Analysing Opportunities and Obstacles in Ethio-Djibouti Relations: Post-Cold War Era Historical Analysis

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Abstract
This study explores the post-Cold war era relationship between Ethiopia and Djibouti, with a focus on events after 1990. It investigates their historical connection, Djibouti’s separation from Ethiopia, and the impact of geopolitical dynamics and other factors on their relationship. Historical methods and qualitative research are used to gather and analyze data. The origins of their relationship date back to ancient times when Djibouti was part of Ethiopia before being occupied by the French. After French occupation and post-liberation period, several treaties were signed between the rulers of both countries, but changes in transportation and other challenges altered their relationship. After the Cold War, their relationship reached its peak due to Ethiopia’s dependence on Djibouti as a gateway to the sea, especially after the Ethio-Eritrean war. Military and security cooperation between the two countries was facilitated by global competition for military bases in Djibouti, border conflicts with Eritrea, and joint anti-terrorism initiatives. However, peace agreements between Ethiopia and Eritrea, as well as growing relations with Somaliland, could create additional port options for Ethiopia which could potentially affect Djibouti’s income in the future. Differences in opinion on Somalia’s reunification and irredentism among Somalis may pose challenges for both countries. Additionally, global warming and desertification in Africa could affect water and electricity exports from Ethiopia to Djibouti. Despite these challenges, both countries have benefited from their relationship. In conclusion, this study provides insight into the historical development of Ethiopia and Djibouti’s relationship since the Cold War, highlighting the various factors that have influenced their dynamics. It is a valuable resource for understanding the complexities and potential future developments in their relationship.
Introduction
Historical Background of Relations between the Two Countries
The historical relationship between Ethiopia and Djibouti is deeply rooted, dating back to the formation of their modern states. Throughout history, the two nations have shared cultural, ethnic, religious, and linguistic connections, shaping their enduring bond. This bond can be traced back to antiquity, where historical connections between the people of Ethiopia and the region that would later become Djibouti existed. The Afar people, originally from eastern Ethiopia, inhabited the northern part of Djibouti, while Issa Somalis migrated from Somalia and settled in the same area. Over time, the Issa Somalis became a significant part of the Ethiopian population, while the Afar people remained prominent as well.

Religion has played a vital role in shaping the demographic makeup of Djibouti, with Islam being embraced by the Somali and Afar clans for centuries. Presently, nearly 94% of Djibouti's population adhere to Sunni Islam, while the remaining percentage consists of Christians and indigenous African religions followers. Their shared religious heritage has further strengthened the cultural bond between Ethiopia and Djibouti.

Political and historical dynamics have also contributed to the enduring relationship between the two nations. Djibouti was ruled by the Ethiopian Muslim Sultanate of Adal from the 12th to the mid-17th century, highlighting their historical political administration. The ties between Ethiopia and Djibouti were not limited to historical governance but also shared economic and cultural bonds.

The long-standing connection between Ethiopia and Djibouti gained significance after the opening of the Suez Canal in 1869. This event elevated the coastal region of Djibouti in terms of importance, leading to the attention of foreign powers. In the 1870s, a French businessman acquired Obock, the northern region of Djibouti, which would later become the foundation for France's annexation of the area. Obock initially served as a coaling station but eventually gave way to Djibouti becoming the colonial capital in 1891. Following French annexation of Djibouti and the subsequent post-liberation period, numerous treaties were signed between the rulers of both countries to solidify their association.

The post-Cold War era witnessed a significant upswing in the Ethiopia-Djibouti relationship, with Ethiopia increasingly dependent on Djibouti as its gateway to the sea, particularly after the Ethio-Eritrean war. This dependence was further influenced by global competition for military bases in Djibouti, ongoing border conflicts with Eritrea, and collaborative anti-terrorism initiatives.

In conclusion, this study aims to provide valuable insights into the historical development of the Ethiopia-Djibouti relationship since the end of the Cold War. By examining the multifaceted dynamics influenced by geopolitical factors, treaties, conflicts, and evolving regional dynamics, it offers a comprehensive understanding of their complex relationship. Understanding these complexities will contribute to a better comprehension of future developments and potential challenges in their relationship.

Historical Ties
The relationship between Ethiopia and Djibouti has been long-lasting, dating back to the formation of the modern states of Ethiopia and Djibouti. Historical connections between the people of both countries went back to antiquity. (Endalkachew et al., 2015, p. 9). The northern part of Djibouti was originally inhabited by the Afar people who had their origins in eastern Ethiopia. Later, the Issa Somalis migrated from Somalia and settled in the same area. Over time, the Issa Somalis have become an integral part of the Ethiopian population. Throughout history, the Afar and Issa have been the major ethnic groups residing in the region. Each group has its own clan and sub-clan classifications. In terms of population, the Issa Somalis make up approximately 33% of the population while the Afar people comprise around 20%. (Schraeder, 1993, p. 204-205) (Urgessa, 2014, p. 31).

The Somali and Afar clans of Djibouti have maintained a close connection with the Arabian Peninsula for centuries, resulting in their early adoption of Islam on the African continent. As a result, Sunni Muslims make up nearly 94% of the country's population today. The remaining
percentage is comprised of Christians and other indigenous African followers who practice various religions. (Alemu Leta et al., 2015 p. 1-3) (Schraeder, 1993 p. 205). The historical and ongoing relationship between Ethiopia and Djibouti can be attributed to their similar demographic makeup. Both countries share a common ethnic, cultural, religious, and linguistic background. Despite the Issas ethnic group originally being from Somalia, there are also Issas residing in Ethiopia. Additionally, following the establishment of Muslim Sultanates in the region, both countries were under the same political administration. Djibouti was ruled by the Ethiopian Muslim Sultanate of Adal from the 12th century to the mid-17th century. (Endalkachew et al., 2015, p. 9) (Ministry of Information, 2002, p. 91) (Aregay, 1971, p. 41) (Djibouti Technology Integration Division, 2011 p.13-14)

Belete Belachew noted that Djibouti has a long history of connecting with Ethiopia, dating back to ancient times when Ethiopians fought against foreign invaders to protect it. Ethiopians continued to defend Djibouti against external threats even in the 16th century and beyond. Before Emperor Menelik II came to power, the Sultanates of Tajura and other Djiboutian Sultanates paid tribute to the Ethiopian government as well. (Belachew, 2000, p. 15) Consequently, the ties between these two nations are not recent, but rather they have shared strong political, economic, and cultural bonds since ancient times.

Following the opening of the Suez Canal in 1869, the coastal region of Djibouti saw an increase in its significance. Prior to the 1870s, most of Ethiopia's trade was conducted through the ports of Massawa and Zeila, as well as an overland trade route via Sudan. In 1862, a French businessman purchased Obock, which was then the northern area of what is now known as Djibouti, from Ahmad Abu Bakar, a local Afar chief. This acquisition laid the groundwork for France's later annexation of the region. While Obock was initially used as a coaling station for French ships traveling along the East African Coast, it began to decline in importance after the colonial capital moved to Djibouti in 1891. The French colonial wars in Madagascar and French Indochina during the 1880s provided opportunities for the development of Obock. (Tekeste et al., 2000 p. 5-6) (Kassim et al., 1980, p. 211) (Belete, 2000, p. 29) (Djibouti Technology Integration Division, 2011 p. 7 & 14-15).

After the arrival of the French in the region, the port of Djibouti emerged as a central hub for Arab, Armenian, and Greek long-distance traders. This influx of individuals with purely economic interests resulted in a conglomeration of diverse individuals in the growing city of the sea. Recognizing the significance of this diversity, the French bestowed the name Djibouti upon the new port. In 1884, Leonce Lagarde assumed the role of French governor of Obock and subsequently established a series of treaties with Djibouti's sultans. In 1888, the French government officially claimed the region and appointed him as governor of Djibouti. Eight years later, in 1896, French Somaliland was created by merging Obock, Tajoura, and Djibouti and the capital was established in Djibouti. (Belete, 2000, p. 33) (Djibouti Technology Integration Division, 2011 p. 7, 14, & 15).

The relationship between Ethiopia and Djibouti was altered by France's acquisition of Djibouti, resulting in contact between an independent Ethiopia and a colonized Djibouti under French rule. This relationship lasted from 1897 to 1977, with the French government signing an agreement with Ethiopia in 1897 to construct a railroad linking Djibouti to Addis Ababa. This agreement marked the beginning of official relations between the colonial governor of Djibouti and Ethiopia. However, after Djibouti gained its independence in 1977, it began to establish independent relations with Ethiopia. (Djibouti Technology Integration Division, 2011 p. 7, 14, & 15).

The European powers' annexation of neighboring regions left Ethiopia without access to the sea. In 1894, the Anglo-Italian protocol designated Harar as part of Italy's sphere of influence, which sparked relations between Paris and Ethiopia. France supported Ethiopia's independence after observing Britain and Italy's actions. Following the Battle of Adwa, Paris sent a delegate to Addis Ababa to seek Menelik's agreement. In 1897, France recognized Djibouti as Ethiopia's official outlet and permitted duty-free transit of weapons through Djibouti. (Belete, 2000 p. 95-103).
The construction of the Ethio-Djibouti railway, which lasted from 1897 to 1917, represented Ethiopia’s greatest technological achievement during this period and served as its main gateway to international trade. The railway also played a crucial role in ending Ethiopia’s centuries-old isolation from the rest of the world and in transforming social relations between Ethiopians and nations of the globe. In 1917, the railway reached Addis Ababa, Ethiopia’s capital. However, railway transport between Djibouti and Dire Dawa had begun four years earlier in 1902/3. (Melese, 2018, p. 2) (Kozicki, 2015 p. 144) (Kozicki, 2015 p. 155-156)

In 1952, Eritrea formed a federation with Ethiopia following a United Nations resolution. Despite this, the importance of Djibouti as Ethiopia’s outlet to the sea was not diminished. Djibouti continued to serve as a crucial entry point for Ethiopian cargo even after the federation with Eritrea. To ensure the economic significance of the Djibouti port, successive Ethiopian governments maintained positive relations with Djibouti. For example, on March 21, 1981, the independent governments of Djibouti and Ethiopia signed an agreement to utilize the Ethio-Djibouti railway line for the mutual social and economic development of both nations. (Belete, 2000 p. 11) (Kozicki, 2015, p. 166) (Urgessa, 2014, p. 40) After the fall of the Derg regime, the EPRDF government has forged robust ties with Djibouti through the signing of various agreements in the realms of economics, politics, and military. As a result, the post 1991 relationship between Ethiopia and Djibouti encompasses a broader scope of issues than previous administrations.

**Socio-Economic Relations**

Since 1991, Ethiopia and Djibouti have been strengthening their historic relations. However, the development of their relationship in terms of intensity and dimensions did not occur until 1998. The outbreak of war between Ethiopia and Eritrea marked the beginning of a new era in their relationship. Djibouti became Ethiopia’s only link to the sea. Before the Ethio-Eritrean war, Ethiopia had been using the ports of Massawa and Assab, which had a limited impact on trade flow via Djibouti. The war diverted all imports and exports from Eritrean ports to the Port of Djibouti, thus accelerating Ethio-Djibouti relations. (Belete, 2000, p. 11) (Endalkachew et al., 2002, p. 10)

**Port and Trade**

As mentioned earlier, before 1869, Ethiopia’s main outlets to the sea were the ports of Massawa and Zeila. After the opening of the Suez Canal in 1869, Assab and Djibouti became additional principal outlets. However, the arrival of European colonialists in the region, namely Italy (1889-1941) and Britain (1941-1952), challenged Ethiopia’s use of these ports. The liberation of Eritrea from foreign domination and its federation with Ethiopia in 1952 enabled Ethiopia to use Eritrea’s ports. From 1952-1993, the ports of Assab and Massawa were part of Ethiopian territory due to the federation of Eritrea with Ethiopia (1952-1962) and the subsequent union in 1962, which made Eritrea one of Ethiopia’s provinces until 1993. (Tekeste et al., 2000, p. 5-6) (Gashew et al., 2016, p. 787) (Kinfe, 2004, p. 23).

Eritrea’s independence in 1993 left Ethiopia landlocked, forcing it to rely on the ports of neighboring countries, Eritrea and Djibouti. Before the outbreak of war between Ethiopia and Eritrea in 1998, almost all of Ethiopia’s export/import trade, or 80%, relied on the port of Assab in Eritrea. (Bollee, 2003, p. 481) (Sally Healy, 2011 p. 5) The Ethio-Eritrean war gradually escalated the economic interdependence between Ethiopia and Djibouti. Djibouti is Ethiopia’s largest African trading partner, with Ethiopia serving as a major destination for Djibouti. However, the exact percentage of Ethiopia’s export or import to/from Djibouti as well as Djibouti’s export or import to/from Ethiopia can vary depending on different sources and time periods. Djibouti’s main export items to Ethiopia are salt, sugar, and rice while Ethiopia’s major export items to Djibouti include foodstuffs such as vegetables, meat, livestock, and khat. (Amani International Development, 2007, p. 2 (Tegegne et al., 2002, p. 1).

Although Ethiopia and Djibouti have a long history of trade partnerships, unofficial trade is much higher than official trade. Hundreds of thousands of all types of livestock and foodstuffs, including coffee and cereals originating from Ethiopia, are smuggled into Djibouti. Khat, vegetables, and fruits are largely exported to Djibouti by official traders since they are perishable and less attractive in unofficial channels. These items nearly represent the total value of Ethiopia’s exports to Djibouti. Ethiopian traders also unofficially import new and used clothes, electronics, cigarettes, manufactured food items, vegetable oil,
and pharmaceuticals from Djibouti, which arrive there from Asia and Europe through illegal means. (Tegegne et al., 2002, p. 1)

There are several factors responsible for the growth of illicit cross-border trade around the Ethio-Djibouti borderlands. These include the absence of adequate integration between the borderlands and the central government of Ethiopia, a lack of suitable outlets for livestock and other products for people around the borderlands, government trade policies, and the absence of strong border patrols and checkpoints. These factors have contributed to the growth of dynamics in illicit cross-border trade and are the main challenges facing Ethio-Djibouti trade relations. (Tegegne et al., 2002, p. 1)

Both governments are expected to take steps to alleviate these obstacles to official trade, which could bring peace, stability, and food security to the region.

Ethiopia's dependence on Djibouti as its sole outlet to the sea has brought tremendous economic benefits to Djibouti. The seaborne trade of Ethiopia accounts for 80% of its imports, which are exclusively handled through the port of Djibouti. Other sources mention that the port of Djibouti handles about 95% of Ethiopia's exports and imports. As a result, Djibouti's port has become the country's economic engine. Since 1998, Djibouti has been collecting large amounts of money from Ethiopia for port services. In 2012, for instance, about 80% of Djibouti's economy relied on income gained from port services. To meet the increasing demand from Ethiopia for port services, the government of Djibouti has been working to expand and rehabilitate the port facilities, including conventional cargo and container capacity managed by Dubai Ports World (DPW). To further meet Ethiopia's demand for port services, Djibouti built an additional port at Doraleh, which is exclusively used by Ethiopia. (The Ethiopian Herald, 2016) (Sebhatu, 2005, p. 10) (Urgessa, 2014, p. 42-58) (Endalkachew et al., 2002, p.10) (ICA Meeting, 2007, p. 5)

Over the last two decades, the growth of imports and exports through the port of Djibouti has brought tremendous income to Djibouti, supporting the development of the country and Ethiopia showed great change in areas of urbanization, infrastructural development, and investment growth. Additionally, Ethiopia has become a major market for Djibouti.

On Ethiopia's side, using the port of Djibouti has significant economic advantages due to its proximity to most regions within Ethiopia and the absence of any negative legacy linked to Ethiopia. Moreover, since the railway line passes through industrial centers such as Dire Dawa, Awash, Metehara, Mojo, Bishoftu (Debra Zeit), Akaki, and Finfinne (Addis Ababa), it has become a potential transportation link between Ethiopia's hinterland and the sea coast, serving as a key export/import route for Ethiopia's industry. (ICA Meeting, 2007, p. 3)

Although the two countries have a long history of relations, there have been several instances of resentment between them. However, these resentments were short-lived as the governments of both countries resolved their differences through discussion. The main cause of resentment was the issue of mutual benefits. Ethiopia has complained that Djibouti has not adequately balanced short and long-term benefits, with a tendency to maximize benefits from port services within a very short period. For instance, in 1999, Omar Guelleh, the president of Djibouti, attempted to get Ethiopian forwarding companies to pay their debts and imposed new taxes on both solid cargoes ($0.50 per ton) and oil products ($1 per ton). However, this attempt and resentment were resolved, and the relationship between the two countries remains one of mutual dependence. (Ministry of Information, 2002, p. 92-93) (Bollee, 2003, p. 482-483).

The rise to power of Abiy Ahmed in Ethiopia in February 2018 brought an end to twenty years of hostility between Ethiopia and Eritrea. The leaders of the two countries signed a peace treaty in Jeddah, Saudi Arabia, on July 9, 2018. However, Ethiopia's expanding economy and the reconciliation with Eritrea could pose challenges for relations between Djibouti and Ethiopia, as Ethiopia seeks port options. Although it is not currently feasible due to the lack of good infrastructure between Ethiopia and Somaliland, Ethiopia plans to use the port of Berbera as an option, which could challenge Djibouti's benefits from its port. In 2016, Dubai Port World won the concession to manage and invest in the Berbera port, disclosing that $442 million had been assigned for investment. (Healy, 2011:5; Berg and Meester, 2018:14). Ethiopia's decision to take a 19% stake in the Berbera port deal, following the United Arab Emirates, also created resentment in
Djibouti. While Ethiopia’s pursuit of port options is promising, it could be a factor in the deterioration of relations between the two states.

**Electricity and Water Supplies**

The two countries have more than just port and market ties; they also cooperate on social services such as electricity and water provision. Ethiopia has enormous potential for developing hydropower, wind, and geothermal energy. The country’s total capacity is estimated at 60,000 MW, of which 45,000 MW comes from hydropower, 10,000 MW from wind, and 5,000 MW from geothermal sources. However, only about 2,000 MW, or less than 4.5% of the potential, is currently utilized. Despite having such abundant hydropower resources, only about 35% of Ethiopia’s population has access to electricity, and only 5,189 out of 7,000 towns and villages are electrified. To address this shortage, the country is working on expanding its hydroelectric power to meet domestic demand and export to neighboring countries. (Endalcachew, 2014, p. 281) (Ethiopian Electric Power Corporation, 2010, p. 2).

Before 2011, Djibouti relied on expensive, outdated, and unreliable oil-fired generators for electricity. Only foreigners and ruling elites could afford the monthly bills for cooling their offices, homes, and industries in the hot climate. Most of the locals could not afford it. Electricity costs were a major obstacle to economic growth in Djibouti. To overcome the energy shortage, Djibouti signed a bilateral agreement with Ethiopia on power interconnection, which enabled it to receive electricity from Ethiopia in 2011. (Styan, 2013, p. 7) Exporting hydroelectric power to neighboring countries has become a source of foreign income for Ethiopia. Djibouti was the first country to receive electricity from Ethiopia, starting in 2011. A 283 km long transmission line, inaugurated on October 5, 2011, connected the two countries. This line allowed Djibouti to import 35-70 MW of electricity from Ethiopia, which earned Ethiopia at least 1.5 million USD per month from the energy trade. (Africa Development Fund, 2011) (African Development Bank Group, 2013, p. 17-18).

The Ethio-Djibouti power interconnection project, funded by a loan from the African Development Bank, included various components such as building sub-stations at Dire Dawa and Adigala in Ethiopia, and PK-12 and Ali Sabieh in Djibouti. It also aimed to electrify twelve border towns in Ethiopia and Djibouti. Djibouti imports at least 35 MW of electricity per month from Ethiopia, paying $70 per KWh, which is much cheaper than its previous costs and the energy shortage it faced before 2011. This has enabled Djibouti to lower its retail and industrial domestic tariffs, easing the pressure on household and business budgets. Moreover, the lower energy costs and better energy availability after the power connection have helped create a favorable environment for the overall socio-economic development of Djibouti. This is because lower oil imports have reduced Djibouti’s trade deficit. (African Development Bank Group, 2013, p. 17-19).

The power interconnection system has reduced the frequent disputes between Ethiopia and Djibouti over the costs and taxes of import and export goods and has increased revenues as well as lowered energy costs at the port. This kind of mutual benefit creates an opportunity for economic integration, which is beneficial for the region. However, climate change and variability are factors that affect the reliability and consistency of hydroelectric power generation and supply. If global warming continues due to deforestation, industrialization, urbanization, overpopulation, etc., hydroelectric power generation will be impacted, which could challenge the relations of the two countries. (African Development Bank Group, 2012, p. 11-19) (Pegasys Institute and Ethio Resources Group, 2017, p. viii).

Potable water has become a crucial issue that strengthens the relationship between Djibouti and Ethiopia. Djibouti is an arid country with no permanent surface water, and almost 95% of its water supply comes from underground salty water. To address the scarcity of drinking water, leaders from both countries signed a memorandum of understanding on bilateral cooperation in the field of potable water. On January 20, 2013, Finance Ministers Sufian Ahmed of Ethiopia and Ilyas Moussa Dawaleh of Djibouti signed an agreement in Djibouti. According to the agreement, Djibouti was expected to construct a pipeline to carry water from Adi Gala, a town in Ethiopia, to Djibouti City. The project was planned to be completed by the end of 2014. (African Development Bank Group, 2012, p.
According to the agreement, Ethiopia agreed to provide 100,000 cubic meters of water per day to Djibouti from the Shinile Zone of Ethiopia’s regional state for 30 years. The project was executed by the Chinese construction giant CGC-OC Group and financed by the Export-Import Bank of China (China Exim Bank). The Ethio-Djibouti transboundary water project is considered one of the largest water projects in Africa, crossing seven towns from Adigala and Dewale to Djibouti City, with a 220km transmission pipeline. However, the scarcity of electric power hindered the project’s full operation. Initially, the project served about 15-20 percent of the water demand in Djibouti’s capital and its second-largest city, Alisabih. The project has gradually increased its capacity to provide about 50% of its initially planned potable water supply. Once it starts operating at full capacity, the project is expected to supply water to several Djiboutian cities, including Djibouti City, Dikhil, Alisabih, Arta, and Weah. As a result, exporting potable water from Ethiopia to Djibouti has become an additional asset in fostering interdependence between the two countries. (Sudan Tribune, 2013) (Gashaw et al., 2016, p. 794)

Railway and Road Transport
The expansion of rail and road projects is another area that provides immense benefits for both Ethiopia and Djibouti. The two countries have been working on transportation infrastructure to overcome transportation problems between them, including both railroad and land road transportation. The Imperial Ethiopian Railway Company, established in 1894, was a firm created to build and operate a railway between Djibouti and Addis Ababa. The company was formed by Swiss and French engineers and was the brainchild of Alfred Ilg, a Swiss national and advisor to Emperor Menelik II. The emperor agreed to allow the railway to be administered by a foreign private company for ninety-nine years. In 1917, the company became operational under a new name, the Ethio-French Railway. Following the 1909 Treaty between France and Ethiopia, Emperor Menelik II consented to further expansion of the railway. The assets of the former company were transferred to a new firm, the Franco-Ethiopian Railway, which received a new concession to complete the line to Addis Ababa. The French completed the construction in 1917 as per the agreement. However, the company failed in 1906 due to political crises in the region. At the time, Issa and Gadabursi were among the railway workers who benefited from the project. (Belete, 2000, p. 128) (Gebeyehu, 2012, p. 8) (Schraeder, 1993, p. 205) After Djibouti gained independence in 1977, the French share in the railway was transferred to the new nation. Ethio-Djibouti Railways was established in 1981 as the successor to the Franco-Ethiopian Railway and is jointly owned by the governments of Ethiopia and Djibouti. Due to the deterioration of the railroad, the Addis Ababa-Assab Road became the primary trade transportation route for traffic from Ethiopia to the port of Djibouti. (Dipti Ranjan Mohapatra, 2016, p. 2) (ICA Meeting, 2007, p. 3).

Although both governments made several attempts to rehabilitate the railway line, they were unsuccessful. After the failure of the rehabilitation project, the two governments decided to build an electrified standard gauge railway. In 2011, the Ethiopian Railway Corporation awarded contracts to two Chinese state-owned companies for the construction of a new standard gauge railway from Addis Ababa to the Djibouti border. The railway line stretches 784km, with 385km located within Ethiopia and around 99km in Djibouti. The standard gauge Ethio-Djibouti electrified double-track railway, constructed at a cost of $3.4 billion, can reduce the journey time between the two countries to under 10 hours. Previously, it took three days for trucks to transport freight from the port of Djibouti to Addis Ababa. Almost all loans were secured from the Exim Bank of China, with most going to the Ethiopian section of the railway and the remainder spent in Djibouti. The Chinese company was contracted to complete it between 2011 and 2016, but it went into operation in January 2018. Without Exim Bank funding, it would have been impossible to realize this project since neither the World Bank nor the European Union were willing to fund it. (Mohapatra, 2016, p. 2-7) (The Ethiopian Herald, 2018) (Gashaw et al., 2016, p. 794) The construction of the new standard gauge railway further facilitates the import and export of goods between both countries. For instance, Djibouti has the opportunity to access a market of 90 million people in Ethiopia, while Ethiopia can access the world market via Djibouti using the new standard gauge railway. (Gashaw et al., 2016, p. 794)
Political and Security Relations

Although Djibouti gained independence in 1977, France remained a dominant power in the country for the next two decades. The political instability of the region prompted the French government to closely monitor activities in Djibouti, providing military training and economic aid to strengthen the country’s national defense. Political instability in Djibouti arose from discontent among various groups, particularly the Afar, who opposed the Issa-dominated government. Additionally, political volatility in neighboring Ethiopia and Somalia following the fall of Mengistu and Siad Barre, respectively, caused national security threats for Djibouti due to a massive influx of refugees from both countries. (Styan, 2013, p. 1) (UNHCR, 2008)

As mentioned earlier, political and security cooperation between Ethiopia and Djibouti began before the establishment of the modern Ethiopian state and Djibouti as a French colony. Before Menelik II came to power as Emperor of modern Ethiopia, the sultanates of Djibouti, such as Gubat, Tajura, and Rahita, paid tribute to Abyssinia (present-day northern Ethiopia) and the Muslim Sultanate. The combined forces of both regions even fought against foreign aggressors. After France conquered Djibouti, successive Ethiopian regimes established diplomatic contacts and political relationships with France and later with Djibouti’s politicians after its independence. Furthermore, protecting Djibouti from third parties, primarily Somali nationalists and the Pan-Arab movement, became one of Ethiopia’s major responsibilities in the Horn. (Belete, 2000, p. 11-15) (Djibouti Technology Integration Division, 2011, p. 13)

With the onset of decolonization in the 1960s, the independence of British and Italian Somali lands in 1962 introduced new ideas and conflicts in the Horn of Africa, primarily related to Somali irredentism. After gaining independence, Somali elites began pursuing the creation of a Greater Somalia. This concept refers to the goal of reincorporating Somali-inhabited areas of the Ogaden region in Ethiopia, Djibouti, and northern Kenya. The issue of Greater Somalia prompted Ethiopia and the French government in Djibouti to strengthen their relations to counter this movement. Pan-Somali nationalism called for the unification of Djibouti with the rest of Somalia. This sentiment compelled the French government to maintain Djibouti’s independence by forging strong relationships with the Afar, who feared Issa’s domination. (Alemu et al, 2015:4). Ethiopia faced a similar situation when Somali nationalists advocated for the incorporation of the Ogaden region in Ethiopia and Djibouti into British and Italian Somali lands. To address this political situation, the Ethiopian government at the time supported French colonial rule in Djibouti to bolster the Afar and combat Pan-Somali nationalism. (Duah, 1998, p. 6).

After Djibouti gained independence in 1977, the French government supported the government of Hassan Gouled, who was elected from the Issa Somali. With this political shift, Ethiopia also changed its alliance with the Djibouti government, although the relationship was not strong due to several factors. One major factor was Djibouti’s government’s inclination towards the Somali government rather than Ethiopia until the end of the Ethio-Somalia war. As a result, Ethiopia did not have an ambassador in Djibouti until after Somalia’s defeat by Ethiopia. Secret agents were used in Djibouti to monitor the activities of the Djibouti government. After Somalia’s defeat, the Djibouti government showed interest in strengthening political relations with Ethiopia. Based on this interest, in 1980, Ethiopia sent its first ambassador, Birhanu Dinka, to Djibouti after its independence. Following this development, Djibouti’s then-president Hassan Gouled made an official seven-day visit to Ethiopia in 1981. However, this did not happen easily due to a year-long disagreement over railway issues. Although Djibouti attempted to resolve the railway disagreement before the official visit to Ethiopia, the visit took place before it was resolved. In 1984, President Mengistu Hailemariam visited Djibouti. These presidential visits resulted in various agreements being signed between the two countries. (Belete, 2000, p. 110-112)

President Guelleh expanded cooperation between Djibouti and Ethiopia in the areas of politics, economics, and social integration. Both countries are committed to securing peace and stability in the region. They also cooperate in their struggle against movements aimed at forming a sovereign state known as “Greater Afar land,” which is the goal of some separatist parties in Ethiopia, Djibouti, and Eritrea. The motivation behind political and security cooperation with Djibouti was to secure Ethiopia’s economic and security advantages. The bilateral
relations between Ethiopia and Djibouti in politics, diplomacy, and economics strengthened with the onset of the Ethio-Eritrean war. The strengthening of Ethio-Djibouti relations became a point of contention for Djibouti and Eritrea, leading to the 2008 border clash. In retaliation for Djibouti’s strong relations with Ethiopia, Eritrea provoked a border skirmish with Djibouti over Ras Doumeira, a Djiboutian outpost overlooking the Bab al-Mandab straits, the southern approach to the Red Sea. Eritrea’s invasion of Djibouti immediately involved the United Nations, the African Union, and IGAD in efforts to resolve the conflict and bring peace between the two countries. It was believed that Ethiopia and France were behind this move. Ethiopia’s involvement in peace and security cooperation with Djibouti attests to the interdependence between the two countries. (Belete, 2000, p. 112) (Styan, 2013, p. 4).

Before the outbreak of the border conflict between Eritrea and Djibouti, the Eritrean government attempted to hamper relations between Ethiopia and Djibouti by supporting an armed group in Djibouti, the radical splinters of FRUD-Armies, led by Ahmed Din. To address these challenges and other issues, Ethiopia and Djibouti signed several protocols and agreements concerning peace, security, trade, and infrastructure. For instance, during the 2013 joint ministerial commission meeting held in Addis Ababa, both countries agreed on a range of areas including the exchange of military information, military training, and joint activities to control smugglers, terrorists, and other ‘spoilers’. (Belete, 2000, p. 122) (Alemu et al, 2015, p. 9) (Addis standard, 2014) As per the 2013 agreement, the two countries carried out six months of security cooperation. An evaluation was conducted six months later to test the effectiveness of the security cooperation, which affirmed that Ethiopia played a significant role in training and sharing experience with Djiboutian soldiers and in conducting effective joint border operations. Moreover, the two countries have collaborated in fighting against Al-Shabaab with the support of AMISOM in Somalia. Therefore, in terms of security cooperation, the two countries have made various agreements to maintain peace and security in both countries and the Horn of Africa region at large.

**Conclusion**
The historical background of relations between Ethiopia and Djibouti reveals a deep-rooted and longstanding connection between the two countries. This relationship extends back to ancient times, with historical connections between the people of both nations dating back to antiquity. The Afar and Issa Somali clans have played significant roles in the region, and over time, they have become integral parts of each other’s populations. The shared ethnic, cultural, religious, and linguistic background has strengthened the ties between Ethiopia and Djibouti. The presence of Muslim Sultanates in the region further solidified the political, economic, and cultural bonds between the two nations. Djibouti was ruled by the Ethiopian Muslim Sultanate of Adal, and Ethiopians have historically defended Djibouti against external threats.

The opening of the Suez Canal had a transformative impact on Djibouti’s coastal region, increasing its significance as a trade hub. The French colonization of the area, starting with the acquisition of Obock, laid the groundwork for France’s later annexation of the region. Despite initial uses as a coaling station, the colonial capital’s move to Djibouti marked a shift in importance.

Overall, Ethiopia and Djibouti share a rich history of political, economic, and cultural exchanges. Their long-standing ties have shaped their relationship, creating a foundation for continued cooperation and mutual understanding. Understanding the historical background of their relations provides valuable insights into the dynamics between these nations today.

**Acknowledgment**
This article has been made possible by the contributions of numerous individuals. Foremost, I am grateful to my friends for supplying me with relevant literature and insights on the subject of Ethio-Djibouti relations. Additionally, I extend my sincere appreciation to my family for their unwavering support and motivation. Academically, I have been enriched by the intellectually stimulating and collaborative environment at Jimma University.

**Funding Source**
The author have received no funding source

**Conflict of Interest**
There is no conflict of interest
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