for Peace and Security Cooperation: Ethio-Djibouti Relations

Endalcachew Bayeh [α] & Kidanu Atinafu [σ]

*Abstract-* Ethiopia and Djibouti established an amicable relations since very long time ago, especially on economic areas. Port and railway were the main connecting factors for the two states in exercising economic relations. Nowadays, however, different new developments like electricity export, infrastructural linkages and social as well as political relations are further intensifying the two countries' relations. At the top of that, the prevailing strong economic interdependence spilled over to peace and security cooperation. Accordingly, they are jointly working on the peace and security of the two countries and the Horn of Africa at large.

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## I. The Genesis of Ethio-Djibouti Relations

Djibouti is a small and poor country situated in the Horn of Africa. Djibouti has few natural resources with desert climate condition and contingent up on import for almost all its food (Islamic Development Bank, 2013). The country is located in a strategic area at the entry to the Red Sea. Djibouti was under colonial rule of France from 1862 to 27 June 1977. Hence, Ethio-Djibouti relations up until 1977 signify Ethiopian relations with Djibouti's colonizer, France. Putting it differently, it was after that historical juncture Djibouti has become independent state and made relations with Ethiopia independently. The longstanding relations of the two countries can also be manifested in terms of demographic makeup of their populations. Demographically, Ethiopia and Djibouti share people with same culture and language. Ethnically, Djibouti consists of Issa and Afar ethnic groups. The Issa groups originated from Somali whereas the Afars were Ethiopian origin (Brass, 2007; Marks, 1974). The second largest ethnic group which constituted Djibouti's population is Ethiopian origin which has special affinity to its Ethiopian counterpart (Schraeder, 1993). Thus, the two countries are demographically interlinked and have historical relations.

*Author α: Department of Civics and Ethical Studies, College of Social Sciences and Humanities, Ambo University, Ambo, Ethiopia. e-mail: endbayeh@gmail.com*
*Author σ: Department of Civic and Ethical Studies, College of Social Sciences and Humanities, Arba Minch University, Arba Minch, Ethiopia. e-mail: kidanuatinafu@yahoo.com*

Above all, the backbone of these two countries' relations has been economic in nature. Economic ties of the two countries expressed mainly in terms of railway and port related activities. In Ethiopia, there has been an interest and endeavor to have strong economic relations with Djibouti since the time of Djibouti's colonization by France (Foreign Affairs and National Security, 2002). Similarly, in that era of scrambling Africa, France was also insisting on making alliance with Ethiopia. This was to get support from Ethiopia in occupying the upper Nile region through containing the expansion of British spheres of influence from Sudan and Egypt into Somaliland (Marcus, 1994). The two countries reached at an agreement in 1897 recognizing Djibouti as official outlet to Ethiopia and allowing duty-free transit of weapons through Djibouti (*ibid*). Consequently, as part of his modernization zeal, Menelik authorized a French company to build a railway that would link Ethiopia and Djibouti. The construction of the Franco-Ethiopian Railway, which was began in 1897 and completed in 1917, marked Ethiopia's greatest technological achievement of the period and became its principal gateway (Anyango, 1997; Ofcansky and Berry, 1991; Adejumobi, 2007). Similarly, the railway connection also made Djibouti's economy highly dependent on Ethiopia and transformed its pastoral society (Schraeder, 1993; Getachew, 2009). Hence, Ethiopia and Djibouti have been economically interdependent since early on.

By maintaining good relations with Djibouti, which is strategically important in the horn region, Ethiopia could access the Port of Djibouti. The port was the only Ethiopia's outlet to the sea until the federation of Eritrea with Ethiopia under the United Nations resolution in 1952 (Marks, 1974; UNHCR, 2008). Even after Eritrea's federation with Ethiopia, Djibouti's importance for Ethiopia remained intact. As a result of this fact, Haile Selassie was highly insisting France to stay in Djibouti as its withdrawal may result in seizure of Djibouti by Somalia, which was adverse to Ethiopia's national interest (Schwab, 1978). This was also because Ethiopia's entire dependence on Assab and Massawa might be at stake in case Eritrean war becomes furious. Around 40-60 percent of Ethiopia's exports and imports had passed through Djibouti in the mid-1960s when Eritrean insurgency intensified. This could make Djibouti's economy contingent on the Port of Djibouti's



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shipping and the traffic of the Franco-Ethiopian railway (Marks, 1974). Hence, from this one can safely understand the fact that Ethiopia and Djibouti have been economically interdependent and vital for each other's interest.

As a result of its importance, successive Ethiopian regimes strived to maintain good relations with Djibouti. In other words, to secure the country's access to the sea the Imperial and Military regimes showed a strong commitment in their respective foreign policies towards Djibouti. Imperial government provided due attention for Ethiopia's access to the sea to the extent of claiming Djibouti as part of Ethiopia (Marks, 1974; Wiberg, 1979). This policy towards Djibouti as regards outlet to the sea was adopted by the military junta too (Schwab, 1978). Hence, it is safe to say that economic interest has been the most driving force behind Ethio-Djibouti relations.

Moreover, Djibouti and Ethiopia have established amicable relations since the down fall of the Derg regime. The relations between the two countries have developed since the signing of a trade protocol in 1996 to the extent of concluding a military cooperation protocol in 1999 so as to provide conducive environment to their economic interaction (Berouk, 2008). Thus, as compared to the past successive regimes of Ethiopia, the current regime has wide ranges of relations with Djibouti as it extends to political and security areas. Hence, the paper in the following section deals with how economic interdependence of the two countries has become a driving force for other areas of cooperation. To this end, it will examine the contemporary, notably the post-1991 economic interdependence and the subsequent multidimensional relations with particular focus on security cooperation.

## II. Contemporary Economic Relations

As hinted above, Ethio-Djibouti relations have further strengthened in the post-1991 period. Their relations are boosted both in terms of intensity and dimensions. The 1998 Ethio-Eritrea war has diverted all the trade Ethiopia passed through Eritrean ports to the Port of Djibouti and, thus, strengthened Ethio-Djibouti's economic, political, and security relations. Besides this fact, the recent developments between the two countries, especially, the hydropower export which started in 2011 as well as the underway rehabilitation of the railway and ongoing constructions of roads have also played pivotal role in facilitating their relations, as will be discussed herein under. For the sake of convenience, the paper identified port, electricity and infrastructural facilities as main areas of cooperation and examined how they spilled over into peace and security cooperation.

### *a) Port*

Ethiopia used to enjoy access to the Red Sea via Eritrea (Asseb and Massawa) and Djibouti until the outbreak of Ethio-Eritrea War in 1998. Ethiopia used Asseb and Massawa as entry to the sea though Eritrea gets seceded from Ethiopia leaving it a land-locked country in 1993. However, in 1998 border conflict was breakout between Ethiopia and Eritrea which brought profound changes in the Ethio-Djibouti relations. As a result of the war, Ethiopia's access to the Sea has been limited to Djibouti and, hence, increased both countries' interdependence. In this regard, literatures affirmed that the Ethio-Eritrea conflict came as a driving force for the hastening of Ethio-Djibouti relations (Berouk, 2008; Faye, *et al.* 2004; Lunn, 2008; Abbink, 1998). The diversion of Ethiopian trade to Djibouti is a great opportunity for the latter's economic betterment. In other words, dramatic change has been witnessed in Djibouti's economy in relation to its port service, which accounted for 80 % of the country's economy in the year 2012. The import and export of Ethiopia's freights account for about 70% of the total traffic through the port (Islamic Development Bank, 2013). Thus, Ethiopia is highly relied on using the Port of Djibouti in its international trade and at the same time Djibouti is highly benefiting from this.

It is a well established fact that Ethiopia is the predominant user of Djibouti's port facilities. It is also in need of further services in Djibouti. In response to this, the Government of Djibouti has been strongly working to meet Ethiopian interest. This is clear from the assertion of Ethiopian Ministry of Foreign Affairs that "the Government of Djibouti has been dedicated to the expansion and rehabilitation of port facilities, conventional cargo and container capacity managed by Dubai Ports World (DPW) to provide adequate services to Ethiopia's increased trade volume" (MoFA, 2014). This is a new development which shows how both countries are devoted for mutual benefit from their economic integration. Currently, it is crystal clear that the two countries' economies are strongly interwoven. Therefore, the port of Djibouti, as one area of cooperation, has a very significant role in the consolidation of Ethio-Djibouti relations.

### *b) Electricity*

As compared with other sources of power, hydropower has unique features of lowest operating costs, longest plant life, environmental benefit, fast response, and minimal emissions (IEA, 2010; International Hydropower Association *et al.*, 2000). Hydropower is the most common form of renewable energy which plays an important role in global power generation covering more than 16% of global electricity production (IEA, 2010). Currently, above 25 countries in the world are contingent up on hydropower for 90 % of their electricity supply and 12 countries are 100 %



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dependent on hydro. Canada, China and the United States are the forerunners in their hydropower generation capacity (*ibid*). Ethiopia has a good hydropower potential and is aggressively working on that to meet the domestic demand as well as export to neighboring countries. Indeed, it has started exporting electricity to some neighboring countries.

Producing electricity in Djibouti is, however, dependent on old and unreliable oil-fired generators, which are expensive. As such, electricity costs have been a major obstacle to growth. As a result, to meet the overriding energy demand, Djibouti has been developing its plan to promote regional economic integration (Styan, 2013). Accordingly, the Ethiopia-Djibouti Power Interconnection Project, which is the first interconnection system in the region, has been completed in 2011and positively contributing for both Ethiopia and Djibouti's mutual benefits (African Development Bank Group, 2013; IRENA, 2013). The Ethiopia-Djibouti Power Interconnection intensified the two countries' already existed economic interdependence. Currently, Ethiopia is exporting 35 MW electricity, per a month, for Djibouti charging it USD 70 per kWh. Accordingly, it has brought significant change in terms of reducing electricity related problems of the country. Shortage of energy in the country has been reduced as it started to get hydroelectricity from Ethiopia at a cheaper price. In this connection, Styan (2013) affirmed that "following Djibouti's connection to Ethiopia's electricity grid in 2011, retail and industrial domestic tariffs were cut significantly, easing pressures on household and business budgets". Generally, the reduction of energy cost has produced enabling environment for the overall socio-economic development of the country (African Economic Outlook, 2012). To increase the already existing amount of power supply to 230 MW, the two countries also agreed on the 2nd electric power system interconnectivity (MoFA, 2014). This promises a strong prospect on the two countries' future economic integration.

*c) Infrastructure*

Ethiopia and Djibouti have gone through a long time of economic relations on the basis of mutual progress. To facilitate their economic relations they have been devoted to lay down infrastructural connectors. It is obvious that infrastructural linkages have undiminished role in the overall economic relations of the two countries. This is why they are highly devoted to lay down several infrastructural linkages. The rehabilitation of the Djibouti-Ethiopian Railway is on progress. Not only this, the emphasis given to the infrastructural link of the two countries can clearly be observed from their subsequent attempts. Accordingly, in January 2013 ministers signed a contract to construct a pipeline to supply drinking water from Ethiopia to Djibouti. This is scheduled to carry 100,000 cubic metres a day, with the project due for completion in 2014 (Styan, 2013). The underway constructions of the new *Addis Ababa-Dewele-Djibouti* rail route as well as *Tadjourah-Mekele* rail corridor could also be mentioned as best instances as regards the utmost significance given to infrastructural links (MoFA, 2014). The construction of these passageways will, therefore, further facilitate import and export of goods, for instance for Djibouti to import commodities from Ethiopia like khat for which some family pay out up to 30% of their income (African Economic Outlook, 2012).

The tripartite agreement reached in February 2012 by Ethiopia, Djibouti and South Sudan is also another factor that cements the already existing infrastructural linkage and economic cooperation between Ethiopia and Djibouti. The agreement allows Djibouti to extend its telecommunications network to South Sudan, to construct oil pipeline as well as freight and rail infrastructure that connect it to South Sudan (ibid). Thus, the passage of Djibouti's line via Ethiopia further strengthens Ethio-Djibouti's interdependence.

## III. Security Cooperation

The economic interdependence of the two countries spilled over to political and security cooperation. This is like what happened for Ethiopia and Sudan where they arrived at an agreement to establish a joint military force so as to create enabling environment for both countries' economic cooperation and joint development activities (Tesfa-Alem, 2014). Likewise, this is apparent from Ethio-Djibouti's prevailing cooperative engagement in the peace and security areas. In the 2013 joint ministerial commission meeting, which was held in Addis Ababa, both countries agreed on a range of areas embracing "the exchange of military information, military training and joint activities in controlling activities of smugglers, terrorists and other 'spoilers'" (Addis standard, 2014). As regards security cooperation, it would be better to see both countries' security cooperation from two angles: 1) cooperation to maintain peace and security in the two countries, and 2) cooperation to maintain peace and security in the Horn of Africa region at large.

*Firstly*, following the agreement reached at the joint ministerial commission in 2013, Ethiopia and Djibouti undertaken six-month security cooperation. In the meeting for evaluation of this six-month cooperation, it was affirmed that Ethiopia trained Djiboutian soldiers contributing for sharing of information and the successful joint border operation (ibid). They are cooperatively working on security of the border areas being cognizant of the need to exert further effort to boost security cooperation and, thereby creating enabling environment for their all-rounded cooperation.

*Secondly*, in pursuit of the agreement reached at the joint ministerial commission, they have also



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successfully collaborated and exchanged experiences in fighting against Al-Shabaab under the auspice of AMISOM in Somalia (ibid). They are cognizant of the fact that the security of their country is not independent of the security of the region as a whole. It is also a well established fact that IGAD is working on the fight against terrorism in the Horn of Africa region. Accordingly, the IGAD Council of Ministers adopted two conventions pertaining to Extradition and Mutual Legal Assistance to the ultimate goal of wiping out terrorism in the area (Center on Global Counterterrorism Cooperation and IGAD Security Sector Program, 2012). The fact that Ethiopia and Djibouti become the forerunner in terms of ratifying those conventions undoubtedly shows their coordination and teamwork in the area of peace and security of the region.

In a nutshell, what one can deduce from the above discussion is the common interest both countries showed to have a stabled and peaceful region as they are aware of the fact that security is essential for the rest of their multidimensional cooperation. Convinced of this fact, they are jointly devoted to maintain peace and security on both countries as well as the Horn of Africa at large by consolidating consultation and cooperation. They further promised to continue working on the basis of brotherhood and mutual understanding in the maintenance of both countries' security.

The two countries are cooperative in almost all aspects of their activities. Economic, social, political and security relations are getting consolidated. They are working strongly being hand and glove in different spheres. Pertaining to this, the president of Djibouti, Ismail Omar Guelleh, unequivocally announced that "the two countries are partners. There is no sector in which the two countries do not cooperate"……."We do not find any difference between Djibouti and Ethiopia" (Ethio-Somali Democratic Council, 2004). Though the study focuses on the role of economic interdependence in amplifying security cooperation, the existing facts distinctly demonstrate an all rounded cooperation of the two countries on the basis of mutual interest, being a best model for Horn of Africa regional states. As a result of the above observed strong relations and cooperations, the question one may encounter is would the prevailing cooperation of the two countries leads to political unity? In portraying the possibility of the two countries' political unity, the president of Djibouti conferred that "if the Djibouti and Ethiopian peoples want unity, we should implement it" (ibid). From this one can deduce the political will of Djibouti government to establish political unity going beyond the already firmly established economic and security cooperations. The bottom line is the fact that at the core of this level of relations is the strong economic interdependence between two countries.

## IV. Conclusion

Ethiopia and Djibouti have longstanding relationships. Economic relations have been the backbone at their historical relations. Ethio-Djibouti railway and the port of Djibouti have had always a central pace in the two countries' economic relations since long time ago. And, still they have undiminished role. Notwithstanding such historical relations, the recent strong economic interdependence can be seen as a new major change in the Ethio-Djibouti relations. This is due to the degree and dimensions of their cooperation. Ethiopia's electric power export to Djibouti has a paramount importance in the further consolidation of their relations. Moreover, the underway rehabilitation of Ethio-Djibouti railway, the ongoing constructions of other infrastructural facilities like road, pipeline, and additional electric line interconnection clearly show the strong integration of the two countries.

At the top of all, the two countries are aware of the fact that their economic integration would not be successful unless the peace and security of the two countries and the region at large is maintained. Accordingly, they are jointly working on the peace and security areas. This is apparent from their coordinated involvement in AMISOM and their joint military operation in their border areas. Hence, the strong economic interdependence of the two countries inevitably spilled over into the peace and security areas cooperation. Currently, Ethiopia and Djibouti are working on all-rounded cooperation, namely, economic, social, political, peace and security cooperation.

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