

Competing Middle East Countries in the Horn of Africa: Economic and Security Implications for Ethiopia

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Abstract

The rift among the Middle East countries and the export of their rivalry to the Horn of Africa in terms of proliferation of military installation and ports, increase in military training, military aid, and economic aid – coupled with their interventionist and coercive foreign policy towards the Horn of Africa has economic and security implications for the Horn of Africa in broader terms and Ethiopia in particular. The purpose of this study is to examine factors driving competitive engagement of Middle East countries in the Horn of Africa and the economic and security implication of competitive engagement of Middle East countries in the Horn of Africa for Ethiopia. In doing so, the researcher used a qualitative methodology. Investment, trade, and tourism index, and data gathered from key informants and secondary sources of data were analyzed. Accordingly, the rift among the Middle East countries and their aspiration to extend their commercial and security interests in the Red Sea Basin and the Horn of Africa is the driving factor behind their competitive engagement in the region. Moreover, such competitive engagement of Middle East countries in the Horn of Africa has a security threat for Ethiopia and had minimal impact on the economy.

Keywords: Competition, Economy, Horn of Africa, Middle East, Security

1 Introduction

The Horn of Africa² is the single most geostrategically important region in the world.³ It is strategically significant because of the Red Sea. Moreover, the gateways of the Suez Canal and the strait of Bab el Mandeb have made the region geo-strategically

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² According to Mesfin (2004), the Horn of Africa contains Ethiopia, Eritrea, Djibouti, Somalia, Kenya, Sudan, and South Sudan. Thus, for this paper, the Horn of Africa refers to the area encompassing Ethiopia, Eritrea, Djibouti, Somalia, Kenya, Sudan, South Sudan, and Somaliland.

³ Gashaw A., and Zelalem M. 2016. "The Advent of Competing Foreign Powers in the Geostrategic Horn of Africa: Analysis of Opportunity and Security Risk for Ethiopia." *International Relations and Diplomacy* 4 (12): 787–800.

important.⁴ Besides, the region has paramount importance for maritime security, naval base, military base, anti-piracy, and anti-terrorism operations.⁵ Over the last decade, among the Middle East countries⁶, Saudi Arabia, the United Arab Emirates (UAE), Qatar, and Turkey dramatically increased their physical, economic, and political presence in the Horn of Africa.⁷

What has changed since 2011, is the emergence of a more overt political agenda in these countries' calculations.⁸ The shift began in 2011 with the turmoil that followed the Arab uprisings. As regimes in Tunisia, Egypt, Lybia, Syria, and Yemen faltered, the Gulf states and Turkey each invested heavily in preferred allies. Two contradictory axes emerged: on the one hand, Saudi Arabia and the UAE favored strong central governments that restored security over chaotic democratic transitions ideologically led by the Muslim Brotherhood or its affiliates.⁹ They also sought to push back against growing Iranian influence in the region. On the other hand, Qatar and Turkey cemented ties with the Muslim Brotherhood and its affiliated forces during the uprisings and continued to back them financially and through the media. The June 2017 crisis between Qatar and other Gulf states accelerated their turn toward the Horn.¹⁰

In those struggles, the main rivals saw the Horn of Africa as a new arena for competition and building alliances. With their significant financial resources, the Gulf countries and Turkey saw a chance to adjust the future economic and political landscape of the Red Sea basin in their favor. They are expanding their physical and

⁴ Al-Yadoomi, Hussain. 1991. "The Strategic Importance of the Bab Al-Mandab Strait | PDF | Red Sea | Somalia." Scribd. April 9, 1991. <https://www.scribd.com/document/284229987/THE-STRATEGIC-IMPORTANCE-OF-THE-BAB-AL-MANDAB-STRAIT>

⁵ Gashaw A., and Zelalem M. 2016. "The Advent of Competing Foreign Powers in the Geostrategic Horn of Africa: Analysis of Opportunity and Security Risk for Ethiopia." *International Relations and Diplomacy* 4 (12): 787–800.

⁶ Taking into consideration their engagement in the Horn of Africa through the proliferation of military installations and ports, the increase in military and economic aid and involvement in conflict resolution – this paper examines the engagement of Qatar, Saudi Arabia, the United Arab Emirates, and Turkey, which are the four most engaged countries after the Arab Spring (Mahmood, 2020)

⁷ Donelli F, and Cannon B. J. 2019. "The Middle Eastern States in the Horn of Africa: Security Interactions and Power Projection." *International Institute for International Political Studies*, April.

⁸ "Intra-Gulf Competition in Africa's Horn: Lessening the Impact." 2019. Crisis Group. September 18, 2019. <https://www.crisisgroup.org/middle-east-north-africa/gulf-and-arabian-peninsula/206-intra-gulf-competition-africas-horn-lessening-impact>.

⁹ Mishra. 2019. "Gulf's Involvement in the Horn of Africa: Lessons for African Countries." 2019. <https://www.orfonline.org/expert>.

¹⁰ Melvin. 2019. "The New External Security Politics of the Horn of Africa Region." In *Sipri Insights on Peace and Security* .

political presence to forge new partnerships and ring-fence their enemies – most often one another.¹¹

A thorough investigation of factors driving competitive engagement of Middle East countries in the Horn of Africa and the implication of competitive engagement of Middle East countries in the Horn of Africa for the region in broader terms and Ethiopia is of paramount importance in forging foreign policy options needed to respond to the impacts of such engagement of Middle East countries in the Horn of Africa.

Although many studies address increased militarization of the Horn of Africa by foreign powers and implications for the broader region, and the impacts of the 2017 GCC crisis for Ethiopia, less is known about the economic and security implication of engagement (commercial, political, military, and security) of competing Middle East countries in the Horn of Africa for Ethiopia. In this respect, a graduate thesis by Yohannes¹², examines the challenges and prospects of the proliferation of foreign military bases for Ethiopia's foreign policy in the region. The findings of this thesis indicated that the proliferation of foreign military bases in the Horn of Africa poses a risk of expansion of fundamentalism and challenges on Ethiopia's access to the port. The potential and actual presence of partners in the fight against terrorism and the possibility of foreign powers' increased economic engagement were also stated as prospects of the proliferation of foreign military bases in the Horn of Africa for Ethiopia.¹³ Apart from this, a graduate thesis by Kidane¹⁴ examines the root causes of the 2017 Qatar-GCC dispute and implications of the crisis to the broader Horn of Africa region with a focus on Ethiopia. The findings of the study shows that there were critical and multidimensional actual and potential security, economic, and diplomatic challenges and problems for Ethiopia and the Horn of African countries emanating from the rift within the GCC States.¹⁵

This paper focuses on the investigation of the factors driving competitive engagement of Middle East countries in the Horn of Africa, and the economic and security

¹¹ “Intra-Gulf Competition in Africa’s Horn: Lessening the Impact .” crisisgroup.org, September 19, 2019. <https://www.crisisgroup.org/middle-east-north-africa/gulf-and-arabian-peninsula/206-intra-gulf-competition-africas-horn-lessening-impact>.

¹² Yohannes, Esrael. 2018. “The Expansion of Military Bases in the Horn of Africa: Analysis of Its Challenges and Opportunities to Ethiopia’s Policy in the Region.” Addis Ababa University College of Social Sciences Department of Political Science and International Relations.

¹³ Ibid

¹⁴ G/Egziabher, Kidane . 2018. “The Current Qatar-Saudi Dispute and Its Implication on the Horn of Africa; the Case of Ethiopia.” Thesis, Addis Ababa University Center for African Studies, and Oriental Studies.

¹⁵ Ibid

implications for Ethiopia. By so doing, the paper will complement available works of literature and contribute to a better understanding of the impacts of engagement of competing Middle East countries in the Horn of Africa for Ethiopia. The paper is organized into four major sections. The first section covers the introductory remarks and a short review of literature on the research topic. The second section introduces the research method. The third section uncovers the findings of the paper in three separate titles. The final section discusses the results of the paper and some proposed solutions for policy consideration.

2 Methods

This study is qualitative research that attempts to describe the engagement of Middle East countries in the Horn of Africa and its implications for Ethiopia. The concern of the qualitative approach to text and document analysis makes it fit for this study. As a method of data collection, this study relies on primary and secondary sources of data. An in-depth interview forms the basic source of primary data for this research. A semi-structured in-depth interview is used to explore the views of the selected key informants. For this study, the key informants were selected purposively based on their specialist knowledge and positions they occupy from the Ministry of Foreign Affairs, the Institute for Security Studies (ISS Africa), IGAD, and Embassies of Middle East countries in Ethiopia. The tool used in selecting the informants is purposive sampling, where respondents were selected based on predefined purposes of direct association of the respondents' work or engagement in the area of study. Also, numerical data on the five years (2015-2019) level of investment, tourism, and export trade of Ethiopia with the Middle East countries were gathered from Ethiopian Investment Commission, Ministry of Trade and Industry, and Ministry of Culture and Tourism were reviewed and analyzed to give full meaning to the study at hand. Data gathered from relevant literature, such as books, published and unpublished materials, journal articles, magazines, and internet sources were also used as a secondary source of data.

3 Drivers of Competitive engagement of Middle East countries in the Horn of Africa

Historically, while the Cold War has been over for almost three decades, the legacy of a prolonged period of rivalry is still having an impact on the Middle East.¹⁶ It was the convergence of the needs of the newly independent Arab countries for outside support, and the available supply of that support from the United States and the Soviet

¹⁶ Harrison , Ross. 2018. "Shifts in the Middle East Balance of Power: An Historical Perspective." Jcforstudies@Aljazeera.net. Al Jazeera Centre for Studies. September 4, 2018.

Union, that created the modern Middle East. The result of this intersection between the advent of the Cold War and the security and economic needs of independent Arab states was that the region started to mimic the bipolar structure of the international system. This divided the Arab world into two camps, with the Soviet-backed, leftist leaning, Arab nationalist camp led by Egypt's Nasser pitted against the more conservative U.S. supported camp, consisting of Saudi Arabia and Jordan.¹⁷ The Cold War period engendered a Middle East political order that persisted from the 1940s until the collapse of the Soviet Union in the early 1990s.¹⁸

After the end of the cold war follows a period of American Unipolarity. what unipolarity did was set up a new computing power structure in the region. During the Cold War the Middle East reflected the bipolarity of the international system. What emerged following the Soviet collapse was much more an authentically regional system, defined by competing for Iranian and Arab nationalisms and Sunni and Shi'i sectarian identities.¹⁹

The Arab Spring uprisings that started in early 2011 across many countries in the Middle East and North Africa have influenced the decision-making circles across Arab capitals in general and in the Gulf in particular.²⁰ Following the deposal of long-time rulers in Tunisia, Egypt, Yemen, and Libya and the continuation of the uprising in Syria, most of the Gulf States took immediate decisions to resist the popular demand for change. One of the primary concerns of the Gulf States was that the Arab uprisings would pave the way for the rise of political Islam. The Gulf rulers considered groups with political Islam backgrounds in the Middle East region, such as the Egyptian Muslim Brotherhood and Tunisian Ennahda Party, as a direct threat to their regimes.²¹ The Gulf States' anti-political Islam campaign has also influenced the Horn of Africa, which has a significant number of groups with Islamist backgrounds associated with the Muslim Brotherhood.²² The political sphere in Somalia is dominated by Al-Islah—an offshoot of the Muslim Brotherhood

¹⁷ Kerr. 2017. "The Arab Cold War: Gamal 'Abd Al-Nasir and His Rivals, 1958-1970. 3d Ed." The SHAFR Guide Online, October. https://doi.org/10.1163/2468-1733_shafr_sim220040030.

¹⁸ Primakov, E. M. 2009. *Russia and the Arabs : Behind the Scenes in the Middle East from the Cold War to the Present*. New York: Basic Books.

¹⁹ Harrison , Ross. 2018. "Shifts in the Middle East Balance of Power: An Historical Perspective." Jcforstudies@Aljazeera.net. Al Jazeera Centre for Studies. September 4, 2018.

²⁰ Steinberg, Guido. 2014. "Leading the Counter-Revolution." https://www.swp-berlin.org/publications/products/research_papers/2014_RP07_sbg.pdf.

²¹ Ibid

²² Hanse, J. S. , and Mesøy, A. 2009. "The Muslim Brotherhood in the Wider Horn of Africa," no. 33: 1–76.

organization established in Saudi Arabia in 1978. Currently, about 30 percent of Somali parliamentarians subscribe to groups ideologically rooted in political Islam.²³

The other important development which greatly impacted the Middle Eastern countries' engagement in the Horn is the Yemen Conflict. When the Houthi rebels overpowered the Yemeni government and seized much of the country in 2015, the Gulf States led by Saudi Arabia formed an anti-Houthi military coalition. At the beginning of the military offensive, it became categorical that the Gulf States needed additional boots on the ground as well as conveniently located ports and bases. Consequently, Sudan, Eritrea, Somalia, and Djibouti, located across the Red Sea and the Gulf of Aden and geographically closer to most of Yemen than Gulf capitals, willingly lent a hand in exchange for monetary compensation.²⁴

The other historical factor which has largely impacted the Gulf-Horn relationship is the 2017 Qatar-Gulf Crisis. Following the rift between Qatar and its Gulf neighbors, the competition to win allies in the Horn has intensified. Djibouti and Eritrea threw their weight behind the blockading Quartet by downgrading their diplomatic links with Doha. Others, such as Sudan, Somalia, and Ethiopia, preferred to stay neutral in the intra-Gulf rift urging the conflicting sides to resolve the impasse diplomatically—a position endorsed by the African Union (AU).²⁵

Economic and commercial factors are also drivers of the competitive engagement of Middle East countries in the Horn of Africa. Historically, Gulf-Horn economic relations were dormant during the 1990s. However, in the wake of the global financial crisis in 2008 and the rise of food prices, the Gulf States became concerned about food security—primarily resulting from their lack of arable land and adequate freshwater resources for agriculture. While Qatar announced it would produce 70 percent of its food consumption by 2023 through utilizing new technologies of water desalination and hydroponics, some others in Gulf looked abroad. Gulf rulers

²³ “The Regional Risks to Somalia’s Moment of Hope.” 2017. www.crisisgroup.org. February 22, 2017. <https://www.crisisgroup.org/africa/horn-africa/somalia/regional-risks-somalias-moment-hope>.

²⁴ Kirkpatrick, David D. 2018. “On the Front Line of the Saudi War in Yemen: Child Soldiers from Darfur.” *The New York Times*, December 28, 2018. <https://www.nytimes.com/2018/12/28/world/africa/saudi-sudan-yemen-child-fighters.html>.

²⁵ Centre, TRT World Research, and Abdinor Dahir. n.d. “Foreign Engagements in the Horn of Africa: Diversifying Risks and Maximising Gains.” *Www.academia.edu*. Accessed April 26, 2020. https://www.academia.edu/38605465/Foreign_Engagements_in_the_Horn_of_Africa_Diversifying_Risks_and_Maximising_Gains.

encouraged both public and private investment in agriculture abroad, particularly in Asia and Africa.²⁶

Accordingly, there has been a wider return to the Horn by Saudis, Emiratis, Qataris, and others, most visibly through approximately US\$13 billion in investment in the Horn of Africa region between 2000 and 2017, chiefly in agriculture, manufacturing, and construction.²⁷ Important as food security and economic diversification were as motives, more fundamentally it was growing regional polarization and a perceived need to secure partnerships with African elites by channeling huge sums to the Horn. The Gulf leaders consider the control of this area along the Red Sea coast to be essential for the delivery of goods as well as their security.²⁸

4 Economic Implications

The 2002 foreign policy of Ethiopia considers the oil endowed Middle East countries as an important destination for investment and finance for development.²⁹ Turkey has been implementing its ‘open to Africa’ policy since 2002.³⁰ This had led Turkey to earn the status of the second-biggest investor in Ethiopia following China. On the other hand, the oil endowed Arabian Peninsula countries adopt unilateral, and money-driven (transactional) foreign policy towards the Horn countries with a focus on ensuring food and water security issues.³¹ Particularly, their policy towards ensuring food security issues led Saudi Arabia and UAE to invest heavily in agriculture and agro-processing industry and assume the status of the highest investors in Ethiopia from the Gulf countries.³² In line with this, the section below analyzes data on tourism, export, and investment exchanges between Ethiopia and the Middle East

²⁶ Shepherd, Benjamin. 2013. “GCC States’ Land Investments Abroad: The Case of Ethiopia.” Repository.library.georgetown.edu.
<https://repository.library.georgetown.edu/handle/10822/558319>.

²⁷ Meester, J., Van den Berg, W, and Verhoeven, H. 2018. “The Political Economy of Gulf Investments in the Horn of Africa | Clingendael.” Clingendael.org. 2018.
<https://www.clingendael.org/publication/political-economy-gulf-investments-horn-africa>.

²⁸ Steinberg, Guido. 2014. “Leading the Counter-Revolution.” https://www.swp-berlin.org/publications/products/research_papers/2014_RP07_sbg.pdf.

²⁹ Federal Democratic Republic of Ethiopia Foreign Affairs and National Security Policy and Strategy, (2002).

³⁰ Bacchi, Eleonora. 2015. “The Latest Developments on the Turkish Policy towards Ethiopia.” Observatoire de La Vie Politique Turque. 2015. <https://ovipot.hypotheses.org/13646>.

³¹ Benaim, D. 2019. “Amid Revolutionary Change at Home, Ethiopia Is Remaking Its Middle East Ties.” Center for American Progress. 2019. <https://www.americanprogress.org/article/amid-revolutionary-change-home-ethiopia-remaking-middle-east-ties/>.

³² Fakude, T. 2017. “Understanding the Foreign Policy of Ethiopia towards the Gulf Countries.” Al Jazeera Center for Studies. 2017. <https://studies.aljazeera.net/en/reports/2017/12/understanding-foreign-policy-ethiopia-gulf-countries-171231100904587.html>.

countries from 2015-2019 (a period of increased engagement of Middle East countries in the Horn of Africa) in order to examine the impact on Ethiopia's economy.

Country of origin	No. of Arrival				
	2015	2016	2017	2018	2019
Saudi Arabia	27110	27,424	29,174	21054	24221
UAE	16093	16193	17,740	15,440	14,760
Turkey	4743	4182	5053	4486	4290

Table 1. Tourism Data based on the number of arrivals (2015-2019)³³

Analyzing Table 1, it is noticed that Saudi Arabia is the highest tourism contributor followed by UAE. Besides, Turkey contributes the least tourism inflow throughout the given period. Moreover, beyond being the highest contributor of tourists, tourist inflow from Saudi Arabia increased from 2015-2017, with a slight decrease in 2018, and an increase in 2019. In the case of UAE, which is the second-highest contributor among the three countries, the number of arrivals from UAE had been increasing from 2015-2017, with a slight decrease in the following years. Turkey is the lowest tourist contributor to Ethiopia's tourism sector compared to the other two. The number of tourists arriving from Turkey has shown fluctuation for the given period. It has decreased in 2016, has shown a slight increase in 2017, and decreased from 2018-2019 consecutively.

The highest number of arrivals from Saudi Arabia is indicative of Saudi's significance as a leading contributor to Ethiopia's earnings from the tourism sector. Also, the UAE's contribution is considerable and shows the significance of UAE/Saudi for the country's foreign currency aspiration. Although Turkey is the lowest contributor of tourist arrival compared to its rival Gulf countries under consideration, its economic contributions in the field of foreign direct investment (see table 3) make it formidable to the development aspiration of Ethiopia in general.

Apart from this, the average increase in the number of arrivals from 2015-2017, and the decrease in the number of arrivals from 2018-2019 which was evident for both Turkey and UAE, which seat in the opposite sides of the competing alliances, indicates that the decrease in investment inflow from the Middle East countries might be attributable to factors other than the competitive engagement of Middle East countries in the Horn of Africa.

³³ Source: Ethiopia's Ministry of Culture and Tourism Obtained on August 27/2020

In the case of Ethiopia's export trade with the Middle East countries, Middle East countries are export destinations to Ethiopia's agricultural products such as coffee, flowers, oilseeds, spice, meat and meat products, live animals, fruit, and vegetable among others.

	FOB value in USD				
	2015/16	2016/17	2017/18	2018/19	2019/2020
Qatar	1,039,619	983,623	529	1,559,270	26,995,758
Saudi Arabia	187,795,145	196,550,424	997,852	183,179,865	214,652,571
Turkey	31,784,316	30,654,392	219,820	228,989,359	40,011,733
UAE	89,746,214	120,748,467	503,269	137,542,789	147,785,692

Table 2. Data on Export from Ethiopia to Qatar, Saudi Arabia, Turkey, and UAE (2015-2020)³⁴

Between 2015 and 2020 Saudi Arabia had been the highest recipient of Ethiopia's export items followed by UAE, Turkey, and Qatar. The table illustrates that Saudi Arabia and UAE are the highest export destinations to Ethiopia's export items and the highest contributors of foreign currency compared to the USD contribution of Turkey and Qatar. The export to Saudi Arabia has shown an increase in 2015/2016, and 2016/2017, and has shown a significant decrease in 2017/2018. However, it has shown an increase in 2019/2020. Also, the receipt by UAE has shown the same trend as that of Saudi Arabia, with a significant decrease shown in 2017/2018. The receipt by Turkey has shown a decrease in the first three consecutive years and has shown a significant increase in 2018/2019 and decreased in the following year. Qatar's contribution has kept decreasing for the first three consecutive years and keeps increasing in the following years.

Evidently, despite the increased rift and competition in the Horn of Africa with the Turkey/Qatar alliance following the 2015 GCC crisis, Saudi Arabia and UAE have shown an increase in their export receipt from Ethiopia, despite the significant decrease evidenced in 2017/2018 which was evident for all the Middle East countries. This implies the need for Ethiopia in strengthening diplomatic ties with Saudi Arabia and UAE which are the source of the highest export earnings and considerable contributors to Ethiopia's economy compared to their rivals.

When it comes to Turkey and Qatar which are the lowest contributors to Ethiopia's export earnings respectively, the export earnings from Turkey in 2018/2019, which

³⁴ Source: Ministry of Trade and Industry; Obtained in September 3/2020.

is the highest earning of all time compared to the 5 years earning from all the four countries, indicates Turkey's potential as export destination to Ethiopia's export items. Moreover, the continuous increase in export earnings from Qatar for 2017-2020 evidence its openness to Horn countries' export items after its heated rivalry and isolation from the GCC in 2017, which has necessitated receipt of export items from the Horn countries and enhancement of its trade relationship with the Horn countries. Despite the rivalry, Ethiopia's export earnings from the rival Middle East countries have shown an average increasing trend apart from the 2017/2018 year which was evident for all.

Hence, the rift among the Middle Eastern countries doesn't negatively affect Ethiopia's economic gains from its export trade with both alliances. Also, the lower contribution and the increasing trend of export to Turkey and Qatar is indicative of the need to enhance diplomatic ties with both countries. Moreover, the highest earning from and the increasing trend of export to Saudi Arabia and UAE implies the need to maintain diplomatic ties with those countries and maintain a policy of neutrality which is bearing, fruits in terms of increasing export earnings from both sides.

In the same period, the Middle East countries have invested in several projects in Ethiopia. Below, Table 3-5, provides an index of pre-implemented, implemented, and operational projects of Saudi Arabia, UAE, and Turkey in Ethiopia.

Year	Total projects	Pre-implementation	Implementation	Operation
2015	14	6	1	7
2016	19	4	3	12
2017	6	2	3	1
2018	5	2	-	3
2019	7	3	-	4
Total	52	17	7	37

Table 3. Yearly investment by Turkey (2015-2019)³⁵

Year	Total projects	Pre-implementation	Implementation	Operation
2015	5	2	-	3
2016	3	2		1
2017	2	1	1	-
2018	3	1	1	1

³⁵ Source: Ethiopian Investment Commission; obtained on Nov 2/2020

2019	8	3	3	2
Total	21	9	5	7

Table 4. Yearly investment by UAE (2015-20219)³⁶

Year	Total projects	Pre-implementation	Implementation	Operation
2015	6	5	-	1
2016	8	4	3	1
2017	2		2	-
2018	1	1	-	-
2019	-	-	-	-
Total	17	10	5	2

Table 5. Yearly investment by Saudi Arabia (2015-2019)³⁷

As is indicated in table 3, Turkey is the highest investor in Ethiopia with 52 total projects in Ethiopia. Then comes UAE with 21 projects followed by Saudi Arabia with 17 total projects. Also, in terms of the number of operational projects Turkey comes first with 27 projects, being followed by UAE with 7 projects and Saudi Arabia with 2 projects. As can be read from table 3, Turkey's highest share of total investment was in 2016. The least being in 2018. Its investment has decreased from 2016-2018. Also, as is indicated in table 4, UAE's highest number of investment projects was marked in 2019. The lowest being marked in 2017. Its number of projects has decreased from 2015-2017 and shown some increase in 2018 and 2019. Table 5 shows that Saudi Arabia's highest number of projects was marked in 2016, the lowest being in 2018. Its investment has marked a continuous decline from 2016-2019.

In terms of yearly investment contribution, all countries marked a decline in investment contributions - the least being running for three consecutive years. Also, Turkey's and UAE's investment share marked an increase from 2018-2019, and 2017-2019 respectively. These trends imply that the decline marked by both rival alliances and rise in the investment share of Turkey and UAE after 2017 which marks the GCC crisis is indicative of the fact that the reason for the decline could be attributable to factors other than the rift among the Middle East rival state.

The economic implication of the investment trend from 2015-2019 is that Turkey is an indispensable economic contributor to Ethiopia's economy as it is a contributor of the highest investment projects in terms of both total projects and projects being made

³⁶ Source: Ethiopian Investment Commission; obtained on Nov 2/2020

³⁷ Source: Ethiopian Investment Commission; obtained on Nov 2/2020

operational. It is also evident from the given investment data that the rift between the Qatar vis-à-vis Turkey alliance and their competitive engagement in the Horn of Africa following the 2015 Yemen war and the 2017 GCC crisis had minimally impacted Ethiopia's economy in terms of the number of investment arrival in the given years.

5 Security Implications

This section discusses and analyses the competitive engagement of Middle East countries in Somalia, Sudan, and Eritrea through proliferation of military bases, development of commercial ports, military training, and transactional diplomacy and the implication of such engagement for Ethiopia.

To begin with, according to an informant from the African Institute of Strategic Studies based in Ethiopia, the competitive engagement of Middle East countries is more apparent in Somalia and its member states than in any other part of the region. Applying their policy of coercion and transactional diplomacy, Saudi Arabia and UAE coerce the Horn of African countries to take side with them. In Somalia, Saudi Arabia and UAE used their oil money as a soft power to pressure the member states of Somalia to take sides with them in pushing Qatar and Turkey out of the region and exerting pressure on the Farmajo government. This undermines the state-building and peacekeeping efforts in Somalia which are spearheaded by the AU and the IGAD. This in turn affects the completion of state-building efforts in Somalia and undermines the anti-terrorism operations in Somalia. Ultimately, Al-Shabab and Al-Qaida, and other extremist groups in Somalia would get fertile ground for their extremist objective of destabilizing the region. This is a security threat to Ethiopia - as these extremist groups are targeting Ethiopia because of its role in anti-terrorism and peacekeeping operations in Somalia.

On the other hand, Qatar/Turkey alliance is provided support for the Farmajo's administration. According to a Turkish senior Diplomat from the Embassy of Turkey in Addis Ababa, when it comes to security issues, Turkey has helped the central government of Somalia in peacekeeping operations in Somalia (TURKISOME mission in Somalia). In its military training operations in Somalia, Turkey trained more than 10,000 soldiers in Somalia. Turkey is also actively working with the IGAD over the Somalia peacekeeping activities. However, according to a government official from the Middle East Directorate General of the FDRE MoFA, in Somalia, following the increasing ties of Farmajo's government with Turkey and Qatar - UAE and Saudi supported regional governments to weaken and exert pressure on Farmajo's central government. Such power play among the UAE, Saudi Arabia, Qatar, and Turkey has caused political turmoil in Somalia. This has weakened the Somali Federal Government and faltered relations between the center and the peripheries.

This is creating a space for terrorist groups such as Al-Shabab to threaten the stability of the region and affecting the efforts of Ethiopia and other regional bodies aiming at bringing a strong government in Somalia and maintaining regional security.

Besides, a Career Diplomat from FDRE MoFA informed me that, the imminence of the terrorist threat and the reality on the ground is an alarming alert for the government to give proper attention to, and work with the government of Somalia and its neighboring states towards containment of Middle Eastern countries coercive engagement in Somalia, and enhancement of anti-terrorism operations against religious radical groups trying to destabilize the country, having their base in Somalia.

On the other hand, the engagement of Middle East countries in Eritrea also entails security implications for Ethiopia. Before the 2018 rapprochement, the bitter rivalry between Ethiopia and Eritrea had ramifications that extended far beyond the narrow confines of their bilateral relationship. According to a government official from the Middle East Directorate General of the FDRE MoFA, before Ethiopia's rapprochement with Eritrea UAE and Qatar used to pay salaries for Eritrea's soldiers. UAE uses to provide monetary support to the Eritrean government, while Asmera was under the international influence through economic and military sanctions. This was against the national interest of Ethiopia and detrimental to the security and stability of the Horn of Africa region, as Asmera was in military tension with most of the Horn of Africa countries. However, according to an official from Neighboring Countries, Nile Basin, and IGAD Affairs Directorate General of FDRE MoFA, the tension between Ethiopia and Eritrea before the rapprochement had a far-reaching impact on the security and stability of the Horn of Africa region as Eritrea conflicted with its neighbors until its rapprochement with Ethiopia - which has culminated in the tension between the two countries.

The security implication of Middle East countries engagement in the Horn of Africa is also evident in their divisive engagement in Sudan. Sudan is also undergoing a political transition since 2019 after a military coalition overthrows the long-serving President Omar al-Bashir. The two Gulf states (the UAE and Saudi Arabia) played a huge role in installing another strongman sympathetic to their regional politics, who would maintain Sudan's participation in the war in Yemen and curb Turkish and Qatari influence.³⁸ The Saudi's and Emirati share a preference for cooperation with security states and often coordinate their efforts, for example by working jointly

³⁸ Mosley, Jason. 2020. "Ethiopia's Transition: Implications for the Horn of Africa and Red Sea Region." SIPRI. March 1, 2020. <https://www.sipri.org/publications/2020/sipri-insights-peace-and-security/ethiopias-transition-implications-horn-africa-and-red-sea-region>.

pledge \$3 billion in combined aid to Sudan's military-led transition in 2019.³⁹ On the other side, Turkey signed an agreement with Khartoum to redevelop the Sudanese island and seaport of Suakin. These agreements bring Turkey more directly into regional competition in the Horn.⁴⁰ Qatar has also attempted to enter the port development game. Its Planned projects in Sudan would represent Doha's first foray into overseas port developments.⁴¹ The collapse of Sudan's ruling regime in April 2019 could jeopardize existing contracts, however, and Qatar and Turkey's future relationship with Khartoum will depend on the character of the transitional government.⁴² According to an interview with a counselor at the Embassy of Turkey, Turkey has historical and cultural appeal in the Horn of Africa. "As part of its historical ties with Sudan, Turkey has agreed to redevelop the Sudanese island and seaport of Suakin, and Turkey is working with the transitional council towards the realization of the agreement", said the counselor.

However, according to a key informant interview with a career diplomat at FDRE MoFA, interference of the Saudi alliance in Sudan's transition through transactional diplomacy and agreement of the Turkey alliance to invest in military and port infrastructure and their continued engagement to this end despite the overthrow of the al-Bashir administration is consequential to a smooth transition in Sudan and may harden the task of the transitional council in bringing smooth transition in Sudan, given the internal political dynamics of the country. Such consequential engagement of Middle East countries in Sudan, may jeopardize peaceful transition and result in further conflict in Sudan. This would in turn impact the security of Ethiopia, and the Horn of Africa region by large.

Finally, the militarization of the Horn of Africa region following increased engagement of Middle East countries in the proliferation of military bases also has security implications for Ethiopia. according to a key informant interview with an official from Neighboring Countries, Nile Basin, and IGAD Affairs Directorate General of FDRE MoFA, the powerful states like China, the USA, European countries, and middle power countries in the likes of Middle Eastern countries are

³⁹ "Intra-Gulf Competition in Africa's Horn: Lessening the Impact." 2019. Crisis Group. September 18, 2019. <https://www.crisisgroup.org/middle-east-north-africa/gulf-and-arabian-peninsula/206-intra-gulf-competition-africas-horn-lessening-impact>.

⁴⁰ Mosley, Jason. 2020. "Ethiopia's Transition: Implications for the Horn of Africa and Red Sea Region." SIPRI. March 1, 2020. <https://www.sipri.org/publications/2020/sipri-insights-peace-and-security/ethiopias-transition-implications-horn-africa-and-red-sea-region>.

⁴¹ Vertin, Zach. 2019. "Red Sea Rivalries: The Gulf, the Horn, & the New Geopolitics of the Red Sea." <https://www.brookings.edu/wp-content/uploads/2019/06/Red-Sea-Rivalries.-The-Gulf-The-Horn-and-the-New-Geopolitics-of-the-Red-Sea-English-pdf.pdf>.

⁴² Ibid

heavily investing in military base installation in the Red Sea region and the Horn of Africa. The state of armament and manpower deployed in those military bases makes the region full of tension. Thus, if any conflict arose in the region, it will be exacerbated by the armament and military infrastructure present on those bases. This would easily destabilize the conflict-prone region and may impact Ethiopia's security as well. Moreover, according to a government official from the Middle East Directorate General of the FDRE MoFA, the presence of foreign naval forces (military bases) coupled with the political dynamics of the region, in particular as Djibouti President Ismail Omar Guelleh is getting old, there is a growing concern as to political transition in Djibouti - as the country is vulnerable to external influence and home to a large number of operational foreign military bases, unfinished state building efforts in Somalia and Eritrea, the border issues among the regions neighboring countries, and overall proneness of the region to the escalation of conflict at any time poses a security threat to the region in broader terms and Ethiopia in particular. Moreover, escalation of conflict in the region is consequential to Ethiopia's security and those military facilities might be used against Ethiopia's interest in any event of possible conflict with its neighbors.

6 Discussion

The division of the Arab world into two camps following the advent of the Cold War, and the following period of American Unipolarity following the collapse of the Soviet Union and the resulting Iranian and Arab nationalism and Sunni and Shia sectarian identities pushed the region into the consequent events of the 2011 Arab spring, the 2015 Yemen War and the 2017 GCC crisis. Hence, the prolonged events of conflict and rift in the Middle East coupled with security and economic reasons associated with the proximity and strategic significance of the Horn of Africa region are the major factors driving the competitive physical and political presence of Middle East countries in the Horn of Africa.

The rift among the Middle Eastern countries and the export of their rift to the Horn of Africa has economic and security implications for Ethiopia. In terms of economic implication, the results of analysis of tourism, export, and investment index from 2015-2019, and other supporting primary and secondary sources data imply that the investment and tourism inflows from the Middle East countries are minimally impacted by the competitive engagement of Middle East countries in the Horn of Africa. Also, the export trade relation with those countries implies that the economy is least impacted by the competition.

When it comes to the security implications, competitive engagement of Middle Eastern countries in Eritrean, particularly before the rapprochement had impacted the territorial integrity and security of Ethiopia and had far-reaching consequences to the

peace and security of the Horn of Africa region as well. Also, the competitive engagement of Middle East countries in Sudan, specifically while Sudan is in political transition after the downfall of former President Omar al-Bashir also has an impact on the security of Ethiopia. Moreover, Middle East countries' interference in Somalia's internal political dynamics and the alarming militarization of the region are posing a threat to the security of Ethiopia.

Based on these findings, three important policy considerations were suggested by the key informants. The first being, the need to ensure the internal peace and security of the Ethiopia through proper handling of the country's internal social, economic, and political dynamics. The second suggested solution is that, if the rift among Middle East countries and competitive engagement of Middle East countries continue to exist on the ground, Ethiopia shall maintain its 'policy of neutrality' in its bilateral engagement with either side of the alliance in a way that enables it to maximize its national interests. Lastly, it is suggested that the Horn of African countries should strengthen their collaboration and maintain a common voice in their engagement with the Middle East countries through the instrumentality of the IGAD and AU. To this end, it is suggested that the Horn of African countries should work towards strengthening the IGAD taking lessons from other successful sub-regional organizations like the ECOWAS.

Lastly, while undertaking this study, a failed attempt was made to obtain primary data from Embassies of Saudi Arabia, Qatar, and UAE in Ethiopia. Thus, taking into consideration such limitations of this study, future studies in the area may complement this study by fully engaging and obtaining further primary data on the study area from the sources.

7 Conclusion

The resurgence of competition among middle eastern countries in the Horn of Africa region in the events following the 2011 Arab spring, including the 2015 Yemen war and the 2017 GCC crisis has economic and security to the Horn of Africa in broader terms and Ethiopia in particular. This study argues that the resurgence of Middle East countries competitive engagement in the Horn of Africa is the result of a historically rooted rift in the Middle East and the resultant political and economic interests in the geostrategic Horn of the African region, and the competitive engagement of Middle East countries in the Horn of Africa had minimal impacts on the economy and has security threats to Ethiopia.

Analysis of investment, export, and tourism data and supporting data from key informant interviews and secondary sources of data imply that the Middle East countries' competitive engagement in the Horn of Africa had minimal impact on the economy of Ethiopia.

Also, the analysis of the available data shows the competition of Middle East countries in Somalia, in Sudan's transition, and in Eritrea especially before the rapprochement, and militarization of the Horn of Africa region is a threat to the security of Ethiopia.

The paper suggests the need to ensure the continuity of 'inward-looking' foreign policy orientation of the country, and the 'policy of neutrality' towards the Middle East countries. Moreover, the study suggests the need to promote a negotiated settlement of rift among the Middle East countries. Finally, the paper emphasizes the need to maintain and enhance Ethiopia's bilateral and multilateral diplomatic engagement with the Middle East countries. Besides, Ethiopia should strengthen its diplomatic engagement with the Horn countries the IGAD and the AU.

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