

The Red Sea Competition Arena: Anatomy of Chinese Strategic Engagement with Djibouti

Federico Donelli

Abstract

Since the outbreak of the COVID-19 pandemic crisis, the Chinese approach to African countries has changed. Beijing is gradually shifting from the investment model to a local development approach based on an emphasis on win-win partnerships within the Belt and Road Initiative's framework. The expansion of China's economic influence has been followed by a growing interest in African political and security issues. As a result, China has increased its strategic projection. Drawing on the Djibouti case study, this research intends to grasp the more recent developments in the security interactions and political and economic engagement that tie China to the small African country. Specifically, the article investigates Djibouti's role in China's international strategy. It aims to analyse the motivations, tools, and aims of the Chinese strategic engagement with Djibouti. The rationale of the article is that the consolidation, including military, of the Chinese footprint in Djibouti makes the small African country and the entire Red Sea region a potential testing ground for examining some of the dynamics of balance and rivalry between China and the United States.

Keywords: Africa, Red Sea, China, Security, Djibouti, Belt and Road Initiative (BRI)

Introduction

In a transitional global order, Africa is playing an ever-increasing role. Africa's rediscovered centrality within the extra-regional players' foreign policy agenda is due to interest in its vast natural resources and the potential represented by the future African markets. The growth of interests has led to an increase in the strategic significance of the African continent. A growing number of emerging powers see Africa as a land of opportunity. African countries, which have long sought to diversify their extra-regional partners, share this view. Besides the pursuit of economic gains, a growing number of extra-regional players are also being driven to increase their footprint in Africa for

global competition. As a result, within the international multipolar and decentralized system, the African continent has become a major theatre where global and regional rivalries have been expressed. While international rivalries are intensifying in many African regions, some of them are of greater geostrategic importance. This is the case of the wider Red Sea region. The pivotal role of the Red Sea in maritime trades and the three chokepoints - Suez Canal, Bab al-Mandeb, and Hormuz - make the area a matter of great political concern. For this reason, the area constitutes a laboratory in which it is possible to discern some dynamics of competition and cooperation that reflect the current global balances and could indicate future developments. China is one of the most involved players in Red Sea politics. China's approach to the African continent has changed with the Belt and Road Initiative (BRI). Africa is highly involved in BRI's projects. 46 of the 54 African states have joined the BRI for over one billion people. In recent years, China has begun to play a more active role in the political affairs of African countries after nearly two decades of an agenda oriented solely on trade investment and resource extraction.

The article chose Djibouti as a case study to grasp better the traits, tools, and aims of Chinese foreign policy in the region. A mix of factors was behind the choice. First of all, the geostrategic significance of Djibouti. The small African country overlooking the Bab al-Mandeb strait is considered one of world politics' most strategically important hubs (Styan 2020a). The second factor is closely related to the first and concerns the presence of a plurality of military bases. In Djibouti, several extra-regional players have a military presence within a few square miles. Specifically, China's first overseas base and the U.S. Combined Joint Task Force operational headquarters elevate Djibouti's international prominence (Cannon 2021). The African country can be considered, in fact, as a "small lab" (Donelli 2022) or "microcosm" (Cabestan 2020) for looking at some of the dynamics of balance and rivalry between the two powers. Finally, another factor that makes Djibouti a good case study concerns the country's longstanding relevance to China's international strategy. Djibouti is not just where Beijing has decided to establish its military footprint. Still, it is the gateway to Africa for China's infrastructure and trade projects linked to the Maritime Silk Road Initiative (MSRI) (Styan 2020b).

Since the opening of the military base in Djibouti (2017), China has also significantly increased its strategic projection in the area. Analysing what China has done over a decade in Djibouti is relevant to understand the transformation of China's Africa policy. Indeed, it helps identify China's interests and its *modus operandi* and highlights some of the outcomes of Chinese policy on African domestic politics and political-security dynamics on a regional level. Taking Djibouti as a case study, the article intends to grasp the role of Djibouti in China's international strategy. Specifically, it investigates the motivations, tools, and aims of Chinese strategic engagement in Djibouti. The article examines the economic and security dimension of Beijing's policies in the small African country. What role does Djibouti play in China's international strategy? How

are China's economic and strategic military engagement intertwined in Djibouti? The article aims to provide some insights to answer this and other queries, contributing to the current debate on the Chinese engagement with Africa. For this purpose, the article is organised into three sections. The first part introduces the geostrategic relevance of Djibouti within the changing international system. The numerous infrastructural investments promoted and carried out by China in Djibouti as part of the MSRI and BRI development plans are discussed in the second section. After outlining the main determinants of Chinese security policy in the third section, the conclusions explore some implications that increased Chinese involvement in Djibouti has had locally and regionally.

The Role of Africa in the Changing International Order

Dealing with the international system as a whole means referring to the outcome of the dynamics – political, social, and economic – which, being interconnected, determine the distribution of power among the different actors that operate in the international arena. The literature on both international relations and international political economy agrees that the financial crisis of 2008 has accelerated the process of reconfiguring the global order, economic and political (Randall 2009; Gamble 2010). Furthermore, the same negative effects have affected the United States' choice to revise their international approach, thereby favouring a different distribution of power and the consolidation of China as a major rival (Friedberg 2010). The most recent years have shown how the international system is still going through a transition phase from a period characterised by unipolarity, followed by a short interlude of asymmetrical multipolarity (interregnum), to a new era characterised by "emancipated" multipolarity (Pieterse 2017). In the present-day international system, the United States, while maintaining its leadership in terms of resources and capabilities, has become aware of the rise of counter-hegemonic powers such as China and Russia (Schweller and Pu 2011). These two countries, albeit with multiple constraints, have enough material capabilities to counterbalance the United States presence in regional and, in some cases, global arenas (Mastanduno 2019). Within the uncertain and globalised international environment, marked by increasing threats and competition, the foreign policy of the actors revolves around maintaining power and seeking power in multiple scenarios (Neack 2008).

Africa is one of the regional contexts most affected by the global changes that characterised the international system at the end of the Cold War. The international developments of the last two decades have given centrality to the African continent, denying the long-accepted conviction that the position of Africa, especially Sub-Saharan Africa, would be irrelevant in the international arena (Brown 2010). In the post 9/11 era, security, especially in relation to the phenomenon of Islamic radicalism and the spread of piracy along the Eastern Africa coasts, and the global economy have

brought Africa back to the core of international concern. While security issues have led to a joint effort between traditional and emerging powers, economic rivalry or the "scramble" for Africa has been sparked. In the African continent, 40 per cent to 80 per cent of the world's reserves of energy and non-energy raw materials can be found (Lin 2007; Custers and Matthyssen 2009). For this reason, the continent has become the main source of raw materials worldwide. Hence the spread of the idea of the "new scramble" for Africa (Carmody 2011).¹ As with the first scramble for Africa (19th century), even nowadays states need natural resources to feed their economies and to ensure the protection of their political and economic power. As then, today this growing interest has led the major global powers to compete with each other in order to gain the rights of first refusal on resources. The involvement of emerging players has brought Africa back to the centre of international concern and given a new stimulus to the traditional powers to renew their commitment to new development and economic growth programs (Cornelissen 2009).

If the scramble for natural resources drives traditional and emerging powers to increase relations with African countries, control of trade routes heightens competition. Historically, the Red Sea is among the areas of greatest strategic importance (Aliboni 1985). To summarise the growing geostrategic significance of the Red Sea is due to a combination of several factors, such as: geo-economics (the shipping routes, primarily for the flow of hydrocarbons to the rest of the globe, from the Arabian Peninsula); geopolitics (the increasing interactions and interconnections of the region with the world as well as competing geopolitical aims by China and those of the Indo-Pacific Partnership - Japan, India, Australia, and the US - to embrace the region in one camp or the other, thereby making this region a highly contested zone) (Cannon 2021); people (the migration flows toward Europe) (Narbone and Widdershoven 2021). Therefore, the Red Sea constitutes one of the leading maritime routes of global trade bridging the West and the East. Due to the extent of the annual ships' transit, it is defined as the Interstate-95 of the world (I-95) (Vertin 2019). At the centre of this focal point of the world's geopolitics sits the small African state of Djibouti. Barely larger than a city-state, Djibouti enjoys a geostrategic significance that exceeds regional boundaries. Djibouti lies on one of the most vulnerable chokepoints in the world: the Bab al-Mandeb strait (Fantaye 2014). The strait, which is only 18 miles wide, connects the Red Sea to the Gulf of Aden, opening up the Indian Ocean and the Gulf on one side and the Suez Canal and the Mediterranean on the other. More than 20,000 ships are reported to transit through Bab al-Mandeb each year, accounting for about 30 per cent of the world's maritime trade, with a turnover of more than 700 billion US dollars. The rising of the Red Sea's geostrategic weight is closely linked with the expanding military presence of extra-regional players. Increased concern over international security issues - piracy, terrorism, and human smuggling - has elevated Djibouti's relevance in world politics. In addition, the growing Chinese footprint in the area has captured the eyes

of the United States and all the great and middle global powers such as Japan, Russia and India. Several extra-regional players have opened outposts and military bases on Djiboutian soil, including Italy. Still, others have initiated talks with Djibouti or with some of its neighbours (Somaliland, Eritrea, Sudan) to boost the military presence in the area (Weber 2017). The involvement of so many extra-regional players in a small, enclosed space has turned Djibouti and the Red Sea into a microcosm of a multipolar world (Cabestan 2020).

The Case: Djibouti as a Testing Ground

The interests of Western and Asian powers for Djibouti are primarily focused on the maritime dimension. During the last two decades, Djibouti has become the main stopover harbour for commercial ships that transit through the Suez Canal. The instability along the Red Sea shores (Somalia and Yemen) has encouraged the proliferation of phenomena such as piracy and terrorism, which are considered threats to international security (Ehteshami and Murphy 2011). Moreover, the number of weak state entities in the regional context and its high rate of internal conflict has triggered many humanitarian crises (Yohannes and Gebresenbet 2018). As a result, various international players launched unilateral and multilateral operations to protect the sea routes and support humanitarian relief efforts. Due to its domestic political stability, Djibouti quickly became the natural headquarters for the region's many monitoring and stabilisation operations. The increase in patrolling activities in the Red Sea, especially anti-piracy, has raised the interest of international players in establishing military outposts in the region. The geographical centrality and financial resources needed by the Djibouti regime have generated a win-win dynamic between the African country and extra-regional powers. Consequently, the small Horn of Africa state has become the core of the Red Sea and Gulf of Aden militarisation process (Donelli and Cannon 2023).

The geostrategic importance of Djibouti, besides deriving from its central position on one of the busiest global maritime arteries, also comes from the perception that extra-regional players have of the small African country in relation to Eastern Africa. Djibouti, in fact, is commonly considered one of the main gateways to the African continent. In other words, Djibouti's growing strategic weight does not only have a maritime perspective. Indeed, the military footprint of extra-regional players has a hinterland dimension with a twofold significance. In the first place, it serves as a means for some external players to increase their presence and influence in central-southern Africa. Secondly, the outposts have become instrumental in monitoring the activities of rival states (Donelli 2019). One of the most obvious examples involves China and Japan. In 2011, the latter requested and obtained from the Djibouti government the possibility to open a military outpost. Although the Japanese facility is small, it marked a significant change in Tokyo's foreign policy as it opened a new international era (Cannon 2021).

The military facility provides logistics and security support to the humanitarian and development activities undertaken by Japanese public and private agencies in Africa (Kato 2017). However, the Japanese choice primarily reflects regional and global rivalry dynamics. In the light of the impressive expansion of Chinese influence in Africa, the Japanese government wished to create a presence on the continent to monitor Beijing's activities and to counter its soft power (Panda 2017).² China, in 2014, signed an agreement with the Djibouti government to open a military base not far from the Doraleh Port commercial hub (Styan 2022). Like Japan, for Beijing, the Djibouti outpost was the first military base overseas. The Chinese facility is located just a few kilometres away from Camp Lemonnier, the only permanent United States military base on the African continent (Ploch Blanchard 2022). China's decision to establish a permanent outpost in Djibouti marked a change in the People's Republic's foreign policy strategy.³ Further, China's move had implications for global politics by heightening the importance of the Red Sea. In other words, the Chinese military base opened in 2017 has increased the geostrategic relevance of the area, transforming the small African country into an arena of global competition (Cabestan 2020).

The Red Sea is not the only geographical element that makes Djibouti paramount for international balance and security. The country lies squeezed between the Horn of Africa and the Arabian peninsula. In other words, it is at the centre of a macro-region known as Afrabia (Donelli and Dentice 2020). As such, Djibouti has been a crossroads of peoples, identities, and cultures for centuries. At the same time, however, the troubled post-colonial path that has affected the peoples of Afrabia has made the macro-region one of the most conflict-ridden places in the world, with a high number of intra- and inter-state wars (Bereketeab 2013; Clapham 2017). In the post-2011 uprisings era, the Red Sea has become the regional confrontation and competition theatre (Larsen and Stepputat 2019). The Yemen civil war, the regime change in Sudan, and the ongoing Somali instability have increased the relevance of the western shore of the Red Sea to Middle Eastern states' agendas (De Waal 2017; Verhoeven 2018; Mosley et al. 2021). The extensive political and security interactions between Middle Eastern and African players have led to the gradual overlapping of alignment dynamics belonging to the respective contexts of regional competition (Cannon and Donelli 2020; Donelli and Gonzalez-Levaggi 2021). Although the focus of Western and Asian actors is more, if not exclusively, concerned with global political dynamics, small and mid-size regional players are an integral part of the Red Sea political arena (Bereketeab 2016). A multi-level game's structure characterised the political competition; all stakeholders, African and extra-regional ones, are trying to maximise their gains at the expense of their rivals. Therefore, many of the competitive and cooperative dynamics of the current international multipolar system find their concrete manifestation in the wider Red Sea area. It increasingly looks like a scenario in which old and new extra-regional players

compete to conquer important positions, driven both by economic interest and by the desire to reflect the reshuffling of the global political hierarchy.

The Chinese Broad Connectivity Strategy in Africa

China has a special place in the future global system. China is a rising great power and a potential counter-hegemonic state. Its rise began as the outcome of the financial and geographic shifting process launched in the mid-1970s to address the first crisis that affected the capitalist system. Unlike Russian shock therapy, China's neo-liberal transition has mitigated the effects on the institutional political system through a specific export-intensive strategy (Arrighi and Silver 2006). The single-party-led state has maintained tight productive, financial, and monetary control. The economic policy has gone together with the development of soft power, laying the foundations for an alternative vision of development, which soon became a model known as the Beijing consensus (Li and Yazini 2013; Yagci 2016). In 1997, the launch of the "go out or go global" agenda, officially implemented in 2001, opened a new phase in China's foreign policy. The concern to secure resources to nurture the country's economic growth led China to adopt a proactive and multilateral strategy in the international sphere (Chang Liao 2018). The Chinese approach has changed the global power balances, triggering the underway transition phase (Kai 2017). China has exploited the flywheel of growth to gain influence within regional and international bodies through an "effective diplomacy" aimed primarily at preserving its strategic interests (Nien-chung 2016). In China's broad connectivity strategy, the Belt and Road Initiative (BRI), Africa plays a central role (Styan 2020c). In the last two decades, the presence of Chinese citizens and economic resources in Africa has grown considerably due to the expansion of Chinese trade and Chinese-funded infrastructure projects in African countries. With their expansion, the strategic value of the continent has risen (Wuthnow 2019). At the same time, the need to protect and guarantee its national interests has motivated China to assume a security player's role in Africa (Grieger 2019; Ghiselli 2021). The extant literature summarises the key factors that have propelled Chinese engagement in Africa as a combination of Chinese domestic dynamics, desire to expand into new markets and international political factors (Alden 2005; Tull 2006; Dent 2011). Within African strategic importance, the Red Sea represents the critical artery for the Maritime Silk Road Initiative (MSRI). Particularly, a unique role is assigned to the gateways to Africa: Kenya and Djibouti (Nantulya 2019). If Nairobi seaport is a key piece in China's projection toward the continent's south-eastern coast, Djibouti has high economic, political and strategic value towards Central Africa, Middle East, and the Mediterranean (Ylönen 2020).

Djibouti's Centrality in BRI and MSRI Projects

In a few years, China has become Djibouti's leading political and business partner.

Chinese influence in the country has grown since 2012. As in other African countries, China initially invested in Djibouti to develop the country's infrastructures. The extensive infrastructure investments promoted and implemented by China in Djibouti are not unrelated to the BRI, especially the MSRI, but, on the contrary, constitute a significant complement to it. Beijing has invested mainly in two projects in the small African state, which will have great significance in the future MSRI. The first development plan concerns Djibouti's commercial port facilities. The second project is the railway that connects Djibouti commercial harbours to Addis Ababa (Styan 2020b). Regional political motivations and international considerations have driven both investments. In particular, the intertwining of Chinese interests with the political events of its main regional partner, Ethiopia, is a key driver. Following the Ethiopian-Eritrean conflict (1998-2000), Addis Ababa lost its access to the Eritrean seaport of Assab. As a result, starting in 1998, Djibouti's harbour became the only gateway for goods going to and coming from Ethiopia. The sudden increase in shipping volume imposed the Djibouti government to expand and modernise its port facilities. The executive, led since 1999 by President Ismail Omar Guelleh, began to look for investors to contribute to the restructuring costs. After a series of talks with different states, in 2006, Djibouti signed an agreement with the Emirates shipping company Dubai Port World (DP World) to construct a new seaport terminal, the Doraleh Container Terminal (DCT). The agreement specified that DP World would operate the DCT for 30 years. The honeymoon between Djibouti and UAE lasted only a few years. In 2014, President Guelleh accused the Emirati company of intentionally running cargo traffic below the potential of the Doraleh port, initiating a legal dispute. A few years later, the London Court of International Arbitration (LCIA) issued a judgement recognizing DP World's reasons.⁴ In response, the Djibouti authorities seized the DCT's facilities and took control of shipyard operations through a public company, the Doraleh Container Terminal Management Company (Barton 2022). The Chinese government did not disapprove President Guelleh's decision to nationalise the Doraleh facilities, seeing an opportunity there. As mentioned earlier, Beijing considers the port of Djibouti as a key asset of the MSRI and, by extension, of BRI in Africa (Sun 2020). China Merchants Group (CMG), a subsidiary of the larger state-owned maritime conglomerate China Merchants Holdings (CMH), holds 23.5 per cent of DCT's shares.⁵ The chance to exclude DP World, a world colossus in the sector, from the management of Doraleh was considered by Beijing as an opportunity to increase its influence in the maritime trade sector in the region. Following the nationalisation of the DCT, China and the Guelleh government agreed to undertake several projects to expand and modernise the seaport. The first plan concerned the restoration of the Doraleh terminal. The work was contracted to a Singapore-based Pacific International Lines (PIL). Of even greater interest for the medium-term effects is the port project developed by the Djibouti government with CMH: the Doraleh Multipurpose Port (DMP). Therefore, CMH is the primary stakeholder in the DCT expansion project and the new DMP. Beijing, thus, is

gradually establishing a kind of monopolistic control of one of the world's primary commercial ports. The DMP's modern facilities include deep-water berths designed to host the world's largest cargo ships. The expansion of Chinese economic influence has been coupled with strategic military assessments (Sun and Zoubir 2021). As discussed in the next section, one of the DMP port's docks is exclusively for the People's Liberation Army Navy (PLAN) ships (Vertin 2020).

The second project in which Beijing has invested significantly in Djibouti is the railway line that connects China's leading trading partner in the region, Ethiopia, to the two Doraleh harbours. Inaugurated in 2018, the railway line has restored Djibouti's role as Ethiopia's biggest seaport. Nowadays, ninety per cent of Ethiopia's formal trade passes through Djibouti.⁶ In line with China's traditional approach to infrastructural development, the 750 kilometres of railway was financed by the China Ex-Im Bank⁷ and built by two Chinese companies: the China Rail Engineering Corporation (CREC) and China Civil Engineering Construction Corporation (CCECC) (Mohapatra 2016). The infrastructure project is the first cross-border railway on the African continent and, to date, represents the most tangible mark of the BRI in Africa. However, Chinese interest does not stop only at the Djibouti City-Addis Ababa route. Beijing aims to provide maritime access to industrial districts in the highlands not far from Addis Ababa. The so-called Eastern Industrial Zone (EIZ) is located in Dukem, and was one of the fifty overseas Special Economic Zones originally planned by China (Bräutigam, Tang and Farole 2010). These industrial parks host many companies from China and other Asian and Middle Eastern countries. Ethiopia's bilateral strategic relationship with China is illustrative of African countries' advantages in dealing with the Asian great power. The Addis Ababa government was able to suspend loan payments on the project when it faced foreign currency shortages in 2018 (Yalew and Changgang 2020). However, during the same period, Ethiopia was obligated to continue paying its European creditors, who were less indulgent than Beijing (Chen 2021). The two major infrastructure projects China completed in Djibouti merged into the Free Trade Zone (FTZ) that Beijing established in 2018. When completed in 2028, the Djibouti FTZ will be the biggest on the African continent. The FTZ, whose investment is around 3.5 billion US dollars, is also an essential component of the BRI initiative in Africa (Robinson 2022). The Vision and Actions on Jointly Building Silk Road Economic Belt and 21st-century Maritime Silk Road states that Beijing should: "explore a new mode of investment cooperation, working together to build all forms of industrial parks such as overseas economic and trade cooperation zones and cross-border economic cooperation zones, and promote the development of industrial clusters"⁸

In Beijing's plans, once completed, the FTZ will operate as a hub and logistics centre for the dry ports of China's industrial parks in Ethiopia. However, Chinese investments in Djibouti have not limited to harbour infrastructure and the railway line. China is investing in two new airports, a pipeline to supply Djibouti with water from Ethiopia,

and the Damerjog petrochemical complex, within which the Liquid Bulk Port (LBP) is located.

Protecting Interests and Projecting (Sea)Power

Over the last few years, the increase of Chinese economic interests in East Africa has been coupled with a new trend: establishing security interactions. Although it is too soon to discuss militarisation, China has boosted security relations with African countries by enhancing its military presence (Alden et al. 2018). Beijing's strategy highlights its intention to establish a security umbrella for its investments and broaden its hard power projection in Africa. As for the economic implications, the case of Djibouti helps to grasp some of the dynamics and highlight the outcomes of China's security approach (Styan 2020b). Indeed, before elsewhere in Africa, China's economic dimension is increasingly linked to its strategic and security interests in Djibouti. From the military point of view, Chinese involvement in the region is not recent. In 2008, Beijing actively participated in multilateral missions to counter piracy in the Gulf of Aden. Since then, Beijing has contributed to anti-piracy efforts off the Horn of Africa by cooperating with various extra-regional players, including the United States and European Union (Kaufman 2009). Simultaneously, China has developed its bilateral partnership with Djibouti's security forces, providing medical assistance and training courses. In 2014, the launch of the BRI project and the changes in global power balances motivated China to sign an agreement with Djibouti to open a naval military base or, as Beijing calls it, a "support" facility for the Chinese fleet. The BRI and MSRI development increase the country's economic dependence on global sea routes. Therefore, China's leadership considers naval support facilities strategically necessary to China's global interests (Cabestan 2020). At the same time, Beijing's global power projection has a primary maritime dimension. In other words, China views itself as a great sea power in the future. Therefore, the opening of naval outposts and military bases, such as the one in Djibouti, is instrumental to China's ambitious plans to empower its navy (PLAN). The 2015 White Paper emphasised Beijing's need to acquire a modern military maritime structure tailored to the country's rising strategic interests (Cordesman and Colley 2015; Bo 2020). The report marked the launch of a new Chinese naval strategy known as "Near Seas Defense and Far Seas Protection" (Rice and Robb 2021). Since then, Beijing has launched a series of development investments for its navy to reconfigure its role and increase its military capabilities. In the Chinese designs, the PLAN, from a coastal defence navy, must become a global navy and the asset of the Chinese power projection in the world. As mentioned earlier, the modern multi-operational port of Doraleh shares berths and quays with the Chinese army. The expansion work completed in recent months on several of the DMP's harbourages makes the docking of large PLAN vessels possible, including the new Chinese-made Type 075 aircraft carrier. Djibouti's Chinese military base facilities constitute a fortified complex that can host between

2,000 and 5,000 troops. However, some reports suggest that it has a maximum capacity of over 10,000 (Ploch Blanchard 2019; 2022). The compound includes an ammunition depot, administrative offices, a small airstrip, and a heliport. The most important feature is that the military base is well integrated with other Chinese projects in Djibouti, such as the railway to Addis Ababa, the FTZ, and the DMP.

From a strategic perspective, the Chinese military footprint in Djibouti pursues multiple purposes. First, the outpost provides logistical and technical support to PLAN vessels active in anti-piracy missions in the Gulf of Aden or Chinese citizens rescue operations in emergency situations, as happened in response to the Libyan crisis in 2011 (Zerba 2014). Second, the base aims to protect China's economic interests in the Afrabia region (Alden et al. 2018; Sun and Zoubir 2021). Chinese policymakers consider the Gulf the core of BRI project's due to its hydrocarbon wealth. Thirdly, the expanding military presence in the small East African state has improved China's ability to project its power in the Red Sea, the Indian Ocean, and on the African continent (Elazar 2017; Styan 2020c). Finally, the Djibouti military base is instrumental to China's desire to assume greater responsibilities linked to its status as a rising great power. Beijing wants to prove that it contributes more to international stability and security by increasing its commitment to multilateral United Nations' missions on the African continent (Barton 2018). Therefore, reading from a strategic angle, the Chinese decision to establish a base in Djibouti pursues the same targets as the other military facilities previously opened in the small African country by traditional powers such as France and the United States. However, within China's global strategy, Djibouti does have an important role also in the telecommunications sector. In the mid-to-long term, China's goal is to assume a position of strength over its international rivals in controlling the Sea Lines of Communication (SLOC). In the framework of the projects related to implementing the BRI and MSRI, Djibouti and the Gulf of Aden are at the crossroads of the major Afro-Asian undersea communication networks. Some of the most strategic SLOCs run through Djibouti's waters. Among these there are modern Chinese submarine lines. Huawei Marine, a subsidiary of Huawei, has connected Djibouti and Pakistan via a submarine fiber optic cable that is part of Huawei's latest 7,500 mile of the Pakistan East Africa Cable Express (PEACE), which the China Construction Bank funds (Dutton, Kardon and Kennedy 2020). The PEACE runs through the Red Sea, connecting Pakistan to Kenya and heading to the Mediterranean Sea. China is therefore working to develop a *submarine digital Silk Road* alongside the BRI and MSRI. Beijing's strategic goal is to decrease dependence on Western submarine cables and fiber optics to ensure greater national security. Developing an independent network allows China to provide an alternative for many Asian and African countries (Singhaal 2022). As for the implementation of the 5G network in the countries crossed by the BRI, there is a concern that Beijing could use the networks for hidden purposes (Schneier 2020).

Conclusions

Although it is an issue that is still poorly covered by the literature, China's and other extra-regional players' increasing involvement in Djibouti has led to implications at the local level. The opening of several foreign military outposts has provided economic and security benefits to Djibouti. From the economic point of view, those military bases bring significant earnings to the state treasury. It is estimated that China alone pays between thirty and ninety million US dollars per year. In addition, the induced revenue generated by military bases is constantly growing. Finally, in addition to paying rents, extra-regional actors provide Official Development Assistance (ODA) funds to Djibouti. Beyond the economic dimension, Djibouti has been able to diversify its international relations and ensure a security umbrella in one of the most vulnerable regions of the globe. The small African country shares borders with larger neighbours: Eritrea, Ethiopia, Somalia, and Somaliland. The presence of shared clan social structures and a multiplicity of transit zones exacerbate Djibouti's vulnerability. The existence of several military outposts on its soil constitutes a significant curb to the risk of spillover effects of regional instability.

While militarisation has provided economic and security benefits to Djibouti, there are also side effects concerning domestic politics. President Guelleh has consolidated his power by exploiting international legitimacy and resources. In the last two decades, the authoritarian tendencies of his ruling have increased. Nowadays, Djiboutian domestic politics is highly personalised and based on the president's figure and the patronage and family network built around him. The Guelleh regime has systematically weakened oppositions through a two-fold co-optation and violent repression strategy. The Chinese presence has contributed to consolidating Guelleh's internal power in several ways. Firstly, the fear of driving the country into Beijing's arms has led Western players to raise the tolerance threshold towards the regime by overlooking the numerous human rights violations. Secondly, the President has exploited the vast economic resources generated by the link with China to feed his patronage networks.

The consolidation of Djibouti's economic-trade ties with China has gradually increased Beijing's influence. China has purchased a growing slice of Djibouti's public debt as with other African countries. The latter has grown exponentially over the past two decades due to many investments in infrastructure. The African country's sovereign fund, *Fonds Souverain de Djibouti* (FSD), covers a minimal, almost symbolic share of investment. In contrast, much of the funds allocated to Djibouti's infrastructure development are Chinese loans. In 2019, there was a first substantial debt renegotiation between Djibouti and Beijing. Soon, the Guelleh government, like other African states, will be forced to renegotiate its debt with China once again, demanding an extension of the period for payment. Although the issue of the Chinese debt trap remains highly controversial (Bräutigam 2020; Hameiri and Jones 2020), China certainly has a lever of power that can be exploited to influence the political choices of the African country.

The last Forum on China-Africa Cooperation (FOCAC) highlighted a trend that emerged in 2020: China's intention to decrease investment in Africa. The move reflects the drop in Chinese GDP growth due to the COVID-19 pandemic crisis (from six to 2.3 per cent)⁹ and Beijing's fears regarding the risk of African countries' defaults. The Chinese approach to the development of African countries is changing. Beijing is gradually shifting from the model of investment in infrastructure and construction to a local development approach based on an emphasis on win-win partnership within the BRI's framework. Despite the growth of China-Africa trade, Africa is one of China's smallest trading partners, with trade between the two making up about four per cent of China's global trade.¹⁰ Therefore, an increase can be expected in the coming years after a short post-COVID-19 decline. The BRI and MSRI projects will drive the boost. The BRI and MSRI are not only plans to reconfigure the architecture of global trade but also carry significant political weight. The Djibouti case illustrates how Beijing's economic expansion in Africa has been followed by a growing interest in African political issues. Moreover, China has increased its strategic engagement with the small Eastern African country. Strengthening the military footprint in Africa by opening military outposts – after Djibouti in Equatorial Guinea – will inevitably affect global power dynamics. This study does not aspire to be exhaustive. However, it intends to contribute to a still underdeveloped research strand. The traits observed require a deeper analysis, especially of some issues which are useful to understand the far-reaching implications that China's military presence has on regional and global dynamics, particularly with the United States and their allies.

Federico Donelli is Assistant Professor of International Relations at the Department of Political and Social Sciences, University of Trieste.

Notes:

- 1 - In addition to the aforementioned text by Carmody, see also Klare and Volman (2006); Marton (2014); Scholvin (2015).
- 2 - Ryall J., *Japan to Expand Djibouti Base Despite Decline in Piracy*, "DW", 19 November 2018, <https://www.dw.com/en/japan-to-expand-djibouti-base-despite-decline-in-piracy/a-46356825> (last accessed on 30 March 2023).
- 3 - Tanchum M., *China's New Military Base in Africa: What it Means for Europe and America*, "European Council on Foreign Relations", 14 December 2021, <https://ecfr.eu/article/chinas-new-military-base-in-africa-what-it-means-for-europe-and-america/> (last accessed on 12 April 2022).
- 4 - Cornwell A., *Dubai's DP World Seeks \$210.2 Million in Damages from Djibouti - Documents*, "Reuters", 13 April 2021, <https://www.reuters.com/article/dp-world-djibouti-int-idUSKBN2C018U> (last accessed on 2 January 2023).
- 5 - Dahir A.L., *A Legal Tussle over a Strategic African Port Sets Up a Challenge for China's Belt and Road Plan*, "Quartz Africa", 28 February 2019, <https://qz.com/africa/1560998/djibouti-dp-world-port-case-challenges-chinas-belt-and-road> (last accessed on 2 January 2023).
- 6 - Tarrosy I. and Vörös Z., *China and Ethiopia, Part 2: The Addis Ababa-Djibouti Railway*, "The Diplomat", 22 February 2018, <https://thediplomat.com/2018/02/china-and-ethiopia-part-2-the-addis-ababa-djibouti-railway/> (last accessed on 2 January 2023).
- 7 - Details are not quite clear, but according to an article published by one of the embassies of Ethiopia, the total cost of construction reached USD 4.5 billion, at least half a billion more than originally planned. According to various sources, China's ExIm Bank offered a loan of around USD 2.4-3 billion (Chen 2021).
- 8 - The text is available at: https://www.fmprc.gov.cn/eng/topics_665678/2015zt/xjpcxbayzlt2015nnh/201503/t20150328_705553.html (last accessed on 12 April 2022).
- 9 - World Bank national accounts data, and OECD National Accounts data files. <https://data.worldbank.org/indicator/NY.GDP.MKTP.KD.ZG?locations=CN> (last accessed on 2 January 2023).
- 10 - UNCTAD, *Key Statistics and Trends in International Trade 2021, 2022* https://unctad.org/system/files/official-document/ditctab2022d3_en.pdf (last accessed on 3 January 2023).

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