Abstract

Upon Eritrean independence in 1993, Ethiopia became landlocked and therefore dependent on neighbors – especially Djibouti – for access to international markets. This dependency has hampered Ethiopia’s aspiration to emerge as the uncontested regional power in the Horn of Africa. This article explains how Ethiopia has attempted to manipulate extra-regional interest in the Horn's coastal zone to alleviate the major economic and political liabilities associated with landlockedness. Previewing the main argument, this article shows how Ethiopia was able to anticipate dangers and opportunities linked to growing involvement of Gulf Arab States in the ports of the region, and how it embarked on an expeditionary foreign policy mission in the Gulf (specifically in the UAE) in order to steer investment towards the port town where Addis Ababa could derive the most strategic advantage – Berbera in semi-autonomous Somaliland. Moreover, this under-reported development in the port architecture of the Horn of Africa will, we argue, have important implications for the balance of power in the Horn and potentially for Ethiopia's bid to ascend to the top of the region's local hierarchy.

Keywords

Regional Security Complex, Landlockedness, Port Politics, Hegemony, Horn of Africa, Gulf Arab States

Introduction

The recent intensification of involvement in the Horn of Africa’s coastal zone by the Gulf Arab States\(^1\) has led to the surge in development activities at ports in the

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\(^1\) Gulf Arab States are used throughout as a shorthand term for the six Gulf Arab monarchies that
region. These have coincided with various actions taken by Horn of Africa states to affect the regional distribution of power to their advantage. This includes landlocked Ethiopia’s strategic drive to reduce its dependency on Djibouti’s port for imports and exports through the refurbishment, development and use of other, regional ports: Port Sudan in Sudan, Berbera in the Somaliland region of Somalia, and Mombasa in Kenya. It is the development of the port of Berbera, in particular, that may prove the most radical in terms of challenging regional power dynamics as well as international law.

From a geostrategic perspective, Ethiopia’s interest in Berbera certainly makes sense. Of the three ports, Berbera is closest to Ethiopia proper and offers the potential of opening up the vast, albeit isolated eastern region of Ethiopia to trade, particularly in the export of livestock and agriculture. However, the port is located in the Republic of Somaliland, which declared its independence from the Republic of Somalia in 1991 but remains unrecognized internationally, therefore representing a political and legal headache for states wishing to engage with it substantively.

While developments involving recent ports deals have received scant attention by area specialists they have potentially wide-ranging consequences. These include Djibouti’s virtual monopoly over maritime trade, the de-facto Balkanization of Somalia and the prospect of the region’s rising power, Ethiopia, becoming the regional hegemon. What commentary that does exist overwhelmingly focuses on foreign involvement; it sees events as being externally driven and controlled, denying agency to the Horn of Africa states even though they are the actors with the largest stake in the course of events (Ulrichsen, 2011; Burke, 2016; Lefebvre, 2012). This omission is most striking in relation to Ethiopia, an aspiring regional power with considerable strategic interests in which regional ports are developed and by whom. Indeed, examining Ethiopian actions vis-à-vis Horn of Africa ports in general, and Berbera more specifically, sheds new light on the means by which an aspiring, albeit contested regional power seeks to capitalize on external involvement in its region.

We begin by examining Ethiopia’s aspirations for regional leadership, giving special attention to the problems associated with lack of sea access and its corresponding interest in the port of Berbera in Somaliland. The article then turns to explaining how the intensification of activity of the Arab Gulf States in the Horn of Africa triggered a bouleversement in established port arrangements in the region that eventually dovetailed with Ethiopia’s regional ambitions. Lastly, we trace and analyse the actions Ethiopia took to advance its interests and counter potential threats.

form the Gulf Cooperation Council (GCC), namely Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and the United Arab Emirates (UAE).
Hierarchy in the Horn and Ethiopian Aspirations

The view that regions should be treated as the critical unit of analysis in international politics gained greater prominence after the Cold War. Defining regions as the level where states are linked together sufficiently tightly that their security cannot be considered separate from one another, Buzan, Wæver and De Wilde (1998) argued that much of the world could be divided into local security complexes. Given the intense security interaction between Ethiopia, Eritrea, Djibouti and Somalia, the Horn of Africa forms a region under this interpretation.

Scholarly focus on the regional level as a unit of analysis resulted in greater attention on the distribution of power within regions (Frazier & Ingersoll, 2010; Garzón Pereira, 2014). One particular area of enquiry was whether emerging powers, unleashed from the binds of a bipolar international system (Lake, 2009), might be able to dominate their regions and emerge as regional powers (Buzan & Wæver, 2003). While the precise constituent characteristics of a regional power are contested, some assumptions can be made. First, regional powers need to possess superiority in terms of basic power capabilities vis-à-vis their neighbours. These are measured in terms of demographic size, economic capacity and military prowess. Second, there must be an inequity in the distribution of the power, allowing the regional power to exert influence on the region (Destradi, 2010; 95; Buzan & Wæver, 2003; 55–62). Third, they must have political aspirations to dominate neighbours or at least be the leader in regional matters if domination is not attainable (Genrewold, 2014; 5).

In purely material terms, but also relative to its neighbours, Ethiopia has a good claim to be a regional power. First, with a population somewhere close to 100 million it is demographically much larger than its neighbours. It has the Horn of Africa’s largest and arguably best-equipped military. Additionally, Ethiopia remains by some distance the region’s biggest economy – and one that continues to grow faster than its neighbours. Success in the economic sphere has, rightly or wrongly, driven the narrative of Ethiopia as a power on the rise. Ethiopia’s advantageous geography has been a factor in this development, especially its plentiful natural resources of water. In sum, the distribution of power capabilities within the Horn of Africa overwhelmingly favours Addis Ababa. But what of its aspirations for leadership?

Ethiopia has a clear ambition to lead, to borrow Douglas Lemke’s term, the ‘local hierarchy’ in the Horn of Africa (Lemke, 2002; 49). Ethiopia’s aspiring role in supervising regional relations, however, is hampered by its conflictual relations

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2 For a useful discussion on definition of ‘regional power’, see Flemes & Nolte (2010).
3 For a full and instructive exploration of the ontology of regional powers, see Nolte (2010).
4 The World Bank calculates that growth averaged 10.8% per year in 2003/04—2014/15 compared to the regional average of 5.4%.
with its neighbours. It has fought wars with both Somalia and Eritrea, and Eritrea is aligned with anti-Ethiopia factions in Somalia (Genrewold, 2014; 11). Being the seat of the African Union (AU) confers some influence on Addis Ababa regionally, but its legitimacy as a leader is undermined by its internal troubles, which include high levels of poverty, ethnic conflict, and food insecurity (Dehetz, 2008). Ethiopia may be a pivotal power in the region but its attempts thus far to establish its credentials as a regional leader have largely been rejected by its neighbours, which is often the case with aspiring regional leaders (Schirm, 2010; Flemes & Wojczewski, 2010). Arguably, the most important constraint on Ethiopia’s aspirations for regional leadership is its lack of sea access. There will always be a considerable gap between its aspirations and its ability to act as regional power so long has it has a high level of dependency on one neighbour to access international waters.

**Ethiopia Surrounded**

Broadly construed, the main activity of ports in history has been transferring goods from ships to other means of transport and vice versa (Jacobs, Ducruet & De Langen, 2010; 97). Due to lower transaction and transportation costs, ports also serve as nodes for production and manufacturing. For these reasons, ports often form the centrepiece a country’s overall economic plan, especially in developing nations (de Langen, 2007; Humphrey & Schmitz, 2002; 1018). Conversely, landlocked developing countries are at a major disadvantage (Paudel, 2014; Faye, et al. 2004). The lack of direct sea access inhibits integration with the global economy and entails a transport cost disadvantage compared to states with sea access. Reducing maritime transit costs and more advanced logistics technology is exacerbating this imbalance in favour of sea-access states with well-developed ports. Also, the fact that trade from a landlocked country must pass through a sovereign transit country in order to access international shipping markets creates a serious political vulnerability on the former. If a landlocked country and its transit neighbour are in conflict, either military or diplomatic, the transit neighbour can block borders, implement regulatory changes that impede trade, or simply increase tariffs. Even when there is no direct conflict, landlocked countries are extremely vulnerable to the political vagaries of their transit neighbours.

To be sure, Ethiopia has suffered from its dependency on its neighbours for an outlet to the sea (Wuhib, 1997). The capture of Asmara in 1991 by the Eritrean People’s Liberation Front (ELFP) and the overthrow of the Marxist Derg regime of Mengistu Haile Mariam shortly thereafter resulted in the Eritrea declaring its independence from Ethiopia in 1993. With the loss of Eritrean territory and the

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1 Studies on the interaction between geographic location, trade and economic growth have shown that landlocked countries on average experience weaker growth than maritime countries. See, for example, Mackellar, Wörgötter & Wörz (2002); Limao & Venables (2001); and Glassner (2003).
Red Sea ports of Massawa and Assab, Ethiopia effectively became landlocked. Though Ethiopia briefly continued to use the port of Assab - where three-quarters of Ethiopian trade passed through duty-free until 1997 – it was forced to shift its trading route to the port of Djibouti, which at that point had a poorly functioning railroad and limited port facilities (Faye et al., 2004; 45-46). Djibouti’s handling of Ethiopian general cargo and petroleum products quadrupled overnight creating a necessity for upgrading port facilities (Styan, 2013; 5). As Ethiopia’s population and economy have grown so has its need to expand its export and import capabilities (World Bank, 2017).

Improvements have been slow in coming but with the assistance of mega-ports operator Dubai Ports World (DP World), Djibouti developed world-class port facilities in the late 2000s, which, for a time, were capable of keeping up with the demands of Ethiopia’s booming economy (Chorin, 2010; The Economist, 2008). Opened in 2009, Doraleh container terminal and port became the sole facility in the region capable of handling 15,000-tonne-plus container vessels (Styan, 2013; 6). For its part, Ethiopia attempted to escape the high costs of freight services and long transportation time for importing and exporting goods suffered by landlocked countries by developing the Djibouti Corridor Authority (DCA) (Gallup, Sachs, & Mellinger, 1999; Stone, 2001). Infrastructure development across national borders is more difficult to arrange than similar investments within a country. The DCA – a joint one-stop border post development project – has proved only moderately successful, at least from an economic perspective, given slow implementation and development as well as recurrent disputes with Djibouti over transit and taxation (Cannon, 2015). Ethiopia’s 750km Ethiopia-Djibouti electric railway, built with Chinese loans and cutting the journey time from Addis Ababa down from three days by road to about 12 hours, has been more successful.
Yet, the result of these largely positive developments is that Ethiopia is now even more reliant on the port of Djibouti – importing and exporting a full 95 percent of its goods at the port (Gessesse, 2015).^6^ Dependence on Djibouti has rankled Addis Ababa, which has been exploring alternative options to lessen reliance on its neighbour to the northeast since at least 2006 (Giorgis, 2008). Ethiopia is understandably concerned by the strategic national security implications of being overly reliant on a single access point for trade and vital supplies. As such, Ethiopia has focused on securing access to ports in neighboring countries, particularly the port of Berbera.

Ethiopia’s interest in Berbera certainly makes sense from a geostrategic perspective, as noted previously. Additionally, infrastructure development associated with increased trade to and from the port of Berbera through northeastern Ethiopia may further cement Addis Ababa’s rule over these often-restive, largely Somali and Oromo-populated regions (Kefale, 2013; Richards & Bekele, 2011). Yet for a variety of legal, logistical and political reasons, Ethiopia has been unable until recently to fully exploit the port of Berbera.

To begin with, the port is located in the Republic of Somaliland, which declared its independence from the Republic of Somalia in 1991, but remains unrecognized internationally. Given Ethiopia’s hosting of leadership role in both the AU and the Intergovernmental Authority on Development (IGAD), engagement with a breakaway state such as Somaliland represents a grave political and legal headache (Johnson & Smaker, 2014). Furthermore, as a state with firsthand experience in losing significant territory to a breakaway state and experiencing inter-communal violence and separatist insurgencies (Yihun, 2014), Ethiopia is understandably reticent to formally recognize Somaliland (Jeffrey, 2016). However, the existence — officially or unofficially — of Somaliland has variously been supported and used by Ethiopia since 1991 to further Ethiopian interests in the region, with Addis Ababa maintaining an unofficial but very real embassy in Somaliland’s capital, Hargeisa (Kaplan, 2008; Rudincová, 2016).^7^ This is because Ethiopia’s interest in developing the port of Berbera and fostering closer ties with Hargeisa go beyond strategic considerations such as resolving Ethiopia’s landlockedness or economic considerations of imports and exports. Rather, the development and expansion of the port of Berbera simultaneously supports the two primary pillars of Ethiopia’s regional policy deemed essential to Ethiopia’s indivisibility, aspirations of hegemony and, indeed, survival. The first involves maintaining Eritrea’s isolation in

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^6^ In 2015, Ethiopia imported a total of US$13 billion’s worth of goods, and exports around $3 billion annually. Ethiopia relies on Djibouti except for flowers and some perishable agro-processed foods such as meat.

^7^ The author obtained an Ethiopian visa from the unmarked, unofficial embassy in downtown Hargeisa for overland travel from Hargeisa to Jijiga and Harar via the border crossing at Wachale/Wajaale in April 2015.
order to weaken it to the point that it implodes, is formally reunited to Ethiopia or becomes a pliant, client state (Bereketeab, 2017; Bereketeab, 2013). Until 2015, Ethiopia, with the assistance of the UN and further helped by a cavalcade of allegations of human rights abuses perpetrated by the government of President Isaias Afwerki in Asmara, had been fairly successful in corralling and isolating Eritrea. The second pillar held dear by the mandarins of Addis Ababa rests on maintaining the status quo in post-civil war Somalia (Cornwell, 2006). Simply put, a weak and fractured Somalia means that Ethiopia can concentrate its attention and forces on quelling persistent internal security difficulties and continuing to isolate and pressure Eritrea.

Ethiopia has, until recently, been assisted in its goals vis-à-vis Somalia as much by the international community as by internal problems within Somalia (Menkhaus, 2013). The cross-purposes of the international community coupled with and reinforcing political instability in Somalia (Cannon, 2016a), particularly in the capital Mogadishu, have resulted in the inability of the Somali Federal Government (SFG) to do anything substantive about the de-facto independent Republic of Somaliland as well as the almost entirely autonomous northeastern region of Puntland.

Ethiopia has eyed the development of and access to the port of Berbera against this backdrop. However, Ethiopia found itself unable to fully exploit opportunities to expand its influence and power not only because of the potential legal and political headaches of doing deals with Somaliland, but also because of a paucity of critical resources and human capital. For example, as far back as 2005 Ethiopia and Somaliland signed a bilateral agency agreement on the Utilization of Port of Berbera and Transit Service (African Intelligence, 2016). In 2008, Ethiopia in the form of Ethiopian Shipping Lines (ESL) again exhibited keen interest in Berbera Port (Port Strategy, 2011). However, it lacked the technical expertise and resources necessary to transform the moribund brown water port into a commercially viable export and import shipping hub (Davison, 2016). Additionally, poor road infrastructure from the Ethiopian border with Somaliland at Wachale/Wajaale to Berbera severely hampered the movement of goods.

Ethiopia attempted to overcome these difficulties by signing trilateral agreements with China and Somaliland in 2011 covering gas, oil and logistics. The agreements also included the large-scale development of the port of Berbera by the Chinese company PetroTrans. At the same time, ESL placed an order for nine new vessels in China and voiced its hope to become one of the main shareholders in the port, perhaps in conjunction with an international terminal operator (Port Strategy, 2011). However, the agreements never materialized, partly because PetroTrans was unable to procure insurance for the port and proposed LNG facilities (Anderson, 2012). Berbera port remained undeveloped, in part, because Ethiopia was
unable to locate investors or companies with the incentive to take the substantial political and legal risks associated with business in Somaliland (Ahmed, 2000; Houssein, 2005; Yusuf, 2015). However, the outbreak of war across the Bab al-Mandeb Strait and Gulf of Aden from Somalia, in Yemen, started a sequence of actions and reactions creating both challenges to and opportunities for Addis Ababa that would potentially reconfigure the regional order.

Enter the Arab Gulf States

There are deep and historic connections between the Arabian Peninsula and the Horn of Africa in terms of trade and the movement of people. The more recent intensification of geopolitical interest by the Arab Gulf States in this region, especially the coastal zone, was driven partly by efforts to secure favourable trade and resources, but was also a response to Iran’s growing presence in the late 2000s (Ulrichsen, 2011; Burke, 2016). In 2008, Eritrea granted Iran access to Assab Port, providing Tehran with a support base from which to conduct maritime operations in the Red Sea and Indian Ocean (Lefebvre, 2012). The Saudi and Yemeni authorities fretted in particular that Iran would use Eritrean territory, especially the Hanish archipelago in the Red Sea, as a conduit for shipping arms to Shia Houthi rebels in northern Yemen (Al Arabiya, 2015). Concern in Gulf capitals over Iran’s burgeoning military maritime presence in the Red Sea/Gulf of Aden area, and more specifically its political relationship with Eritrea, coincided with a growing assertiveness of the Gulf States to intervene abroad (Ulrichsen, 2011; 120-121). After the breakdown in the regional order following the 2011 Arab Spring uprisings, Saudi Arabia and the United Arab Emirates (UAE), and to some degree Qatar, adopted more assertive and interventionist foreign policies (Young, 2013). Moreover, the perception that the United States under President Barrack Obama was more reticent to counter Iranian activity in the region led the Gulf States to believe that self-reliance was the order of the day.

In early 2015, after years of intermittent rebellion in the north of the country, the Houthis and their allies seized the Yemeni capital of Sanaa. When the Houthis began marching south towards Aden, Saudi Arabia announced the beginning of a pan-Arab military operation to roll back the Houthis and restore the government (Knights & Mello, 2015). Saudi Arabia and the UAE – the two principal military members of the coalition – initially used Djibouti, just across the Gulf of Aden, as a support hub for operations in southern Yemen (Reuters Staff, 2015a; Alwasat, 2015; Emarat TV, 2015). However, in late April 2015, only a few weeks into the campaign, an altercation between a senior Emirati diplomat and the commander of Djibouti’s air force ruptured bilateral relations between the UAE and Djibouti.

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8 The bulk of the forces were from Saudi Arabia and the UAE. From the GCC, Bahrain, Kuwait and Qatar also contributed small contingents. Senegal and Sudan also agreed to send troops.
Ethiopia, Berbera Port and the Shifting Balance of Power in the Horn of Africa

(GSN, 2016). Relations were already sour after Djibouti tried to force a renegotiation of DP World’s 30-year port contract (2006-2036) and, after negotiations faltered, made allegations that the Dubai-based company was involved in serious corruption (Stevis & Fitch, 2016). As a consequence, the UAE (and to some extent Saudi Arabia) moved closer to Eritrea, which ended its formal cooperation agreement with Iran (Solomon, 2016). Throwing in its lot with the Arab Gulf States, Eritrea agreed to lease its Hanish Islands and facilities at the port city of Assab to the UAE for 30 years. This was one piece of a much wider UAE-Eritrea security agreement (Hokayem & Roberts, 2016; 171). With the signing of this agreement Assab became the UAE’s first major power projection base outside of the Arabian Peninsula (Getachew, 2010). Starting with very little, Assab has been substantially developed by the UAE. It now includes a modern airbase, a military training depot, and, significantly, a deep-water port under construction (Katzman, 2017; 17).

Stoking Ethiopia-Eritrea Rivalry

While the rationale behind the UAE’s deal with Eritrea revolved around the conflict in Yemen and the strategic advantage offered by a port on the opposite side of the Bab al Mandeb Strait, the UAE-Eritrea deal had the potential of upsetting the delicate regional balance of power that favored Ethiopia. Alarm bells rang in Addis Ababa over what was perceived as a significant breach of Eritrea’s isolation, with Ethiopian leaders taking the view that any expansion of Eritrean power would result in a corresponding loss of power for Ethiopia. Ethiopia has concrete reasons for concern over an emboldened Eritrea. Recent UN monitoring mission reports on Eritrea conclude that the country supports armed groups in Ethiopia and offers sanctuary to anti-government rebels in its own country (UN Monitoring Group, 2016; 3). Blaming a wave of unrest in regions around Addis Ababa in late 2016 on Eritrea, Ethiopian government spokesman, Getachew Reda noted, “There are countries which are directly involved in arming, financing and training these elements” (Reuters Staff, 2015b)

Following the UAE’s tightening relationship with Eritrea and the construction activity at Assab Port, the Ethiopian leadership feared that the UAE’s attention had swung towards Eritrea. A suitably panicked Ethiopia sent senior officials to Abu Dhabi in October 2015 to plead with the country’s leadership not to pursue...
the deal with Eritrea and focus on refurbishing and utilizing the port of Berbera (CDE, 2016). As Werqneh Gebeyehu, Ethiopia's Minister of Transport put it, “We are better off having the UAE investing in Somaliland than in Eritrea,” adding, “We would not like to see any investment going to Eritrea...” (Somaliland Sun, 2016).

Ethiopia had been attempting to curry the interest of Abu Dhabi and Dubai in Berbera Port for some time and this round of urgent discussions was by no means the first time Addis Ababa had engaged the UAE regarding Berbera. Indeed, the Ethio-UAE Joint Ministerial Commission Meeting in Abu Dhabi was held in April 2015 when the volume of trade exchange between the two countries reportedly stood at over US$1 billion and Ethiopian statistical reports ranked the UAE number eight in terms of foreign investment volume in Ethiopia (Embassy of Ethiopia, 2015; WAM, 2015). The Joint Commission Meeting was reportedly the result of an agreement to increase bilateral relations following a visit by the UAE Foreign Minister to Ethiopia that occurred as far back as 2013. While no official communiques mention Berbera specifically, statements by the UAE Foreign Minister at the time were clear: The UAE and Ethiopia would pursue projects in the Horn of Africa region deemed to be mutually beneficial (WAM, 2013).

While the Yemen conflict provided Eritrea with opportunities to leverage its strategic geographical position in order to win outside supporters and break out of isolation it also provided opportunity spaces hitherto unavailable to Addis Ababa, which duly took advantage of them. Preliminary discussions were held in March 2015 between Dubai-owned P&O Ports and the government of Somaliland to develop ports in the region, particularly Berbera (Cornwell, 2016). These discussions were themselves predated by a February 2015 deal between Ethiopia and the government of Somaliland to develop the port (Davison, 2016). While the two may be unrelated, the timing indicates otherwise, particularly given Ethiopia's desire to quash the Assab deal and its admission that it still lacked resources and expertise to effectively utilize or expand the port. “Ethiopia wanted 30 percent of its trade to go via Berbera by July of 2015, according to a five-year growth plan published in 2010,” noted Ethiopia's Transport Minister. Linking the desire to develop Berbera with alleviating Ethiopian dependency, he went on to say: “As much as 97 percent of shipments are still going through Djibouti because of problems with the capacity and the condition of Berbera's port, the poor state of roads to Ethiopia and the lack of international recognition for Somaliland's statehood claims” (Davison, 2016).

Ethiopia's push to develop Berbera Port and convince the UAE to abandon Assab

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12 P&O Ports is a sister company of Dubai Ports World and though they share the same chairman, DP World is owned by Dubai investment company Dubai World while P&O Ports is owned by state entity Ports, Customs and Free Zone Corporation (PCFC).
were assisted by two critical developments which affected decision making in both Abu Dhabi and Dubai. The first was the aforementioned spat between Djibouti and DP World. The second was the slow shift in the focus of UAE military operations in Yemen from the west coast to the east of Aden, particularly the Hadramout (Pollack & Knights, 2016). Given the shift in the UAE’s military focus in Yemen and the fraught relations with Djibouti, the UAE’s, and correspondingly DP World’s, interest in Berbera increased (Fitch, 2014). In economic terms, the port be potentially lucrative given Ethiopian assurances of imports and exports and the relatively small amount of financing required to upgrade the port. In political terms, the strategic importance of Berbera increased for the UAE given its proximity to Aden and areas east and lessened to some degree the importance of Assab to the UAE.

Ethiopia’s diplomatic push and offer of economic incentives, coinciding with developments across the Gulf of Aden, finally achieved Addis Ababa’s desired results when, in May 2016, DP World signed an agreement to develop and manage Berbera Port for 30 years (Stevis & Fitch, 2016).

Dissecting the Berbera Deal

It is unlikely that DP World would have signed the deal over Berbera if it did not see at least some long-term commercial benefit. Sultan Ahmed Bin Suleyem, DP World’s chairman and chief executive, portrayed Berbera Port as a future magnet for shipping to eastern Africa that would spur regional economic growth. “Investment in this natural deep-water port will attract more shipping lines to East Africa and its modernization will act as a catalyst for the growth of the country and the region’s economy,” he said upon the deal’s signing (Stevis & Fitch, 2016). But the deal also includes political and military dimensions. First, Dubai and Somaliland signed a memorandum of understanding, according to the person who has seen the concession agreement, under which Dubai will support Somaliland’s fisheries industry; help build the road between Somaliland and Ethiopia; build a four-star hotel in either Hargeisa, the capital of Somaliland, or Berbera; and grant Somalilanders favourable migration terms so they can work in the UAE.

Separate to DP World’s deal, the government of semi-autonomous Somaliland in Hargeisa agreed in February 2017 to the UAE establishing a military installation at Berbera. The base, only 90 kilometres from the shores of Yemen, is intended to

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13 At the time, DP World was locked in a court battle with the government of Djibouti. In 2014, the government of Djibouti launched arbitration proceedings in London accusing DP World of paying bribes to the former chairman of the Djibouti Ports and Free Zones Authority (DPFZA), Abdourahman Boreh, while the Doraleh concession was being negotiated.

14 Confidential interview with UAE official, Dubai, February 2017.

15 Confidential interview with Somaliland official in Hargeisa, January 2017.
help the UAE forces tighten its blockade against Yemen. The base decision was reached after a parliamentary vote in Hargeisa in February 2017 in which 144 MPs voted in favour, two voted against, two abstained and nine other opponents were escorted out of the chamber by soldiers (BBC, 2017a).

The vote for the military base and the Berbera Port deal with DP World have provoked mixed reactions in Somaliland, with popular anger aimed at Somaliland’s President Ahmed Mohamed Mohamoud aka “Silanyo” and his family who reportedly benefited personally. Anger also stems from inter-clan and sub-clan rivalry over land, particularly in the Berbera area. The Somaliland Supreme Court is reportedly interested in reviewing the deal.17

The anger of some in Somaliland pales in comparison to that in Mogadishu. Given the sensitivities of the SFG regarding any formal engagement with Hargeisa that would negatively affect its own claim of suzerainty over Somaliland, coupled with the official diplomatic narrative by Washington, Ankara and other capitals that emphasizes a unitary Somalia, Hargeisa has, until the Berbera Port deal, remained largely isolated with the exception of humanitarian missions (TIKA, 2014).18 Indeed, nothing better illustrates the earth-shaking nature of the Ethiopian-driven port deal in Berbera than Mogadishu’s fury. SFG ministers have publicly challenged the right of Somaliland to enter into official agreements with any country (Press, TV, 2017). The irritation was so palpable that the UAE withdrew its ambassador to Somalia in March 2017 and Somali MPs in Mogadishu have reportedly started a motion to sue the UAE over the Berbera base deal (Dalsan Radio Mogadishu, 2017; Harun_Maruf, 2017). The deals between Hargeisa the UAE have also triggered a legal complaint from Mogadishu (Katzman, 2017). The Somali government’s auditor general, Nur Jimale Farah, announced the federal government’s plans to file the complaint against the UAE on charges of violating international law. “[The] UAE has already violated our national sovereignty and airspace because of its plans to come to Somaliland without paying air space tax and without the permission of Somalia’s legitimate government,” Farah protested to reporters (Press TV, 2017).

While the deal was reportedly rubberstamped by the government of former SFG President Hassan Sheikh Mohamud, Farah accused the SFG president and others, in both Somalia and Somaliland, of corrupt practices. “We know that individuals within the leadership of Somalia and Somaliland were invited to Dubai and that they were corrupted with bags full of cash to sign the agreement,” he

16 Confidential interview with Somaliland official in Hargeisa, June 2017.
17 Confidential interview with Somaliland official in Hargeisa, December 2016.
18 For example, the Turkish International Cooperation and Development Agency (TIKA) only opened visible office in Hargeisa in late 2015, four years after entering Mogadishu, despite building and running schools and other projects since mid-2012.
Regardless of the dissatisfaction in both Somaliland and Somalia surrounding the UAE’s deal with Hargeisa, Ethiopia has engineered – largely behind the scenes – access to another port, thus enhancing its security and strategic economic interests. The reality is that with the growth in annual volumes of Ethiopian transit cargo - over nine million tons in 2011 - Ethiopia has long required alternative routes for its cargo from Djibouti (Port Strategy, 2011). With the stroke of a pen, the slowly-dying port of Berbera will see investments totaling US$442 million for the management and development of a “world-class, multi-purpose deep seaport project” (Staff Report, 2016). The UAE has also reportedly agreed to build a modern highway between Berbera Port and the Somaliland/Ethiopia border town of Wachale/Wajaale.19 This will link with the modern highway on the Ethiopian side of the border (National Staff, 2017a). Additionally, when the deal was inked between DP World and Somaliland, Ethiopia ensured its substantive presence in the running and development of the port in the form of ESL. ESL will reportedly control a 19 percent share in the deal - almost twice as much as it initially expected to receive (Manek, 2017; Indian Ocean Newsletter, 2017). This was partially confirmed later by Hussein Ige Dayr, a spokesperson for the president of Somaliland, who noted that DP World had allocated close to one-fifth of the port’s capacity for Ethiopian shipments (JOC). Somaliland Foreign Minister Saad Ali Shire further confirmed the percentage, noting that DP World sold 14 percent of its shares to Ethiopia with the government of Somaliland selling five percent of its shares to Ethiopia (National Staff, 2017b). Lastly, Ethiopia was able to engineer a formal, legally-binding agreement between the de-facto but unrecognised, independent state of Somaliland and the UAE. In doing so, Ethiopia further ensured the continuing Balkanization of Somalia and potentially paved the way for eventual, international recognition of the Republic of Somaliland.

**Conclusion**

Does the case of Berbera demonstrate that Ethiopia has established an accepted and uncontested hierarchy in the Horn of Africa? The short answer is no. But Ethiopia is no longer a rising power unduly constrained by landlockedness. Berbera represents a friendly corridor across the territory of a pliant state for Ethiopian markets. Our focus on Ethiopian foreign policy vis-à-vis the wider region has attempted to address a deficiency in the scant literature on recent geopolitical developments in the Horn of Africa, particularly in regards to port developments. As noted, most of these have focused on outside powers and security situations such as the conflict in Yemen that have triggered the engagement of external

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19 At the time of writing, the road linking the border crossing at Wachale/Wajaale and Hargeisa was in decent repair. However, the road network heading north and east from Hargeisa to Berbera, particularly after Burao/Burco, was in need of significant improvement.
states. By focusing on Ethiopia and its aims in its near abroad, we attempt to avoid the all-too-common pitfall whereby African states are deemed as passive and lacking in agency as they are acted upon by powers or regional blocs outside the continent (Cannon, 2016b; 57). However, a few caveats are in order. First, our article pays scant attention to the actions of the ruling cadre and business-people of the Republic of Somaliland in relation to developments with the port of Berbera. An analysis of these actions, often in concert with or encouraged by Addis Ababa, as well as dissatisfaction and anger over the deal within Somaliland are beyond the scope of this article and represent a potential follow-on research project. Second, our article largely ignores Ethiopian internal politics, partially because these are outside the scope of this article and partially because of a paucity of verifiable data emanating from Ethiopia. Finally, the article’s focus on Ethiopia and the UAE solely may seem odd given the multiplicity of regional and international actors operating in Somalia. However, we argue that actors such as Turkey, the UK, US, Qatar, Italy and Kenya, among others, are clustered in Mogadishu – far to the south of Somaliland. Their strategic interests are informed by the political, economic and security dynamics in that theatre and their shifting relationships with the SFG.

Regional powers should be able to decisively influence the policies of neighbours to achieve their own goals. Landlocked, Addis Ababa has been unable to ascend to this role despite the material distribution of power in the region being heavily in its favour. Rankled by its dependence on Djibouti for importing and exporting its marketable goods and essential materials, Ethiopia carried out expeditionary diplomacy on behalf of Somaliland in relation to Berbera Port in order to further its own interests as far back as 2008. Yet when faced with the possibility that its enemy, Eritrea, would shake-off international isolation, Ethiopia showed adroitness, using connections at the governmental and sub-governmental level to steer the UAE towards Berbera and away from Assab. While Ethiopia ultimately failed to convince the UAE to abandon the Eritrean port, it succeeded in its aim of getting DP World to refurbish and further develop Berbera Port so as to handle increased Ethiopian trade and the transit of goods. At present, only two percent of Ethiopia’s imports and exports come through Berbera Port, which currently only has five berths. Yet development over the course of the next three decades of Berbera port by DP World will necessarily decrease Ethiopia’s tremendous reliance on Djibouti and will mean that the most developed gateway to the Horn of Africa will no longer enjoy a de facto monopoly over trade with the region’s largest economy and would-be hegemon.

Ethiopia’s regional interests were certainly advanced significantly by the UAE—

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20 Confidential interview with Turkish official in Mogadishu, 05 February 2017.
21 In February 2017, DP World was cleared of all charges and a London tribunal ordered the government of Djibouti to bear legal and other costs. See Kerr & Aglionby (2017).
Somaliland Berbera Port deal. In the process, Ethiopia further bolstered its other regional security objective: ensuring a divided and weak Somalia. Brilliantly, it did so by avoiding any overt action which could later be misconstrued in Mogadishu, the UN or the AU (Staff Report, 2016). Instead, Mogadishu’s ire is directed at Somaliland and the UAE. In the process, a further fractured and divided Somalia and a largely isolated Eritrea mean Ethiopia is the undisputed local power broker in the region; the regional hegemon. As further deals for ports and mineral rights continue across the northern Somali coast, Addis Ababa can potentially negotiate with Somaliland, the autonomous region of Puntland and the Somali Federal Government (SFG) all separately – unofficially or officially – depending on perceived need. Ethiopia has also further cemented its hold over Somaliland. Towards Hargeisa, Ethiopia has combined pressure with material incentives to achieve its goals. While Ethiopia was instrumental in bringing in significant outside investment and recognition to Somaliland, it also increasingly meddles in internal affairs. For example, when a delegation from Somaliland was invited to visit Egypt, Ethiopia reportedly lodged a harsh diplomatic complaint against the visit to its main Nile River rival and Hargeisa cancelled the visit (Somaliland Informer, 2017). As such, Hargeisa finds itself increasingly emboldened to act as an independent actor yet constrained by the need to obtain Addis Ababa’s approval. As Ethiopia begins to move increasing amounts of goods and services across its border along Somaliland’s new highway to the refurbished port of Berbera, Hargeisa may begin to question key aspects of the port deal. Yet one aspect will not be in question: Ethiopia’s rising power and influence over the entire region.

Bio

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22 Dubai’s P&O Ports recently won a 30-year concession to manage the port in Bosasso, 2,000km north of Mogadishu and in the autonomous region of Puntland. See Anderson (2017).
ing History: Contextualizing Armenian Claims of Genocide (Offenbach am Main: Manzara Verlag: 2016) is now available in English, with Turkish and German translations available shortly.

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