

## Report

Understanding the foreign policy of Ethiopia towards the Gulf Countries

Thembisa Fakude\*

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Although almost all Gulf States have relations with Ethiopia, it is Qatar, Saudi Arabia and the UAE that have significant economic investments in the country. [REUTERS]

#### Introduction

Ethiopia's position on the Gulf Crisis is derived from its long-standing policy of non-interference and mutual respect of sovereignty. Despite diplomatic pressures from Saudi Arabia, Bahrain, the United Arab Emirates (UAE) and Egypt, Ethiopia has maintained a neutral stance on the Gulf Crisis preferring a non-partisan approach. It has instead called for a dialogue to end the political impasse. On the other hand, Djibouti a key ally of Ethiopia in the Horn of Africa downgraded its diplomatic ties with Qatar, alleging it took the decision "in solidarity with the international coalition against terrorism and violent extremism". Eritrea, one of Ethiopia's neighbours, embraced a similar position towards Qatar. The proliferation of "proxies" in the Horn of Africa has been a serious concern for Ethiopia over the years. Some Ethiopian officials remain wary of the new dynamics in the Gulf and their regional impact on Somalia, Djibouti and Eritrea. (1)

The relationship between the Horn of Africa and the Gulf dates back to the early days of Islam. The migration to Abyssinia, also known as the first hijra, occurred in the early days of Islam in which Prophet Muhammad's first followers fled from the persecution of the ruling Quraysh tribe. They first arrived in the Aksumite Empire, where Ashama ibn Abjar (also known as Al-Nejashi), a Christian ruler, received and allowed them to settle in Negash, a village in the country's Tigray Region.(2) Over centuries, the number of Muslims in Ethiopia has increased significantly and their role in politics and economy has become very notable.

Ethiopia is one the most influential countries in the Horn of Africa. It is the headquarters of the most important multilateral platforms in Africa, the African Union (AU) and the United Nations Economic Commission for Africa (UNECA), a very important UN agency dedicated to economic development in Africa. The Grand Ethiopian Renaissance Dam on the Blue Nile River will be the largest hydroelectric power in Africa when completed as well as the seventh largest in the world. The location of the AU in Ethiopia has made Addis Ababa one of the most important cities for lobbying African leaders, most of whom have moved to the city in order to be near the AU. The location of the AU's headquarters in Ethiopia has also inadvertently pushed the country to embrace neutral positions on conflicts in Africa and many other places around the world. Consequently, Ethiopia has been trying to mirror its foreign policy with that of the AU on many fronts in order to avoid diplomatic embarrassment as the centre of African politics.

Ethiopia was never colonised. However, it has experienced a number of political disturbances that have hindered its political and economic growth. Between 1895 and 1896, Italy and Ethiopia engaged in a conflict which became known as the Italo-Ethiopian war. It was the beginning of dragged disagreement between Italy and Ethiopia. In 1934, a border dispute between Ethiopia and Italian Somaliland gave Italian ruler Benito Mussolini an excuse to intervene in Ethiopia. Rejecting all arbitration offers, the Italians invaded Ethiopia on 3 October 1935.(3) Nonetheless, the invasion was short-lived, lasting only until the defeat of Italy in East Africa in 1941.

Border disputes with neighbouring countries, particularly Eritrea and Somalia, have contributed to security challenges in Ethiopia. Weak relations between Ethiopia and its neighbours with the exception of Djibouti have kept Ethiopia on tenterhooks. What further exacerbated the situation is the continuing logistic and military investments of Gulf countries, particularly Saudi Arabia and the UAE, in Djibouti, Somalia and Eritrea. Furthermore, Saudi Arabia's link to Ethiopia's richest man, Mohammed Al Amoudi, presents separate opportunities and challenges to Ethiopia's foreign policy.

This study argues that the Gulf countries' relations with Djibouti, Eritrea and Somalia impact Ethiopia's foreign policy. It also argues that the influence of Mohammed Al Amoudi has affected tremendously the shaping of Ethiopia's foreign policy towards the Gulf countries.

# The impact of Somalia, Eritrea and Djibouti on Ethiopia's relations with the Gulf countries

The protracted political disagreements between Eritrea and Ethiopia have ruled out any possibility of utilising Eritrean ports. Ethiopia, which is landlocked, has therefore become dependent on Djibouti to secure the flow of its exports and imports. In addition, the dominance of politics by a single ethnic group, the Tigrayans, and the "lack of service"

delivery" have given rise to a number of protests inside Ethiopia over the years leading to the aspirations of some regions to secede or become part of neighbouring countries. Eritrea has been accused of supporting and encouraging some of those aspirations.

The Saudi-led military campaign, which has utilised the ports of Eritrea and Djibouti to launch attacks in Yemen, has changed the politics of the region. According to some officials in Ethiopia, Eritrea has been emboldened by the investments of the Gulf countries. Furthermore, Ethiopia's military presence in Somalia has not made things easier. It has given Al Shabaab, the deadliest 'terrorist' organisation in Somalia, a reason to rally support inside Somalia and strengthen alliances with certain secessionists inside Ethiopia.

#### Somalia

The political situation in Somalia remains volatile notwithstanding the February 2017 elections. Since Mohamed Abdullahi Mohamed assumed power, the on-going conflict between Al Shabaab, Ethiopian troops and government forces backed by African Union Mission in Somalia (AMISOM) has weakened the country' borders and led to increased instability. There are two political urgencies that have insisted on Ethiopia's military intervention in Somalia. Firstly, Ethiopia wants to maintain its status quo in the region as a political "powerhouse". Therefore, as long as the Gulf countries are seen to be maintaining and promoting stability in Somalia and not bolstering ambitions that seek to replace Ethiopia's role and status in the region, Ethiopia will maintain good relations. It will remain neutral and non-partisan as was recently demonstrated by its position on the Gulf crisis. Ethiopia has called for dialogue in order to resolve the continuing political impasse in the Gulf.

Moreover, Ethiopia has been battling the Ogaden National Liberation Front (ONLF) since 1984. The ONLF is a separatist organisation from the Somali region of Ethiopia that wants to secede from Ethiopia. There have been several clashes over the years between ONLF and the Ethiopian troops. Given the history of collapse of governments in Somalia, Ethiopia has been hands-on in ensuring that political stability remains in Somalia.

Recently, Ethiopia has been increasingly concerned about the military and logistic investments of the Gulf countries and Turkey in Somalia. Its fear is that a possible collapse of government could lead to the assumption of key equipment and logistic support by Al Shabaab, and indirectly ONLF, which in turn may be used against Ethiopia. According to Somali-Norwegian scholar Mohamed Gaas, "Although Qatar has been carrying out humanitarian efforts in Somalia since the late 1990s, such aid – some of it given to politicians who use it to buy political support – intensified after the Islamic Courts Union took power in Mogadishu in 2006."(4). In early May 2015, the UAE expanded its partnership with Somalia's counterterrorism unit and the National

Intelligence and Security Agency (NISA). It has funded the training centre in Mogadishu. On several occasions, it has also come to the financial rescue of the Somali government. It was reported that in October 2015, the UAE pledged to pay the salaries of the security forces in the country.

### Djibouti

Djibouti has the closest political and economic relations with Ethiopia in the Horn of Africa. It has availed its port to the Ethiopian government for the export and import of goods and services. The governments of Ethiopia and Djibouti have agreed to expand the horizon fuel terminal at the Port of Djibouti and upgrade the Ethiopia-Djibouti corridor road.(5) It is estimated that about 70% of imports and exports of Ethiopia go through the port of Djibouti.

Djibouti had a border dispute with Eritrea that led to military actions between 10 and 13 June 2008. The former accused Eritrean troops of crossing the border into its territory and dug trenches on both sides of the border. In 2010, the two countries agreed to refer the matter to Qatar for negotiation. Qatar successfully negotiated a truce agreement. Its mediation also resulted in the release of four Djiboutian prisoners of war caught during the border war. Additionally, it maintained a strong 500-man peacekeeping force on the border between Eritrea and Djibouti until the beginning of the Gulf crisis. Qatar's withdrawal of its troops has threatened a possible return of violence between the two nations. The withdrawal took place after both countries decided to join the blockading countries against Qatar.

The reoccupation of Djibouti by Eritrean forces could easily lead to another conflict. Ethiopia will certainly not idle whilst Djibouti drifts into chaos. Eritrea has established strong relations with Saudi Arabia and the UAE after a brief collapse of relations between Djibouti and the Saudi-led coalition in Yemen that occurred on 29 April 2016, which led to the expulsion of Gulf troops from Djibouti. The UAE and Djibouti had another dispute over the contract for the Doraleh Container Terminal, the largest container port in Africa, operated by Dubai Ports World, a Dubai-based Emirati port operator and one of UAE's biggest soft power assets. Although the Saudi led coalition and Djibouti have since reconciled, the relations remain shaky.

Djibouti has restored access to Saudi troops at Camp Lemonier and received Saudi-donated patrol boats, helicopters, weapons and ambulances. In 2016, Saudi Arabia and Djibouti signed a comprehensive bilateral security agreement that includes the return of a long-term Saudi military base in Djibouti. Djibouti's port is the lifeline to the Ethiopian economy. However, Ethiopia has become more concerned about their future relationship as Djibouti's strategic geopolitical influence grows; an empowered Djibouti might untangle itself from Ethiopia's influence in future. These concerns became more

pronounced when Saudi Arabia and the UAE forced Djibouti and Eritrea to take a negative stance against Qatar after the Gulf Crisis ensued notwithstanding the positive role Qatar played in bringing peace between those countries.

#### **Eritrea**

In April 2015, an altercation between the chief of the Djibouti Air Force and Emirati diplomats derailed bilateral relations. There were actually fisticuffs after an Emirati aircraft that took part in Gulf Coalition operations in Yemen landed without authorisation at Djibouti-Ambouli International airport. Emirati Vice Consul Ali Al Shihi took a punch, setting off a diplomatic spat.(6) Eritrea moved promptly to exploit the rift. President Afewerki met with King Salman and reached a security military partnership agreement with the Saudi-led coalition in Yemen offering basing rights in Eritrea. The UAE and Eritrea reached a 30-year lease agreement at Port Assab with a 3500-metre runway capable of landing large transport aircraft including the huge C-17 Globemaster. The UAE also agreed to assist in modernising Asmara International airport and build a new infrastructure.(7)

The disagreement between Djibouti and the UAE was to an extent an opportunity for Eritrea to establish better relations with the UAE and other Gulf countries. However, the warming up of relations between them has not been well-received by Ethiopia. The two countries engaged in an independence war that lasted from 1961 to 1991. There was another war between Eritrea and Ethiopia from May 1998 until June 2000. The war was prompted by a border dispute over the Badme region and resulted in heavy casualties. The Eritrea-Ethiopia Boundary Commission was founded by the United Nations (UN) to solve the dispute. The commission concluded that Badme belonged to Eritrea. The war has caused mistrust between the two countries that still lingers.

What adds to the tension is the Eritrean government's support for the Oromo Liberation Front (OLF). The OLF is a political organisation pushing for the independence of the Oromo people, the largest ethnic group in Ethiopia. The political marginalisation of the Oromo people has heightened tensions in the country. Ethiopia worries that the strengthening of Eritrea both militarily and economically through outside investment particularly from the Gulf countries might encourage what its calls Eritrea's "promotion of instability inside Ethiopia".

### **Examining Al Amoudi's influence on Gulf-Ethiopian relations**

The most important and the oldest economic partner of Ethiopia in the Gulf has been Saudi Arabia. Between 2010 and 2015, the kingdom put into operation around 22-investment projects with a capital of 6.7 billion Birr (Ethiopian currency), making it the fourth largest investor in Ethiopia.(8) Saudi investment and interaction with Ethiopia have been enhanced by agreements over the years including agreements on Ethiopian

labour force in Saudi Arabia. There is a very large Ethiopian workforce in Saudi Arabia including undocumented Ethiopians, who are estimated to be over 400,000.

Mohammed Al Amoudi an Ethiopian-born Saudi national who also holds Ethiopian nationality is the richest man and the second largest employer in Ethiopia after the government. (9) Al Amoudi was amongst the 49 richest Saudis who were arrested and detained at the Ritz-Carlton hotel in Riyadh in November 2017 by the Saudi government. According to the United Nations Conference on Trade and Development (UNCTAD), the value of Ethiopian goods exports to Saudi Arabia in 2016 was approximately half a billion dollars, while the value of its imports from the kingdom was about 301 million dollars. Saudi investors, particularly Al Amoudi, get the largest portion of direct economic investments. (10) One of Al Amoudi's most valuable assets is Preem, which bills itself as the largest fuel company in Sweden. In Ethiopia, he has invested in agriculture, cement production and gold mining. (11) The governing Ethiopian People's Revolutionary Front (EPRF) in particular takes Al Amoudi's views on matters relating to the Middle East and the Gulf very seriously. Al Amoudi has also given Saudi Arabia open access to the Ethiopian political elite.

Nonethless, Al Amoudi's arrest presents uncertainty moving forward particularly on Saudi-Ethiopian relations. It also presents new realities for Al Amoudi himself and his family in Ethiopian politics. Although the arrest has been widely reported in Ethiopia, there has been a muted response to his arrest from the government despite his political and economic importance in the country. There are divergent views about what happened to Al Amoudi and why the Ethiopian government has not pronounced much on his incarceration. There are some who argue that Al Amoudi's arrest was prompted by his position on the socio-political and economic blockade of Qatar by the Saudi-led coalition i.e. that his influence led to Ethiopia's neutral stance on the Gulf crisis, which angered Saudi Arabia. This has raised a number of speculations from the political observers and politicians in Ethiopia about the future of Al Amoudi. The first is that Ethiopia might use Al Amoudi's reduced stature to institute its own legal process against him and cause him to lose his influence, which some in the government have wanted to curtail for a very long time. The second is the possibility that Ethiopia might succumb to Saudi Arabia's demands to hand over some of Al Amoudi's assets. Finally, Al Amoudi's arrest might alter his support and facilitation of Saudi politics and business in Ethiopia. He may look at establishing and strengthening relations with other international players in Ethiopia henceforth. Ethiopia will welcome those efforts as it attempts to diversify foreign investment and weaken Saudi domination of business through Al Amoudi. This, therefore, might result in Ethiopia strengthening its relations with Qatar, and indeed Turkey, who already have a noticeable presence in that country. Whatever the facts and future realities may be, Al Amoudi will continue to play a key role in Ethiopia's foreign policy towards the Gulf countries.

#### Conclusion

Although almost all Gulf States have economic and political relations with Ethiopia, it is Saudi Arabia, the UAE and Qatar that have significant economic investments in the country. Their actions in the Horn of Africa particularly when it comes to Ethiopia's eastern neighbours are very important in influencing Ethiopian foreign policy towards the Gulf countries. WikiLeaks documents quoted the Somali President accusing Qatar in 2009 of using Eritrea as a financial conduit for Al Shabaab, pushing Ethiopia to cut diplomatic ties with Qatar. This is an example of how actions between the Gulf countries and Ethiopia's neighbours may impact on relations.

Many countries – particularly Turkey, China, Qatar, Saudi Arabia and the UAE – will not be able to avoid complicity in the Horn of Africa in the future given their respective investments in the region. The majority of marine activities in the Horn of Africa takes place in the ports of Djibouti, Eritrea, Sudan and Somalia. China, Turkey, the UAE and Saudi Arabia amongst others have been boisterous in investing in the marine sector in those countries. Ethiopia's lifeline to the ocean lies entirely with Djibouti, and it has as a result established a very strong relationship with Djibouti. Therefore, the stability of Djibouti is vital to Ethiopia's economy. Ethiopia will do whatever it takes to maintain that relationship. In fact, some conspiracy theorists believe that Ethiopia is actually adverse to a stronger, more independent Djibouti. It is also unhappy with Gulf countries that are facilitating a more boisterous economy and politics in that country.(12)

Military and economic development in Eritrea continues to politically emasculate Ethiopia. According to some Ethiopian commentators, Saudi and Emirati military infrastructure investments in Eritrea present a serious challenge to Ethiopia given the political tensions that exist between the two countries. It is not farfetched to imagine Eritrea using Gulf military investments in its territory against Ethiopia in the future.

Furthermore, the volatile situation in Somalia poses a very serious threat to Ethiopia. The country will not allow Al Shabaab and other 'terrorist' organisations to obtain an upper hand in Somalia. It will thus continue to work with AU forces to push back Al Shabaab's advances. Moreover, Somalia' weak state makes it very vulnerable to external exploitation. Ethiopia remains cautious about not allowing these to creep into Somali politics and threaten its interests. The presence of Ethiopian troops in Somalia to safeguard the interests of Ethiopia in the country will continue and most likely increase as military and logistic investments from the Gulf, China and Turkey increase.

Hence, whatever the outcome of the arrest of Al Amoudi, his influence on the politics and foreign policy of Ethiopia towards the Gulf countries will not disappear overnight; he will continue to play a significant role. Finally, besides the direct interaction between Ethiopia

and the Gulf countries, the former's interests and outlook towards the latter will depend on how they behave in the neighbouring countries of Somalia, Eritrea and Djibouti.

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<sup>\*</sup>Thembisa Fakude is a researcher at Al Jazeera Centre for Studies.