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Ethiopia's Post-2018 Quest for the Sea access: Navigating the Djibouti Dilemma in Bilateral Relations

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Abstract

This article analyses the dynamics of the post-2018 relations between Ethiopia and Djibouti with some important internal and external factors driving it, giving much focus to Ethiopia's desire for access to the sea. The study utilized a qualitative approach, involving key informant interviews, archival materials, and published documents and sources. Neo-classical realism theory was used to interpret data acquired from primary and secondary sources. The findings indicate that the trends of post-2018 Ethio-Djibouti ties are shifting away from the previous friendly relations, owing to both structural regional and domestic factors. Geographical vulnerability, mistrust and uncertainty, regional insecurity, and regional states' weak and foreign-intervention vulnerable nature, and the growing involvement of external actors in the Horn had an impact on the two states behaviours. Domestically, the 2018 Ethiopian government's determination to transform Ethiopia to a littoral state, thereby ending its geographic imprisonment and strategic vulnerability, contradicted with Djibouti's national interest, which is defined by its economic and strategic leverage from Ethiopia

and foreign powers having military bases in the country. Given Ethiopia's strong naval history, and the post-2018 naval power building, Djibouti is concerned that Ethiopia's access to the sea would cause the great powers [with a military base in Djibouti] to reconsider their policy, rendering Djibouti geopolitically insignificant.

Keywords: *Access to the sea, Djibouti, Ethiopia, Ethiopia-Djibouti Relations, Horn of Africa, Neo-classical realism*

1. Introduction

Along with Sudan, South Sudan, Eritrea, and Somalia, Ethiopia and Djibouti are situated in the northeastern region of the continent, which is also referred to as the Horn of Africa. The region is located at a critical geostrategic crossroads connecting Europe, Asia, and Africa, and is bounded by the Red Sea, the Gulf of Aden, and the Indian Ocean. Besides, this vital global commerce corridor, which transports more than 12% of global maritime trade and two-thirds of trade commodities between Asia and Europe, is rich in commodities (crude oil, potash, lithium, and diamonds) and natural resources (transboundary rivers) and has enormous market potential due to its high population, vast geographical area, and promising economic performance that can attract significant investment (Yirga, 2021). Despite its global significance, the Horn has been perceived as one of the most volatile geographical spaces for internal dissidence and interstate conflict. The region is characterized by a lack of democracy, recurring famines and droughts, interstate and intrastate conflicts, and secession—*de jure*-Eritrea [1993] and South Sudan [2011] and *de facto*-Somaliland [1991] (Clapham, 2017).

Ethiopia, which shares a 342-kilometer border with Djibouti in the northeast, is the region's heartland. It is Africa's second most populous country, with 130 million people, and the tenth largest, with an area of 1.1 million km². This landlocked country, known as an imperfect regional hegemon, was not colonized and is now the continent's number one diplomatic hub, hosting several embassies and regional and international organizations such as the African Union (AU) and the United Nations Economic Commission for Africa (UNECA). Djibouti is a small former French colony in the Horn of Africa with a land area of 23,200 km² and a population of approximately 1 million people (Mormul, 2016). This littoral state, which serves as the headquarters for the sub-regional organisation

(IGAD), is strategically positioned, attracting numerous regional and global powers (including the United States and China) to create a military base in the country.

Ethiopia and Djibouti have long-standing socioeconomic, political, and security ties. Djibouti has become a crucial state as Ethiopia's principal economic and national security gateway, accounting for around 95% of its external trade. Ethiopia has been prompted by this to give Djibouti top priority in its contemporary foreign policy and international relations (KI1, 2024).¹ Due to Djibouti's militarisation and the existence of rival foreign military bases, Ethiopia's total reliance on Djibouti's port puts Ethiopia's economic stability and national security at risk. With Ethiopia's post-2018 policy arguing that the fate of Ethiopia will be defined by its role in two water bodies: the Nile River and the Red Sea, academic debate about Ethiopia's access to the sea has continued. With the completion of the Grand Ethiopian Renaissance Dam on Nile, a strong emphasis was placed on sea access, which was justified by the country's maritime history, population and economic growth, military-security concerns, distance factors, and aspirations for regional leadership and integration. In the academia there have been relatively few scientific studies on Ethiopia's recent relations with Djibouti, and most of them have not investigated how Ethiopia's prioritising of sea access after 2018 influenced those relations. Thus, this study is undertaken to fill this lacuna

To fill a knowledge and literature gap, the study focused on two main research questions, "What internal and external factors have been influencing the dynamics of the post-2018 Ethio-Djibouti relationships?" and "Why is Ethiopia's quest for an access to the sea perceived as an existential threat from Djibouti?" The main objective of this study is to analyze the dynamics of the post-2018 relations between Ethiopia and Djibouti with some important internal and external elements driving it, giving much focus to Ethiopia's desire for access to the sea.

Methodologically, the study is designed to employ a qualitative research method, employing both primary and secondary sources. As primary sources of data, semi-structured interviews were used. Pursuant to this, the data are collected from purposively and carefully selected five respondents of key informants from the officials Ministry of Foreign Affairs of Ethiopia, Ambassadors, diplomats, researchers, and experts. Two of the five key informants are Ethiopian ambassador and diplomat to Djibouti. The third individual is the director of IGAD affairs for Ethiopia at the Ministry of Foreign Affairs. The other two are an Ethiopian Institute of Foreign Affairs researcher and a lecturer and researcher at

Addis Ababa University. These key informants were chosen based on their relationship to the subject area and their knowledge, and they were interviewed in compliance with academic ethical guidelines. Secondary sources included materials from the archives of different institutions [mainly the Ministry of Foreign Affairs], media reports, electronic sources, official documents, newspapers, magazines, reports, web sources, and other scholarly works.

2. Theoretical Perspectives

Neoclassical realism (post-neorealism theory) is a new IR theory coined by Gideon Rose in his 1998 work 'Neoclassical Realism and Theories of Foreign Policy'. It is based on the notion that neo-realism/structural realism's systemic account of international politics is insufficient and should be complemented by stronger accounting of unit-level variables such as how power is seen and leadership is exercised (Zakaria, 1992).

In terms of foreign policy, neoclassical realism, which explicitly takes into account both internal and external factors, asserts that a nation's place in the international system, more especially, its relative material power capabilities-is the primary factors influencing the scope and ambition of its foreign policy. The foreign policy of a sovereign state is influenced by both external and internal factors (Zakaria, 1992). These include: - systemic pressure (security dilemma, anarchy, polarity, and relative power distributions), state-level factors (national interest, domestic politics, states' identity, national capability), and individual level factors (the idiosyncrasies or beliefs of individual leaders, leaders' background, history, and profession).

3. An overview of the Pre-2018 Ethio-Djibouti Relations

The socio-economic, diplomatic, security, and political links between Ethiopia and Djibouti are among the longest and strongest in Africa's Horn. The historical links between Ethiopia and Djibouti, which formed an unbreakable bond because of their shared border, culture, society, religion, and language, is typically defined by peace (KI1, 2024).² Due to regional security complex, whereby events in Ethiopia have an impact on Djibouti and vice versa, the two nations are heavily dependent on one another and have a closely linked destiny.

Figure 1: Map of Horn of African geo-strategic importance and the location of ports



Source: Alexandre, 2021

The Djibouti governor's (France) contacts with Ethiopia had been amicable. Even when the Italian fascists invaded Ethiopia in 1936, Emperor Haile Selassie (r.1930-1974), along with members of his family and a few others, fled to Britain via Djibouti. Up on his return to power in 1941, the emperor asserted Ethiopia's historical claims to Djibouti, claiming it as an integral part of Ethiopia. He made it apparent that the border between the two was an artificial, transitory one erected against the desire of the people, stating that "Djibouti indisputably is ours and its people know they belong to Ethiopia" (Bowyer, 1976, p.24). In his 1966 speech, in which he outlined historical, strategic, economic, and demographic reasons, the emperor stated that

"Djibouti is part of Ethiopia and that Ethiopia would automatically fall heir to Djibouti if France renounced sovereignty over the Territory" (Ministry of Information, 2014, p.34).

With Ethiopia's change of government in 1974, Ethiopian foreign policy towards Djibouti shifted dramatically. With the establishment of the Socialist-militarist Derg administration (r.1974-1991), Ethiopia renounced its claim to absorb Djibouti into Ethiopia and announced unequivocal full support for Djibouti's independence. Brigadier General Teferi Banti, chairman of the Derg, affirmed this during a summit of African Heads of State and Government in Uganda, Kampala on July 29, 1975.

Ethiopia believes that the future destiny of [Djibouti] should be based on the free will of the people. If independence is their choice, Ethiopia will accept that ... Ethiopia does not have any legal act or legislation on its books asserting any claim to the territory (MoFA, 2014, p.37).

Ethio-Djibouti ties resumed normally when Ethiopia's new EPRDF government took power in 1991. Following Eritrea's independence in 1993, Ethiopia became landlocked, forcing it to rely on the ports of Eritrea and Djibouti. But because of the extra privilege the Eritrean government granted Ethiopia and the cordial bilateral ties between the two countries, 80% of Assab port's operations were related to Ethiopia's foreign trade (Bollee, 2003, p. 481). Like the most of the pre-1991 modern Ethiopian era, Djibouti port also resumed to be one of the significant channels of Ethiopian foreign trade (Belete, 2024).

Ethio-Djibouti's bilateral relations further strengthened after the Ethio-Eritrean war (1998-2000) due to the compatibility of their national interest. The war led Ethiopia to abandon its use of Eritrea's port of Assab and relocate its whole foreign trade to Djibouti. Djibouti port's handling of Ethiopian goods and petroleum products more than quadrupled, allowing Djibouti to monopolize Ethiopia's import-export trade following the conflict. Ethiopia's 95% reliance on Djibouti for imports and exports has raised significant security concerns (Belete, 2024). This is because Ethiopia imports weaponry and related equipment through this port to support national security, and stopping the flow of these critical products and therefore choking Ethiopia could be a strategic goal for various Ethiopian adversaries. The large amount of hard currency Djibouti earns from Ethiopia due to the port service has been covering a large share of the annual budget of Djibouti's government (KI2, 2024).⁵ Tafesse (2018, p.147) described their interdependence considering Djibouti as 'a flea on Ethiopia's back', that in the hottest months move to Ethiopia, a cooling place for the people of Djibouti. He adds Ethiopia is where the bread of Djibouti is baked and buttered. As a major trade partner, Djibouti gets the supply of foodstuff involving meat, livestock, vegetables, Khat, electricity, and potable water from Ethiopia (KI2, 2024).⁶

The post-war juxtaposition of Ethiopia's and Djibouti's national interests was not limited only to the economic derive. In 1996 Eritrea bombarded a border post at Ras Doumeira, and this event brought Eritrea and Djibouti quite close to the military confrontation. Since then, mutual suspicion between Djibouti and Eritrea over the ownership of this geographical area found between the two countries, remained intact. This

tension made Djibouti and Ethiopia strengthen their diplomatic and security alliance against Eritrea, under the widely adopted principle of foreign policy approach in the region, *'the enemy of my enemy is my friend.'*

4. The post-2018 Ethio-Djibouti Relations

Neoclassical realists contend that because individual leaders view external influences through the prism of domestic limitations, perceptions, and political environment, a change in leadership can result in a reorientation of a nation's foreign policy (Zakaria, 1992). In 2018, the three decades long ruling government made an internal reform, which was culminated in the change of leadership and the rise of Premier Abiy Ahmed to power. The new leader has put in place several political, economic, and social reform initiatives that have impacted and reoriented foreign relations too.

With regards to the Horn of Africa, the new government's foreign policy advocates for harmonious coexistence, equal partnership, and fair sharing of rewards and obligations with the neighbouring countries. It has set the goal of encouraging regional integration, regional synergy, regional peace and stability, and collaboration for mutual benefit and prosperity (Jalu and Asnake, 2025). The vision of having access to the sea, navy, and a port that Ethiopia governs has also emerged as a key foreign policy goal (KI3, 2024⁷; KI4, 2023).⁸ However, the question of whether Ethiopia's maritime ambitions are regarded as a regional stabilizer (by integrated economic access) or a potential destabilizer (via power projection and challenging sovereignty) remained at the forefront of the debate.

On April 28, 2018, Premier Abiy visited Djibouti on his first foreign tour, marking a new chapter in Ethio-Djibouti's long-standing relations. During his discussions with his counterpart President Omar Guelleh, he remarked that beginning his visit in Djibouti demonstrates Ethiopia's strong regard for its relations with Djibouti (KI1, 2024).⁹

i. The Ethio-Eritrean Rapprochement and its implications

The 2018 government terminated the two decades of animosity [1998-2018] with Eritrea. The 2018 rapprochement between Ethiopia and Eritrea was not seen as a good step forward for Ethio-Djibouti relations. This is not only because it was concluded with little or no consultation with Djibouti, but also because Djibouti fears that revived relations will help Ethiopia obtain additional ports [of Eritrea], thus undermining Djibouti's economic advantage. The Djibouti government faced a double challenge

because its security strategy considers Eritrea as a major security threat (KI5, 2024).¹⁰ The mutual animosity between Djibouti and Asmara was active at the time. Even though Eritrea freed four Djiboutian prisoners of war (held during the 2008 border skirmishes) in 2016, the Djibouti government is still demanding that the Asmara administration release the remaining 13 people. Djibouti released 19 Eritrean prisoners of war in 2019.

ii. Asmara-Addis Ababa-Mogadishu's axis and its impacts.

Premier Abiy's commitment to unify the region and his policy that prioritizes non-intervention and regional integration impacted the Ethio-Somalian relations too. His government ended Ethiopian intervention in Somalia's domestic politics and the relations with regional governments [including the Somaliland] and other tribal leaders. It focused on uniting the self-recognized *de facto* state of Somaliland and Somalia and severed the previous relation with Somaliland and focus on intra-governmental interactions with Somalia's federal administration. This new trajectory attracted Somalia to join Ethiopia and Eritrea to form a trilateral regional organization, called the Horn of Africa Cooperation.

Djibouti saw the axis has socioeconomic, security, and diplomatic implications. The new partnership has the potential to significantly damage the IGAD, which it has been using as a diplomatic influencing tool. Furthermore, the conflict between Eritrea and Djibouti was not resolved, and the axis formed by the three countries surrounded this small state. Economically, Djibouti's economy is mainly reliant on its port, which services landlocked Ethiopia. Aside from the worry of losing regional influence, security, and economic relevance, Djibouti has also worried being marginalized in regional diplomacy and collaboration frameworks.

iii. The Tigray Conflict and the Ethio-Djibouti's Relations

The Tigray Conflict (2020-2022) was a two-year-long catastrophic civil war conducted between the TPLF and the Ethiopian Federal Government. This conflict later drew Ethiopia's Amhara regional state, Eritrea, and Somalia into the fray, siding with the federal authority. While the course of this fight brought Ethio-Eritrean relations to a new high, the way it ended in 2022 reverted their relations to the pre-2018 hostile 'frozen cold war' levels (Abebe & Nsama, 2025).

The Conflict had impacted the Ethio-Djibouti's relations. The conflict disrupted trade between the two nations and, according to Djibouti's finance minister, reduced trade by 80%, costing the country \$1.7 billion, or more than half of its GDP, in a year (Garowe Online, 2021). The Addis-Djibouti highway-a vital trade route that links Ethiopia to the port of Djibouti-also experienced interruptions with the spread of the conflict to that area. Truck drivers voiced security issues, such as armed group attacks, which made it more difficult for cargo to move freely along this crucial route.

Figure 2: Map of the location of Tigray in Ethiopia



Source: Berhe et al.2022, p.2

In terms of security, the Tigray conflict spread to Afar Regional State, which borders Djibouti, allowing thousands of regional police and Special Forces to join the fight. This exposure boosted the regional state's political prominence and autonomy, while simultaneously justifying growth in the size and capabilities of regional security forces. The improvement of Afar regional security forces has consequences for Djibouti, which has always defined its security and politics through Afar-Issa ties. This approach, which is likely to invite Eritrea, was a major cause of concern for the Djibouti administration, as 35% of the Afar people want more representation in Djibouti's ethnic Issa-dominated politics (Peace Research Facility, 2022).

iv. Ethiopia's access to the Sea Agenda and the Ethio-Djibouti's Relations

Three decades back, Ethiopia was a littoral country with more than 1000 km of shoreline stretching from Ras Kassar to Ras Doumeira. This was changed in 1991 when Eritrea break up from Ethiopia via referendum. This made Ethiopia the most populous landlocked country in the world, with just 60 km from Eritrean Red Sea coast (near the port of Assab) (Jalu and Kefale, 2025:123). The 1991 Ethiopian government accepted the landlockedness of the country. Unlike its predecessor, the 2018 administration refused to accept Ethiopia's landlocked position and enacted policies that demand an access to the sea. Forging good relations with Eritrea, beginning to rebuild Ethiopian naval power with the assistance of France since mid-2018, the trilateral cooperation established with Asmara and Mogadishu, the 2024 MoU signed with Somaliland, the Ankara declaration (2024), and the current ongoing tension between Ethiopia and Eritrea all have direct ties to Ethiopia's desire for access to and from international water.

Critics argue that Ethiopia's increasing emphasis on securing access to the sea is motivated by the strategic interests of external countries, particularly the UAE. Some others claim that the initiative is intended, at least in part, to rally support among unionists.

In the era of globalization, ports are crucial points of entry for commerce, connectivity, and geopolitical influence, and they have come to symbolize power (KI2, 2024). Sea-accessible nations frequently have a strong sense of marine nationhood and strategic autonomy, using their ports and naval might as markers of pride, independence, and international influence. This maritime identity typically fosters a more outward-looking global viewpoint as well as cultural confidence. Landlocked countries, on the other hand, face logistical obstacles that limit their ability to exert regional influence, and their geopolitical narrative tends to favour containment rather than expansion and growth. Geographic isolation could result, shaping national identity and policy in more inward-looking ways (Jalu and Kefale, 2025).

Trade costs are 30–50% greater for landlocked nations than for coastal nations (WTO, 2021). Additionally, these states' transportation times are frequently double those of littoral states. Moreover, landlocked countries are more vulnerable and dependent on international trade logistics since 85–90% of their trade channels are controlled by other states. Furthermore, their GDP is reduced by 1.5 to 2.2% a year.

Ethiopia's aspiration for an access to the sea and become a naval power has socio-economic, political and security justifications. Its security becomes dependent on its neighbours because it is subject to security threats emerging from the sea, and has no say on the water body that affects its survival. Any security crisis on the nearby water bodies have the potential to choke Ethiopia, as Djibouti is only gate to critical products that include petroleum and lubricants, pharmaceuticals, medical equipment, fertilizers, construction materials, machinery, telecommunications and IT equipment, and others. The landlockdeness also causes the state's secret security issues to be revealed. Ethiopia needs to defend its fiber-optic cables and microwave networks in the Red Sea, which connect it to the rest of the world via Djibouti.

Ethiopia's landlocked status caused it to lose both its ownership and its marine history. It resulted in a shortage of maritime jobs and education as well as young people's employment options and economic growth are restricted in fields including shipping, maritime sciences, naval engineering, and fishing (KI5, 2024)¹³.

Ethiopia is subject to significant port service costs as well. For example, in 2015, Ethiopia's port fees accounted for one-fourth of its annual budget (Shimelash and Tebarek, 2024, p.20). Currently, while Hashem (2024:6) argues that it costs Ethiopia \$2 million per day in transit and around \$1.5 billion per year, Shimelash and Tebarek (2024, p.20) argue that Ethiopia spends at least \$3 billion per year on port utilization. This maintains other aspects like as delay, continual monitoring and inspection, and mishandling. In today's world, access to the sea can account for 25-30% of a country's GDP (KI5, 2024).¹⁴

The agenda's impact on the Ethio-Djibouti's Relations

Neoclassical realists claim that nations are self-interested because they aim to survive in an anarchic international system, as well as protect and advance their strategic relevance, socioeconomic and diplomatic leverages. When Premier Abiy described recovering sea access as a matter of existential urgency for Ethiopia in 2023, Djibouti opposed it with the president's principal advisor, Alexis Mohamed, reaction who stated that

'Djibouti is a sovereign country and therefore our territorial integrity is not called into question, neither today nor tomorrow.' (Simon, 2023, p.1).

Djibouti's dismay was heightened when Ethiopia signed a Cooperation and Partnership MoU with Somaliland in Addis Ababa in 2024, marking the first historical step towards achieving its three-decade dream of access to the sea peacefully (Jalu and Kefale, 2025). Djibouti was outraged not only due to the port service income and because it has taken on a sizable amount of Chinese debt to upgrade infrastructure-such as a road connecting its port to Ethiopia, but also Ethiopia's position towards the Djibouti government, which was attempting to mediate a dispute between Somaliland and Somalia just a few days prior. The MoU was seen as a 'stab in the back' to the negotiations that Djibouti was mediating and as an insult that undermines the government's political credibility. It harmed the image of the Djibouti government's capacity to read regional politics, as it attempted to consolidate its influence by diversifying political contacts with non-regional players and acting as a broker in regional matters (Donelli, 2024). This Djibouti's displeasure drove it to the brink of destabilizing Somaliland by fostering and organizing 'the Awdal State Movement', a separatist group that seeks to split off the Awdal area from Somaliland (Jama, 2024).

Figure 3: Map of the Somaliland proposed costal area for Ethiopia



Source: Caldero 2024, p.1.

Moreover, the port earnings have political significance, supporting the president's long-standing patronage networks (Jama, 2024). Consequently, a decline in income would have an impact on the president's allegiances and intensify internal power battles around his succession.

According to Clapham (2023), Ethiopia's maritime diversification could economically isolate Djibouti, eroding a fragile rentier state that is reliant on Ethiopia. Djibouti's infrastructure is highly leveraged (Chinese loans through Exim Bank surpass 70% of GDP). Reduced Ethiopian throughput may cause debt strain, diminishing Djibouti's strategic autonomy. Medhane (2022) criticized Ethiopia's marine strategy as "potentially centrifugal," which undermines the cooperative regionalism that IGAD seeks to promote. Djibouti's economy is primarily reliant on Ethiopian transit commerce (estimated at 85-90% of GDP from port services, logistics, and leasing), and Ethiopia's diversification might significantly diminish income.

Ethiopia's pursuit of sea access may also have positive dividends for Djibouti and the region. It may lead to regional integration and economic diversification. Ethiopia's diversifying its ports through Eritrea, Somaliland, or Sudan might ease traffic, cut costs, and promote regional integration. The competitiveness of trade could be improved by a diverse network. Instead of continuing to be a rentier state, it might force Djibouti to innovate, increase efficiency, and connect into larger regional logistical systems. A more powerful Ethiopia might result in more trade overall, some of which would still pass through Djibouti. Instead of being a single-port economy, Djibouti might become a hub for logistics. In terms of regional security, Ethiopia's maritime access has the potential to promote stability and shared security in the Red Sea. A littoral Ethiopia may become a security partner rather than a danger (KI5, 2024)¹⁵. Ethiopia's increased naval capability, even if leased, might strengthen regional counterterrorism, anti-piracy, anti-smuggling capabilities, and, similar to its significant soldier contribution to African Union peacekeeping.

In 2025, Djibouti began to deepen its connections with Egypt, which Ethiopia saw as a major regional foe. To compensate for the diplomatic loss on the Nile River, Egypt has adopted a new strategy of working with neighboring governments to encircle Ethiopia and prevent it from gaining access to an international sea, which may allow Ethiopia to become a naval force and expand its sphere of influence. In this year, Egypt agreed to invest on Djibouti's ports and energy. On the other side, Djibouti crackdown on unauthorized Ethiopian migrants who have been living in the country for a long time.

The Long-term Implication of the agenda to Djibouti

Since its independence, the Republic of Djibouti has been the centre of strategic competition by regional and global powers. Djibouti's current geopolitically and diplomatically beneficial position was acquired when Ethiopia lost direct access to the Red Sea passage in 1991.

Figure 4: Map of Foreign powers military basis in Djibouti



Source: Fekede and Mulugeta, 2023

Djibouti's state revenues are underpinned by two principal sources: first, port services and logistics-chiefly serving landlocked Ethiopia-and second, the leasing of foreign military bases. These income streams serve more than fiscal ends; they underpin the patronage systems that sustain the incumbent political regime. Demeke (2025, p.1) classifies the functions of external military bases in Djibouti as follows: roughly 33% are devoted to counterterrorism operations, 27% to anti-piracy missions, 20% to interventions in regional conflicts, and 13% to strategic power-projection tasks. This is in line with his argument that the proliferation of foreign military bases in Djibouti is primarily due to regional security issues.

An interviewee of the study (KI3, 2024)¹⁷ argued that in the period when Ethiopia held Red Sea access there was no insecurity issue on the Red Sea corridor. If Ethiopia is successful in regaining direct maritime access, foreign powers based in Djibouti may reconsider their strategy, shifting from deploying forces to military bases to assisting Ethiopia in strengthening its naval power to ensure the sea line as well as regional

security, recognising it as a corridor-security guarantor and thus reducing their footprint in Djibouti (KI3, 2024)¹⁸. This shift would likely reduce their human and financial costs, temper great-power rivalry in the region, and diminish their intervention in the regional states' politics-potentially advancing regional security and development. For Djibouti however, such a scenario would constitute a form of diplomatic self-inflicted harm: the loss of its economic monopoly and strategic relevance.

v. Ethio-Djibouti's Socio-economic Relations and Leverages

The people of Djibouti and Ethiopia's Eastern and Northeastern regions share linguistic, cultural, religious, and traditional commonalities. The majority of the two largest ethnic groups that make up Djibouti-the *Afars* and the *Issas*- reside in Ethiopia. During the hot seasons, many Djiboutians relocate to the Ethiopian towns of Harar and Dire Dawa. Many of these Djiboutians divided among Ethiopian houses and reside with them during this time (KI2, 2024).¹⁹ Ethiopia's regionally influential state. It is the primary source of Djibouti's budget. For example, in 2012, revenue from port services accounted for roughly 80% of Djibouti's GDP (Hailu, 2023, p.223). It is also the primary source of electricity, agricultural products (including Khat), and potable water. Djibouti has been receiving energy from Ethiopia starting in 2011 (Styan, 2013, p.7). Using this line, Djibouti was able to import 35–70 MW of electricity, generating a minimum monthly income of 1.5 million USD for Ethiopia (Hailu, 2023, p. 224). Ethiopia is also a source of potable water for Djibouti. Ethiopia is committed to supplying Djibouti with 100,000 cubic meters of water daily for a period of 30 years in 2014 (Beyene, 2024). Moreover, many Ethiopians live in Djibouti, and approximately 2000 Ethiopian drivers travel into and out of Djibouti daily at present (KI1, 2025).²⁰

Djibouti also has a great deal of leverage. It is the primary entryway to Ethiopia's national security apparatus and economy. Its strategic location and infrastructural interconnectedness make it vital. IGAD's headquarters is in Djibouti. Ethiopia is linked to the underwater cables via fiber optic and microwave networks through Djibouti (KI2, 2024).²¹ Furthermore, Djibouti is Ethiopia's largest African trading partner, with Ethiopia serving as a major destination for Djibouti. Ethiopia exported \$86.8 million to Djibouti, and Djibouti exported \$333 million to Ethiopia in 2022 (*The Observatory of Economic Complexity*, 2022, p.1).

Significant unofficial trade is also conducted. Different kinds of livestock and food items, such as coffee and cereals, Khat, fruits, and vegetables, are mostly trafficked into Djibouti. Moreover, for Ethiopian illicit smugglers, Djibouti is also a source of new and old clothing, cigarettes, electronics, processed foods, vegetable oil, and medications that came from Asia and Europe (Tegegne et al., 2023, p.222).

The Djibouti government has been renovating the old port's facilities and built a new port called Doraleh [12 km away from the old port] that is exclusively used by Ethiopia (Hailu, 2023). The main driver of the economic ties between Ethiopia and Djibouti is the Ethiopia-Djibouti Railways. This line enables Ethiopia to reach the global market, and Djibouti to reach a market of over 130 million Ethiopians. Even if there are different ports in other neighbouring countries, according to worldwide port effectiveness standards such as proximity, infrastructure and facilities, security and safety, customs and regulatory environments, and connectivity and network, Djibouti ports are the best option for Ethiopia. Its depth and capacity to accommodate several ships at once added values to its (Belete, 2024).

5. Conclusion

Under the 2018 government, Ethiopia saw its over-dependence on Djibouti as a constraint on its sovereignty, autonomy and leverage in the Horn politics. Moreover, the mushrooming of foreign military base in Djibouti made Ethiopia wary, as Djibouti became a garrisoned state, leasing its sovereignty to other powers and no longer having complete control over its own state. The new Ethiopian access to the sea ambition contrasted the economic and geopolitical advantages Djibouti gained from Ethiopia's reliance on it and the leasing of military bases. It was viewed as an existential threat, threatening the country's economic and strategic viability.

On the one side, Ethiopia's maritime goals can provide regional stability through integrated commerce access and red sea, as well as regional security. On the other side, it was identified as a potential destabilizer through power projection and challenging neighbors sovereignty. Ethiopian give and take approach and its readiness to use its resources and economic potential as a bargaining chip in the maritime negotiation with neighbors was seen by eyes of suspicion. This created tension and made Eritrea, Djibouti. and Somalia to ally with Ethiopia's rival that has been encircling it, the Egypt Ethiopia's increasingly assertive

language, particularly its description of sea access as a "natural right," is seen as potentially damaging regional trust and weakening the multilateral frameworks that keep the Horn stable.

It should be underlined that whether Ethiopia gains access to the sea, Djibouti's ports will continue to be important to Ethiopia, just as they were before 1991, when Ethiopia had Massawa and Assab national ports. Djibouti should also keep in mind that, Ethiopia's socioeconomic, security, and diplomatic leverage, particularly, the revenue from port services and the growing inter-state trade, and Ethiopia's massive population which could be a big market for Djiboutian products can benefit it. Ethiopia should consider that its aspiration gains legitimacy if it is realized through cooperative, rules-based regionalism rather than unilateral or sovereignty-challenging activities. To do so, it should sell its shared vision to its neighbours while also leveraging its socioeconomic, security, and diplomatic advantages.

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Key Informants (KI)

Code	Name	Position	Month/Year
KI1	Anonymous	Ethiopian Ambassador to Djibouti	January 2024
KI2	Anonymous	Ethiopian Diplomat to Djibouti	January 2024
KI3	Anonymous	Researcher at Ethiopian Institute of Foreign Affairs	August 2024
KI4	Anonymous	Director of IGAD Affairs at MoFA	January 2023
KI5	Anonymous	Researcher and Lecturer at Addis Ababa University	February 2024