



The Arab Gulf States
Institute in Washington
Building bridges of understanding



The AGSIW *Gulf Rising Series*

Gulf Strategic Interests Reshaping the Horn of Africa

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The AGSIW *Gulf Rising* Series

Over the last decade the Gulf Arab countries have energized their role in regional politics, from the use of military intervention, to increased bilateral foreign assistance, to more robust regional coordination. This, combined with a perception of U.S. disengagement from the Middle East, has prompted Gulf Arab countries to seek and establish strong relations with other centers of power – regionally and globally.

This paper was developed as part of AGSIW's *Gulf Rising* series analyzing the energized role of the Gulf Arab states in the international system. The series looks beyond Gulf Arab relations with the United States to examine ties with other key countries and regions. Additionally, it investigates motivations behind Gulf Arab states' foreign policy choices and evaluates the implications for U.S. foreign policy toward the Gulf Arab states and the region.

About the Author

Taimur Khan is a non-resident fellow at the Arab Gulf States Institute in Washington as well as a journalist who has written extensively on the contemporary politics of the Gulf Arab states and Pakistan. He covered U.S. Middle East policy from Washington and New York for *The National* newspaper, and more recently reported for the paper on the region as a Gulf-based correspondent. He received a Nation Institute Investigative Fund grant for his reporting on Pakistan's role in the global methamphetamine precursors trade. His recent work has focused primarily on the Gulf region, and over the course of the last three years he has reported from across the Gulf Cooperation Council states on the cultural, political economic, and security effects of the low oil price environment and the geopolitical flux in the Middle East. His current projects include research and reporting on competition among Middle Eastern powers for economic and political influence in the Horn of Africa, Pakistan's evolving ties with the Gulf states, and the interplay between Shia identity and politics in Pakistan and the current turmoil in the Middle East. His work has appeared in *Foreign Policy*, *Foreign Affairs*, *World Policy Journal*, *Al Jazeera America*, *Men's Journal*, *Critical Muslim*, *GQ.com*, *New York Magazine*, and *Devex*.

Executive Summary

The Gulf Arab states' engagement with the countries of the Horn of Africa dates back at least to the postcolonial era of the 1950s and 60s. Over recent decades, however, the Horn of Africa has become a region of increasing geostrategic and economic importance, as the United Arab Emirates and Saudi Arabia have sought to establish a long-term military and commercial presence on both sides of the Gulf of Aden and Red Sea, in an effort to cement their status as regional powers.

Even as the Gulf Arab states are deepening their engagement in the region, the Red Sea basin has also re-emerged at the heart of global geostrategic competition among China, Europe, the United States, and Russia. This intense interest has given far greater leverage to Horn of Africa leaders to bargain for better deals or play patrons off one another.

The UAE and Saudi Arabia recently demonstrated they could leverage relationships to play a positive role, brokering a historic rapprochement between bitter rivals Ethiopia and Eritrea that could be transformational for the region in terms of economics, security, and stability. But at the same time, the Saudi and Emirati rivalry with Turkey and Qatar has spilled over, exacerbating pre-existing divisions and raising questions about whether the Gulf Arab states are more of a destabilizing force in the region. The long-term implications of a growing Gulf presence in the region and what this means for local political dynamics is unclear. What is evident, however, is that as Gulf Arab states exert greater influence in the Horn of Africa, the region's future is being reimagined.

Introduction

This paper was informed by research and interviews conducted in Somaliland and Kenya as well as a workshop hosted by the Arab Gulf States Institute in Washington on the increasing geostrategic and economic importance of the Horn of Africa for Gulf Arab states, and the opportunities this creates for governments and other elites in the region. For the United Arab Emirates and, to a lesser degree, Saudi Arabia cementing their status as regional powers depends to a significant extent on their ability to establish a strategic, long-term military and commercial presence on both sides of the Gulf of Aden and Red Sea. Ports and trade infrastructure that will connect fast-growing eastern Africa to Asian markets via hubs in Dubai, Abu Dhabi, and elsewhere in the Gulf Arab states, will position the two Gulf allies as key regional players. As such, they will almost certainly engage with actors in China's Belt and Road Initiative or any competing bloc or country's strategies to tap African markets and resources. Naval and other military facilities on both sides of the narrow waterways also enhance the importance of the UAE as a maritime security partner and counterterrorism force multiplier in Yemen and the Horn of Africa. This permanent military footprint outside the Arabian Peninsula also provides a stronger platform from which to compete with rivals Turkey and Qatar, and Iran.

This intertwined security and economic engagement allowed Abu Dhabi and Riyadh to be in the right place at the right time to help broker a historic rapprochement between bitter rivals Ethiopia and Eritrea that could be transformational for the region in terms of economics, security, and stability. If the Gulf countries can somehow repeat this unexpected diplomatic

feat by bringing Egypt into an agreement over water rights with Ethiopia and Sudan, the result could be tectonic. It is, however, far from certain that the fast-changing domestic politics in the Horn of Africa countries, and the deft balancing of regional governments by foreign competitors, will allow for such an optimal outcome.

This growing integration between Gulf Arab countries and the Horn of Africa is not only key for understanding emerging regional dynamics. The Red Sea basin has also re-emerged at the heart of global geostrategic competition among China, Europe, the United States, and Russia. Developments in the region provide an instructive lesson – and a view to the future – in the multipolar, transactional, and realpolitik nature of geopolitics untethered from a status quo or defined balance of power. The emerging regional powers of the Gulf Arab states are maneuvering to take advantage of this new environment, working in partnership with super power rivals Washington and Beijing when it suits their perceived interests.

From Destabilization to Regional Peace?

Since 2015, the involvement of Gulf Arab countries in the Horn of Africa in many ways has been perceived as destabilizing. This has been illustrated by the spillover of the Emirati and Saudi rivalry with Qatar and Turkey into Somalia, whose fragile governance and security gains have been undermined by the new patrons and exacerbation of the pre-existing centrifugal political forces in the country. National and subnational leaders have all reaped the benefits of their highly personalized relationships with officials from Qatar, the UAE, and Saudi Arabia, in terms of financial and other rents in exchange for loyalty with particular Gulf state strategies. On one hand Doha, in coordination with Turkey, has supported the Somali president, Mohamed Abdullahi Mohamed, known as “Farmajo,” financially, which has allowed him to consolidate his grip on power in the Somali capital of Mogadishu, including by forcing the media and political rivals into submission, building a Turkish-trained army unit composed in part of recruits drawn from Islamist networks,¹ and to continue working to rein in the leaders of federal member states. The UAE, on the other hand, has been backing federal leaders and the self-declared state of Somaliland in part to weaken the Qatari-backed central government in Mogadishu. Both patrons have supported leaders against political and clan rivals, which has been a destabilizing dynamic that has drawn public criticism from the traditional Western actors in Somalia whose influence is waning.

Beyond the Gulf rivals’ maneuvering in Somalia, their growing interest in the Horn of Africa has also affected dynamics between countries in the region.

Beyond the Gulf rivals’ maneuvering in Somalia, their growing interest in the Horn of Africa has also affected dynamics between countries in the region. Unlike in other regions of the continent, there have been no real attempts by Horn of Africa countries to organize as a cooperative bloc with mutual security, economic, or geostrategic interests. This has left the region vulnerable to shocks emanating from outside the region, such as the Gulf states and broader Middle East.

¹ Harun Maruf, “Turkey Gives Weapons to Somali Soldiers,” *Voice of America*, January 5, 2018.

Sudan's leasing of the island of Suakin to Turkey in December 2017 set in motion a chain of events that brought Sudan and Egypt to the brink of conflict. Meanwhile, the UAE and Saudi Arabia's use of Eritrean military bases to conduct operations in Yemen threatened a response from the Horn of Africa's most powerful country, Ethiopia. According to one expert, "the impact of the [Gulf Cooperation Council] split and the Yemen war was seen as a divider and a source of insecurity for the Horn of Africa states."

However, recent developments spurred by the historic peace deal between Ethiopia and Eritrea – which was partly brokered by the UAE – have altered the frame through which Gulf engagement is viewed. The potential for substantial negative effects remains, but it is increasingly clear that the Gulf Arab states can play a positive role. "The conventional narrative is a deeply pessimistic one, that [Gulf involvement] would be a driver of conflict," one expert said. "But movement on the Eritrea-Ethiopia issue gets at the ways in which these recent dynamics might be a driver of conflict resolution in ways I couldn't have imagined" even very recently. The Ethiopia-Eritrea conflict had spilled across the region in a variety of ways, inflaming tensions between Eritrea and Sudan and Ethiopia and Egypt, as well as troubling Sudan's relations with Cairo, and Djibouti's ties with Eritrea. "A major conflict axis in the region [has been taken] off the table and that is very significant," the expert said.

A History of Gulf Engagement

Since the postcolonial era of the 1950s and 60s there has been a record of Gulf countries engaging in the Horn of Africa to pursue mostly political objectives. While there are similarities between the recent engagement and relationships in the past, there are also significant differences. "Arab states have had a lot of influence in the Horn historically, [and] their rivalries have spilled over in repeated intervals," one expert said. "The Arab-Israeli rivalry, the rivalry between conservative and radical states, even between Baathist states, have driven conflict. The long conflict in Sudan, the civil war in Ethiopia, the Ethiopia-Somalia war all had a dimension of Middle East rivalries spilling over into the Horn."

The last high-water mark of involvement was during the Cold War, particularly the 1970s and 80s when the Gulf monarchies had large budget surpluses to spend pursuing interests abroad. At the time, Gulf countries mostly aligned with the United States against Soviet-backed movements and governments, which was reflected in their engagement in the Horn of Africa. "For instance, what Saudi [Arabia] was doing in Ethiopia after the Marxist revolution was in lockstep with U.S. containment and supporting certain elements of the Eritrean rebels," one expert noted. "It's a different story now." The Gulf Arab powers and Turkey – all putative close and historic U.S. partners – are currently pursuing their own perceived interests, sometimes explicitly out of competition with each other, many times in ways that clash with U.S. interests or that support U.S. rivals like China and Russia. At other times the dynamic is reversed, and U.S. interests are bolstered at the expense of the United States' competitors. "There's no button one can press in Washington, Moscow, or Beijing to get control of what's going on in the Horn of Africa. It's a far messier game," the expert said.

Another shift that signals this cycle of Gulf engagement in the Horn of Africa may be more sustained and longer term is the establishment of permanent strategic commercial and military assets along the Horn of Africa's Red Sea coast. The UAE has led the way in this,

with a military and naval base in Assab, Eritrea. These were followed by a military and naval base in Berbera, Somaliland as well as a port run by the Dubai-based DP World and a related free zone and connectivity infrastructure. Additionally, the Dubai-based P&O Ports took over the management of the port of Bosaso, in the semiautonomous Somali state of Puntland, where the UAE has trained a Puntland maritime force to counter piracy and fight al-Shabab. Saudi Arabia has a military facility in Djibouti. Turkey has a base in Mogadishu and Albayrak company – whose chairman is Turkish President Recep Tayyip Erdogan’s son-in-law – runs the Mogadishu port. Ankara also has signed a long-term concession to rebuild and manage the Ottoman port of Suakin, Sudan, although it is still unclear if this will have military or solely commercial dimensions.

Growing Global and Regional Competition in the Red Sea

Deepening Gulf engagement in the Horn of Africa also coincides with – and is shaped by – growing interest in the region’s strategic geography, and its economic potential, by global powers and medium-sized powers such as western European Union countries and Israel. This intense interest has given far greater leverage to Horn of Africa leaders to bargain for better deals or play patrons off one another. The Gulf countries’ new position in the Horn of Africa also allows them to leverage their role as larger global powers jockey for position.

China is increasing its focus on the region and Red Sea, and Russia, which is already exploiting openings left by the United States and European powers elsewhere in Africa, is actively looking for a Horn of Africa country in which it can build its own military facilities. The UAE, in particular, may hope that its influence and hard assets in the Horn of Africa position it to act as a regional partner for these powers as

it also pursues its own interests. It seems as though China, the United States, and Russia are avoiding forcing the UAE to take sides and are pursuing alignments when practical. For example, the UAE is at odds with Djibouti over the nationalization of the Doraleh Container Terminal that DP World had run in Djibouti. A Chinese state

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firm was given control of an area around the terminal to build Africa’s largest free-trade zone, and China has built an even bigger port at Doraleh. The United States is increasingly alarmed over the widening scope of Djibouti’s ties to Beijing, and the strategic risk of Chinese control over Djiboutian ports that service the largest U.S. military base in Africa, also in Djibouti. One expert suggested that U.S. support for the UAE’s efforts to mediate Eritrea-Ethiopia peace is tied to the Djibouti issue, as it looks to diversify its footprint away from Djibouti, possibly to Assab, creating an area of alignment between Abu Dhabi and Washington. But this has not seemed to dampen the China-UAE relationship elsewhere, with Chinese President Xi Jinping making a state visit to Abu Dhabi in late July during which a number of pledges of



cooperation under the Belt and Road Initiative were announced. These included a DP World agreement with Zhejiang China Commodities City Group to build a Traders Market in the Jebel Ali free zone.²

Horn of Africa countries are also making the most of their newfound strategic importance increasingly playing global powers off each other or simply balancing relations, even between rival countries. For the first year of the dispute with Qatar, the UAE and Saudi Arabia appeared to give zero-sum options to their Horn of Africa partners, but that position seems to have softened over time and as these countries' own leverage has increased. For example, Sudan has leveraged its current position as an important partner for not only Gulf countries, but also the EU, the United States, Israel, and Ethiopia. The government of Sudanese President Omar Bashir has been able to, for now, solidify its survival after a period of pariah status. One expert described recent meetings with current and former officials in the Sudanese capital of Khartoum, and a clear desire to re-evaluate Sudan's role in the Yemen conflict as a key supplier of soldiers to the Saudi-led coalition. Around 16,000 Sudanese troops have been deployed to Yemen as part of the coalition, an expert stated. "The discussion was very engaged in terms of do we really want to continue in the war in Yemen, because of domestic concerns, because

² "DP World Signs Agreement to Boost International Trade," DP World, July 19, 2018.

more and more people are wondering where is the money that our troops were supposed to be receiving” from the coalition. Domestically, Khartoum’s siding with Riyadh and Abu Dhabi against Qatar as well as Iran has been criticized widely in a country where Islamist political groups that have a long history of ties to post-revolution Iran and Qatar are popular. There are also deep concerns in Khartoum about potential domestic blowback when the battle-hardened forces return home. Some of the Sudanese soldiers are drawn from militias affiliated with tribal leaders in Darfur, where Arab tribes are currently in conflict over resources and territory. “They are coming back with more equipment, knowledge, and money,” an expert said. “What are the implications in this region of the war in Yemen?” Beyond the growing number of questions over the necessity of involvement in Yemen, Khartoum’s importance as a partner for regional and global powers has increased significantly since the migration wave from Africa that has had outsized political ramifications in Europe, in particular. For EU countries, Sudan has become a focal point for cooperation on stemming migration from the Horn of Africa, and more broadly the security nexus between the Horn of Africa and Sahel region. For Washington, Khartoum has become an important counterterrorism partner. Sudan has also aligned with Ethiopia on the Great Ethiopian Renaissance Dam since it received guarantees of water volumes for agriculture. Gulf countries are returning to the view that Sudan can be key to their food security, providing greater confidence to Ethiopia and Sudan. “This has brought Sudan into a very strong position,” according to one expert.

Sudan has leveraged its current position as an important partner for not only Gulf countries, but also the EU, the United States, Israel, and Ethiopia.

Another recent development, in Somalia, underscores the increasing confidence in hedging and balancing among Horn of Africa actors. Soon after he met with the Abu Dhabi crown prince in June, Ethiopia’s reformist President Ahmed Abiy traveled to Mogadishu for unexpected talks with Somalia’s president. The Farmajo government is closely aligned with Qatar and Turkey; its relations with Abu Dhabi have broken down completely as a result of these ties, which Abu Dhabi sees as undermining its influence and interests in Mogadishu, as well as the UAE’s engagement with Somali federal member states, which strengthens the autonomy-seeking leaders of those regions and weakens Mogadishu’s sovereignty. Farmajo’s government has empowered Islamist groups, and has sought to use its patrons’ financial support to try and undermine the federal states and concentrate power in Mogadishu.

It was a shock, then, when Abiy and Farmajo announced the signing of a joint communique that committed to greater economic and political integration between Somalia and Ethiopia, including the joint development of four Somali commercial ports. There has been little clarification about this potentially momentous agreement, but Somali analysts and members of parliament say that Abiy may have convinced Farmajo to drop his opposition to the UAE’s port and military projects in Somaliland and Puntland. A source close to Somali Prime Minister Hassan Ali Khayre said that Farmajo has decided to balance his government’s relations with Qatar and the UAE. He added that there may be a concern that there is less incentive for Doha to maintain the same level of support if there is no threat of competition. That would be a major accomplishment for Abu Dhabi, which, according to accounts of former and current Somali officials as well as opposition lawmakers, had lost any levers of influence it had in Mogadishu after a handful of key allies were disempowered by Farmajo, and the UAE had not cultivated clan or other networks in Mogadishu beyond those figures.

There would be, notionally, a number of benefits for Farmajo in being courted by Ethiopia, and by extension the UAE. “The Ethiopians went there saying there’s a lot of change happening, we will try to balance with the [federal member states] but you have to accept this deal and we will also talk to the UAE so that there is a fit that can be found for everyone,” another source close to the current government said. It is also likely that Farmajo’s calculations are being influenced by the Horn of Africa’s shifting geopolitics, which are for now tilting heavily in Ethiopia’s favor. If Abiy is able to finally work with Eritrea, Sudan, and Kenya on greater regional integration, and is allied with the UAE and backed strongly by the United States, European countries, and the African Union, then an intransigent Farmajo would be squeezed externally and internally, if the federal member states were emboldened and able to successfully resist his centralizing strategy.

In the months since Abiy’s Mogadishu trip, he and Farmajo have met a number of times, but it remains unclear if the dynamics in Mogadishu have shifted or if the UAE is content for now to, in essence, let Qatar “own” the dysfunction and deteriorating security situation. Farmajo’s chief of staff, Fahad Yasin, who is widely seen as the conduit for Qatari support, was named deputy director of the internal intelligence service in August. The move was read by many analysts as tied to an alleged campaign by Mogadishu to undermine federal member state presidents allied with the UAE and Ethiopia ahead of a slate of state elections over the next year.

The scope and scale of military engagement by Gulf countries with their Horn of Africa clients is almost completely opaque, which can also fuel the risk and threat perceptions of others.

While the UAE’s partnership with Ethiopia has had stabilizing externalities, the case of Sudan illustrates how Gulf

engagement can be a driver of conflict in unpredictable ways, especially when the capabilities and resources between Gulf Arab and Horn of Africa countries are so lopsided. “It’s a region where security dilemmas are acute and concerns about regime survival are endemic,” an expert said. “You put new external bases and new alliances into that equation, [they are] potentially transformative in terms of the balance of power. So, this creates a lot of risk and perceived vulnerability among states in the region and creates real potential for crisis and escalation even if no one is angling for conflict.”

The scope and scale of military engagement by Gulf countries with their Horn of Africa clients is almost completely opaque, which can also fuel the risk and threat perceptions of others. Political rivalries in the region can be deeply rooted and may not have the same potential for resolution as the Ethiopia-Eritrea rapprochement. The countries were bitter enemies, but the people of both share language, ethnicity, history, and culture. The societal desire for peace was strong, and just needed a catalyst at the elite level to achieve it. But the dynamic is flipped in Somalia, for example, where the joint agreement for greater integration with Ethiopia was met by widespread grassroots condemnation that caught Farmajo’s government off guard.

Implications for Governance and Leadership Transitions

Greater Gulf engagement in the Horn of Africa also has important implications for the deeper structural evolution of governance in the region. The UAE's opening with Ethiopia was produced by a crisis of politics and governance in Ethiopia. The Tigray minority's grip on political and economic power became unsustainable and pushed Ethiopia to the brink of a civil unraveling. The state's single party, dominated by the Tigray fighters that overthrew the Marxist dictatorship in 1991, allowed Abiy to become prime minister and has allowed his deep pro-democratization reforms to proceed, so far. The country's next general elections are in less than two years and will be profoundly important. How Ethiopia's transition plays out – and how Gulf states decide to engage with it politically – will have implications for the entire Horn of Africa, where political systems are almost all in some state of generational or societal transition. In Eritrea, Sudan, and Djibouti, leaders are aging and there are no clear successors or institutionalized systems of succession or transition. “What’s happening in Ethiopia is not just about Ethiopia, it has regional implications. It is the political and economic center of gravity of the Horn and it will have a democracy dividend beyond its borders, particularly in neighboring countries,” one expert said. “I have a difficult time imagining how the autocratic states bordering Ethiopia will be able to sustain their models over time if Ethiopia gets this transition right.” That transition looks more and more troubled, as violence between ethnic groups in the eastern Oromo and Somali regions of Ethiopia erupted in August.

Alternatively, Gulf engagement with leaders and other individual elites could produce what an expert called a “countervailing force” that undermines the process of governance reform that is key to regional stability. Leaders in the Horn of Africa may seek to use their new alliances in the Gulf to extract political and economic rents that can be used to prolong their rule and ward off pressure from below to reform governance along more democratic or at least inclusive and representative lines.

A Story of Declining U.S. Influence, Real or Perceived

The story of greater Gulf and Turkish influence in the Horn of Africa is also one of an attendant decline in influence on the part of Washington and EU powers. “A few things are happening at the same time,” an expert said. “We have the emergence of the UAE, with a burgeoning appetite for regional and geostrategic influence, and that’s happening because of and at the same time as a growing feeling that the U.S. is intrinsically stepping back. The pivot to Asia is taken desperately literally ... [and has] galvanized what we’re seeing in the region.” The United States seems almost solely concerned with the Horn of Africa as a security and counterterrorism issue, and perhaps some aspects such as the Red Sea maritime corridor and chokepoint as a small part of its larger competition with China and Russia.

Western countries do not appear to have longer-term economic strategies or to be interested in engaging widely in Horn of Africa societies and politics to try and influence political outcomes. U.S. officials, however, point to Washington’s role in the Ethiopia-Eritrea rapprochement and the influence the United States wields through security relationships. European officials in the Horn of Africa say that they are actually increasing their focus on the region, as a result of

the migration issue, primarily. According to one expert, given the strategic importance of the Bab el-Mandeb for European trade, the EU is working to convene a Red Sea forum with Horn of Africa countries, the United States, Gulf countries, and other international stakeholders. But the geopolitics creates questions about the effectiveness of such a multilateral forum in managing so many competing interests. “The Germans have an interest to lead, and there are discussions with Norwegians right now on this ... the question is who has the convening power and who is interested in joining,” an expert said. “Everybody is cautious to not bring the problem from that Gulf to this Gulf. Iran won’t be invited to this first round, but everyone has others like Turkey and China on their mind when talking about the Red Sea.” Western officials in the Horn of Africa also point to the pre-arrears clearance funding from the World Bank and International Monetary Fund, and the \$100 million in additional budgetary support the EU will give to Mogadishu that they say will give the Somali government the ability to resist political pressure from Gulf countries. But on the ground, the view is quite different. Western frustration with the slow pace of governance reform and security sector capabilities by the Somali central government is underscored by a sense that they are taking on the messiest problems with little to show for the effort.

This dynamic is occurring as pivotal moments of transition are on the horizon for a number of Horn of Africa countries. The most fragile, Somalia, is scheduled to have African Union troops that have been key to securing at least some modicum of security withdraw in 2020. Turkey, rather than the United States or EU, has taken on the task of training Somali National Army troops to take over from the African Union force. But the army is still deeply fractured by clan loyalties and riven with corruption, and there is little hope that it can be turned into a competent security force in such a short time.

A U.N. official admitted that compared to just a few years ago, Western influence in Somali politics has faded markedly.

How Ethiopia’s transition plays out – and how Gulf states decide to engage with it politically – will have implications for the entire Horn of Africa, where political systems are almost all in some state of generational or societal transition.

During the initial stages of the Gulf dispute spilling over into Somalia, a U.S. official said that they received no response from Gulf counterparts to requests to discuss the political situation. Political elites in Mogadishu in the early summer were preoccupied with navigating relationships with the Gulf and Turkey, and how to normalize the relationship with the UAE, or, for opposition members, how to engage the UAE to their benefit. “If you look at the ports and [support for the] central government it is Turkey. After the Europeans couldn’t find a common idea of how to train the [Somali National Army] it is Turkey doing it. So, Turkey’s influence militarily is massive. It is much more important than anyone else’s, including the U.S.,” one expert said. “This is a long-term investment and is not just there for military cooperation.”

Understudied Role of Israel

Another U.S. regional ally that is beginning to play a larger role in the Horn of Africa is Israel. Tel Aviv has longstanding ties to Eritrea and Ethiopia, is engaged in South Sudan and with Khartoum, is close to Egypt, and has an increasingly visible relationship with the UAE, Saudi Arabia, and even Qatar. A less-known area of coordination between Israel and these Gulf countries in Washington was the push to rehabilitate Sudanese President Omar Bashir,

according to one expert. Israel is keen to help Sudan with technical water management issues that will arise from the Grand Ethiopian Renaissance Dam in both Sudan and Egypt. If the Gulf countries and Sudan attempt to create a “bread basket” in Sudan that is successful – a previous attempt in the 1970s failed – Israel’s technical expertise will be important, an expert noted. Tel Aviv also has pushed for the lifting of U.N. sanctions and the reintegration of Eritrea as a Western partner, based on close security relations with the country but also because of an Eritrean refugee problem that the Israeli administration is eager to solve, according to one expert. “Israel has an increased position in most of the Horn countries, including Sudan. It’s not the time to be anti-Israel even in Sudan anymore,” an expert said. “There is a huge change in this respect.”

Russia’s Bid for Influence

Russia is another country eager to join the scramble for influence in the Red Sea basin. An expert said that at the recent Valdai Discussion Club annual foreign policy forum in St. Petersburg there was a focus on the region and where Moscow might seek a permanent military base. “Maybe Suakin, maybe Egypt,” the expert added. “There was talk about the fact of the attractiveness of working with the UAE in reviving the Aden port in southern Yemen. What bothers them is all these little countries getting these facilities and great Russia isn’t.” A former Somaliland government official said that in late 2017 a delegation from the previous administration was taken on a trip to Russia. The first stop was Chechnya, where they talked with counterparts about areas of potential cooperation on agricultural production, promoting moderate Islam, and education. Then they met with officials at the Foreign Ministry in Moscow to talk about Horn of Africa politics. The issue of military bases was raised, with the Russians interested in Berbera, unhappy that the UAE had already been granted a base there, the former official said. Another potential site discussed was the Somaliland port of Zeila, near the border with Djibouti, the former official added.

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Abu Dhabi and Moscow have been cooperating across Africa, and the UAE would be an attractive partner for Russia in the Red Sea. According to one expert, Russia and the UAE are “already working in tandem on the Central African file.” Russia has 170 military trainers in the Central African Republic and has imported a significant number of arms through Sudan to equip the forces it is helping train. “That has led to conversations in [the Democratic Republic of the Congo] and Rwanda” for Russian security support. The UAE has engaged with these countries in Central and Eastern Africa on infrastructure development and commercial investments. Russia also appears interested in extracting raw commodities in Africa, including in Libya, where Moscow is deeply involved.

Gulf Economic Policies

The Gulf countries’ engagement with the Horn of Africa through military partnerships and political alliances has been made possible by a form of economic foreign policy that they have deployed with increasing sophistication since 2011 as they seek to extend their reach

and influence. Karen Young has described these newer forms of economic foreign policy, which are still being tested and are evolving, as “economic statecraft.”³ Rather than a foreign policy intended to produce primarily economic gains, economic statecraft models seek to use economic leverage to serve strategic political and military policy goals as well as economic interests. The unique political economies of the UAE, Qatar, and Saudi Arabia mean that the interests of the state, ruling families and important business families, and investment entities and commercial enterprises are intertwined. This makes it difficult to pinpoint the dividing lines between strategic interests of the state and economic interests, or whether commercial initiatives and investments are made primarily for a return on investment or for other objectives. In the Horn of Africa, these questions have been particularly difficult to unpack because there is little data available from either side. One expert described the Horn of Africa as a laboratory for this model of Gulf political economy: Is the Horn of Africa an arena for strategic competition and rivalry, or will the promises of investment in sectors such as agriculture and infrastructure reap economic benefits for Horn of Africa countries and Gulf investors? It remains to be seen whether lessons learned in previous attempts at post-2011 economic statecraft, such as in the case of Egypt, can be applied to similar engagement in the Horn of Africa. Gulf officials may say that they can adapt and be reactive, “There isn’t a long-term strategy and there is a real weakness about the deployment of human capital,” one expert said. “Who is able to do this work and be the advisor? So [that’s why] you get the transactional diplomacy with not a lot of follow up,” leading to insulated and experimental policies. The expert continued, “The asset in this is that it can change direction very quickly, but the consequences are all the more unsteady.”

So far, not much has materialized amid all of the talk of complementary economic interests, according to one expert. Agricultural investments by the Gulf countries in the past have simply not paid off commercially or in terms of actually providing strategic food security. Qatar is already looking elsewhere – the United States, India, Brazil – after a failure to realize its agricultural investment goals in Sudan and Ethiopia. The United States has spent billions in aid dollars to maintain food security for vulnerable populations in the Horn of Africa, where many regions, like eastern Ethiopia, are food insecure. The politics around land use in Ethiopia are likely to grow more complicated as the Abiy government tries to liberalize and reform land regulations; 85 percent of Ethiopians are subsistence farmers on public lands and deregulation will be a politically explosive issue. Protests that grew and spun out of control in 2015 led directly to Abiy’s rise to prime minister, and one expert questioned whether there is a viable model for agricultural investments by Gulf countries in Ethiopia. Ethiopia and other Horn of Africa countries all have large youth bulges and fast-growing populations – dynamics that will add to stressors around liberal land policies and a stated shift to industrial production.

It is still not clear how economic aspirations are being calibrated with the Gulf states’ political and security goals. Is Abu Dhabi really clear about the economic dividend its partnership with Ethiopia can bring, or is it primarily about weakening Turkey’s position and outmaneuvering Qatar? A clear economic statecraft strategy has yet to emerge, although the complementarities between the economic objectives of the UAE and Ethiopia are numerous. Ongoing high-level visits between Emirati officials – led by Reem Al Hashimy, the minister of state for international

³ Karen E. Young, “[The Interventionist Turn in Gulf States’ Foreign Policies](#),” *Arab Gulf States Institute in Washington*, June 1, 2016.

cooperation – and Ethiopian counterparts have outlined areas where investments will be made. The UAE is looking for opportunities to invest in sectors such as logistics, real estate, and financing as part of its strategy to reduce its reliance on oil revenue. Ethiopia is desperate for foreign investment in such areas so that it can pursue its own industrialization strategy to reduce Ethiopians' reliance on small-scale agriculture. A key to unlocking this mutual potential is ending Ethiopia's sole dependence on the port of Djibouti, where exorbitant fees hobble Ethiopia's economic potential and contribute to its balance of payments crisis. The UAE, through Dubai's private DP World port operations and logistics company, has co-invested with Ethiopia in the port of Berbera. After Hashimy and Abiy met in August, it was announced that the UAE would build an oil pipeline connecting Ethiopia with Eritrea's Assab port, another element of ending Addis Ababa's strategic reliance on Djibouti.

Greater port access is the key foreign-policy goal of the Abiy administration, and it is in talks about joint investments in ports from Kenya to Somalia and Sudan. Until now, Chinese banks have provided financing for large infrastructure projects in Ethiopia, but Addis Ababa has been unable to pay back loans, and as a result its relationship with China had been souring. The Abiy administration likely hopes that Emirati investments can make up the balance, and that they may also force China to rethink its position. "The Chinese have turned off the tap to Ethiopia; they think they're over leveraged," an expert said. "You can explain a lot about UAE ties [to Ethiopia] through the worsening ties with China. They feel Ethiopia doesn't make commercial sense for them" anymore. Berbera might be a first test case for Emirati-Ethiopian cooperation on ports, and how the labor of financing and building infrastructure is divided. So far development and investment in the port has been slow, at best, although DP World and the Somaliland government held a groundbreaking ceremony on the extension of the Berbera port quay and a free zone around the port on October 11.⁴

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This nascent model led by the UAE stands in contrast to that of China, which has been engaged in the Horn of Africa on a much larger scale and for longer than the Gulf countries. China's long-term interests are clear, in the form of its Belt and Road Initiative that seeks to link Asia to Africa and Europe through Chinese-financed infrastructure, and that Beijing is betting will cement its status as the world's next superpower. The Belt and Road Initiative also seeks to create opportunities for Chinese excess labor and banks, rather than possessing merely political or military objectives, which has also created resentments in the Horn of Africa and opportunities for other outside powers. In many ways, one expert said, China is strategically at odds with the United States, EU, and even the Gulf states in the Horn of Africa. The Chinese-funded economic free zone around the new Chinese-built port facility in Djibouti is already coming online, whereas similar Gulf-backed projects like Berbera have languished. The scale of the financial and human capital China wields cannot be matched by other players. In other ways, however, Beijing values the role that the UAE in particular can play as an important regional cog in the Belt and Road Initiative, aiming to leverage its position in the region as a logistical and soft infrastructure hub. This was underscored by the Chinese president's visit

⁴ "DP World Berbera Port Development Work Begins," *Emirates News Agency*, October 11, 2018.

to Abu Dhabi in July, when a number of announcements were made stressing the desire of the UAE and China to cooperate on the Belt and Road Initiative and establishing trade and investment partnerships.⁵

Conclusion

Perhaps the Berbera port project is an apt metaphor for Gulf countries' push to become permanent players in the Horn of Africa. Fallout in neighboring Djibouti due to an internecine fight within the ruling clique over resources forced DP World to quickly find an alternative that would allow it to continue pursuing its goals in east Africa. This led to a broader engagement in Somaliland that has also been complicated by local politics, and the construction of a nearby UAE military base. The project has been fortuitously bolstered by regional dynamics centered on Ethiopia but also mired in the complexities of local issues such as clan dynamics and elite competition for rents. While the scale of the project holds promise to transform Somaliland and maybe even pave the way for the fulfillment of the breakaway region's dreams of statehood recognition, the potential for huge profits also exposes the ways in which it could feed into and exacerbate corruption and destabilizing politics.

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If Berbera becomes a major alternative port for Ethiopia, it could also unlock huge regional potential. On the other hand, the military dimensions of the broader UAE engagement could contribute to a greater militarization of the Red Sea region and contribute to insecurity. Like the larger economic, political, and security role Gulf countries are hoping to play in the Horn of Africa, Berbera's potential is still on paper only. Will the current grand bet on the economic potential of Ethiopia and the Horn of Africa pay off, or as in previous eras, will internal politics and structural social problems bedevil Gulf plans? In the end, will they be able to compete with the scale of resources and influence that China wields?

So far, questions far outweigh answers. But it is unquestionable that Gulf countries' new roles in the Horn of Africa are redefining the region's dynamics in a way that they have never before. As the geopolitics of the Red Sea region moves into an era of multipolarity, Gulf influence will be a central and unavoidable factor.

⁵ Nick Webster, "UAE and China Declare Deep Strategic Partnership as State Visit Ends," *The National*, modified August 12, 2018.

